

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT -- CHANCERY DIVISION

NORTH COMMUNITY BANK,)

Plaintiff,)

vs.)

No. 96 CH 12045)

JEROME RAPPIN, SUSAN C. RAPPIN,)
SUCCESS NATIONAL BANK, SAVE-A-TUB,)
INC., UNKNOWN OWNERS AND NONRECORD)
CLAIMANTS, THE PEOPLES GAS LIGHT AND)
COKE COMPANY,)

Defendants)

**NOTICE OF SUSAN C. RAPPIN'S EMERGENCY PETITION TO
VACATE THE JUDGMENT OF FORECLOSURE AND SALE, OR,
SOLELY IN THE ALTERNATIVE, TO EXTEND THE REDEMPTION
PERIOD AND STAY THE SALE (LIS PENDENS)**

The undersigned certifies that an Emergency Petition to Vacate the Judgment of Foreclosure and Sale, Or, Solely in the Alternative, to Extend the Redemption Period and Stay the Sale (the "Petition") regarding the above-entitled mortgage foreclosure action was filed on August 21, 1997 and is now pending.

- (i) The name of Plaintiff and the case number are identified above.
- (ii) The name of Defendants are identified above.

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- (iii) The Court in which said Petition was brought is identified above. (A true and correct copy of the Petition is attached hereto as Exhibit A.)
- (iv) A legal description of the real estate sufficient to identify it with reasonable certainty is as follows:

LOT 6 IN COLBY MICHAELSON SUBDIVISION BEING A RESUBDIVISION OF PART OF LOT 9 IN COUNTY CLERK'S DIVISION OF SECTION 16, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.L.N.: 10-16-403-008-0000

- (v) A common address or description of the location of the real estate is as follows:

9124 North Lawler, Skokie, IL 60077

- (vi) An identification of the Mortgage relative to the above action is as follows:

Name of Mortgagor: JEROME RAPPIN

Name of Mortgagee: NORTH COMMUNITY BANK

Date of Mortgage: September 30, 1994

Date of Recording: October 4, 1994

County where recorded: Cook County, Illinois

Recording Document Identification: Doc. No. 94856858

Dated: August 21, 1997



James A. Chatz

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State of Illinois)
) ss.
County of Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO
HEREBY CERTIFY that James A. Chatz is personally known to me to be the same person whose
name is subscribed to the foregoing instrument, appeared before me this day in person, and
acknowledged that he signed, sealed and delivered the said instrument as her free and voluntary act,
for the uses and purposes therein set forth.

Given under my hand and official seal, this 21st day of August, 1997.



Lyn Walsh
Notary Public
My commission expires 8/26/2000

This instrument was prepared by: James A. Chatz, Esq., Kamensky & Rubinstein, 7250 North Cicero
Avenue, Suite 200, Lincolnwood, Illinois 60646

After recording, mail to:

James A. Chatz, Esq.
KAMENSKY & RUBINSTEIN
7250 N. Cicero Ave., Suite 200
Lincolnwood, IL 60646

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IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT -- CHANCERY DIVISION

NORTH COMMUNITY BANK,)

Plaintiff,)

vs.)

No. 96 CH 12045

JEROME RAPPIN, SUSAN C. RAPPIN,)

SUCCESS NATIONAL BANK, SAVE-A-TUB,)

INC., UNKNOWN OWNERS AND NONRECORD))

CLAIMANTS, THE PEOPLES GAS LIGHT AND)

COKE COMPANY,)

Defendants.)

**SUSAN C. RAPPIN'S EMERGENCY PETITION TO VACATE THE JUDGMENT
OF FORECLOSURE AND SALE OR, SOLELY IN THE ALTERNATIVE,
TO EXTEND THE REDEMPTION PERIOD AND STAY THE SALE**

Susan C. Rappin ("Rappin"), by her attorneys, Kamensky & Rubinstein, hereby petitions this Court, pursuant to Section 2-1401 of the Illinois Code of Civil Procedure, to vacate the Judgment of Foreclosure and Sale entered on May 22, 1997 or, solely in the alternative, to extend the redemption period and stay the sale, and for an extension of time to answer or otherwise plead to the Complaint filed by plaintiff North Community Bank. In support of this Motion, Rappin states as follows:

1. Rappin has meritorious defenses to the Complaint to Foreclose Mortgage filed by the plaintiff. However, due to circumstances outside her control, Rappin failed to file a responsive pleading or to appear on May 22, 1997, at which time a Judgment of Foreclosure and Sale (the "Judgment") was entered.

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2. Pursuant to Section 2-1401 of the Illinois Code of Civil Procedure, Rappin requests that this Court vacate the Judgment entered against her and to grant her a brief extension of time to answer or otherwise plead.

3. Rappin's request will not prejudice plaintiff, but will allow this case to be heard and resolved on its merits. Currently, Rappin and her husband, Jerome Rappin, pay for the maintenance, landscaping, repairs and water bills at the Property, without being reimbursed for any of these expenses, and they are willing to pay any rent which this Court determines to be reasonable for their own apartment. There is no threat to the plaintiff's position if the Judgment is vacated so that the serious issues which are raised in this Motion can be heard and resolved.

BACKGROUND

4. In or about September of 1990, Joe Seiden and his wife Miriam Seiden, as joint tenants, conveyed the property located at 9124 North Lawler, Skokie, Illinois 60077 (the "Property") to Joe Seiden, as the trustee of the Joe Seiden Declaration of Trust dated July 20, 1990 (the "Seiden Trust"), by way of a deed of trust (the "Deed"). (A copy of the Deed is attached hereto as Exhibit A and is incorporated herein by reference. A copy of the Trust is attached hereto as Exhibit B and is incorporated herein by reference.) The Deed was recorded in Cook County on November 26, 1990 as document number 90574463.

5. On September 23, 1994, Joe Seiden, individually, and not as the trustee of the Trust, allegedly conveyed the Property by quitclaim deed (the "Quitclaim Deed") to Jerome Rappin, Joe Seiden's son-in-law, for the sum of ten thousand dollars (\$10,000.00). (A copy of the alleged Quitclaim Deed is attached hereto as Exhibit C and is incorporated herein by reference.) This Quitclaim Deed was recorded in Cook County on October 4, 1994 as document number 94856856.

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6. On September 30, 1994, Jerome Rappin may have executed a promissory note payable to North Community Bank ("North Community") in the principal sum of \$678,750.00. As security for the promissory note, Jerome Rappin may have mortgaged the Property to North Community for the same sum of money (the "Mortgage"). (A copy of the Mortgage is attached hereto as Exhibit D and is incorporated herein by reference.)

7. However, Jerome Rappin never knew that he was placing liens on the Property and he never intended to do so. The Mortgage was recorded in Cook County on October 4, 1994 as document number 9856858. The Mortgage was given as additional collateral for a loan which was unrelated to the Property.

8. North Community filed its Complaint to Foreclose Mortgage on the Property.

9. On May 22, 1997, the Judgment was entered by this Court for \$812,580.35. The Judgment alleged that the named defendants, including Rappin, failed to answer North Community's Complaint within the time required by law and that an Order of Default was entered against the named defendants.

10. The redemption period on the Property is set to expire on August 22, 1997, and, pursuant to the Judgment, the Intercounty Judicial Sales Corporation is scheduled to sell the Property at 11:00 a.m. on August 28, 1997.

I. **THE JUDGMENT OF FORECLOSURE AND SALE SHOULD BE VACATED BECAUSE THE QUITCLAIM DEED CONTAINS A FRAUDULENT SIGNATURE.**

11. The Quitclaim Deed, which allegedly transferred the Property to Jerome Rappin, purports to be signed by Joe Seiden.

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12. Upon information and belief, Joe Seiden did not personally execute the Quitclaim Deed. In fact, because of his ailing health at the time of the alleged conveyance, Joe Seiden could not physically have executed the Quitclaim Deed as it appears. Rappin is informed and believes that her son, Craig Rappin, was involved in the preparation and/or execution of the Quitclaim Deed.

13. For a conveyance to be effective, it must be validly executed. Chrystyan v. Feinberg, 156 Ill.App.3d 781, 510 N.E.2d 33, 35 (1st Dist. 1987). Therefore, the Quitclaim Deed is not effective.

14. North Community has no right to any funds which would be available after the sale of the Property because the Mortgage is based on the forged Quitclaim Deed. See St. Paul Federal Savings & Loan Assn. of Chicago v. Avant, 135 Ill.App.3d 568, 481 N.E.2d 1050 (1st Dist. 1985) (holding that where the defendant bank received funds in return for its release of a purported mortgage on real estate, but where it was later discovered that the mortgage released was of no value because it had been based upon a forged deed, the defendant bank had no right to retain the money). See also, Resolution Trust Corp. v. Hardisty, 269 Ill.App.3d 513, 646 N.E.2d 628 (3rd Dist. 1995) (holding that if a person's signature is forged on a mortgage, then the person's interest in the relevant property is not encumbered by the mortgage).

15. Additionally, as set forth in the Affidavit of Jerome Rappin, a copy of which is attached hereto as Exhibit E, Jerome Rappin either did not sign the Mortgage or he did so without understanding the legal consequences associated with signing the Mortgage on the Property.

16. Title never passed from the Seiden Trust to Jerome Rappin and North Community cannot foreclose on the Mortgage.

17. Joe Seiden passed away on June 8, 1995.

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18. The Seiden Trust required that if his wife, Miriam Seiden, survived him, the trustee of the Seiden Trust should create a marital trust designated as Trust A for Miriam Seiden and that the balance of the Trust should be held as a separate trust which is designated as Trust B. Seiden Trust, ¶ 3.1(a).

19. Miriam Seiden passed away on December 10, 1996.

20. The Seiden Trust provided that upon Miriam Seiden's death any part of Trust A which was not distributed in a manner otherwise provided by the Seiden Trust should pour over into Trust B. Seiden Trust, ¶ 4.1(d).

21. The Seiden Trust further provided:

On the death of the last to die of my spouse and me, the trustee shall allocate Trust B per stirpes to my then living descendants, and each share allocated to a descendant of mine shall be retained in trust as a separate trust designated by the name of the descendant.

22. Joe Seiden's living descendants at the time that Miriam Seiden passed away were Rappin and Barbara Kretske, his daughters.

23. The Deed transferred the Property to the Trust.

24. Therefore, based on the Seiden Trust, when Miriam Seiden passed away, the Property should have passed to Rappin and Barbara Kretske.

II. THE JUDGMENT OF FORECLOSURE AND SALE SHOULD BE VACATED BECAUSE JOE SEIDEN DID NOT OWN THE PROPERTY WHEN IT WAS ALLEGEDLY TRANSFERRED TO JEROME RAPPIN.

25. Even if this Court finds that Joe Seiden validly executed the Quitclaim Deed, the record is clear that Joe Seiden did not have the authority to transfer the Property to Jerome Rappin.

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26. The Deed conveyed the Property from Joe Seiden and Miriam Seiden to the Seiden Trust. Therefore, from November of 1990, and at all times pertinent to this matter, the Seiden Trust, not Joe Seiden, owned the Property.

27. The Quitclaim Deed purports to transfer the Property from "Joe Seiden, married to Miriam Seiden" to Jerome Rappin.

28. Because the Quitclaim Deed is intended to be a transfer of the Property from Joe Seiden, individually, rather than from the Seiden Trust, the true owner of the Property, the Quitclaim Deed is not an effective transfer of the Property to Jerome Rappin.

29. Since the Property was never effectively transferred to Jerome Rappin, he did not have a legal right to mortgage the Property to North Community.

30. Thus, as a matter of record, North Community does not have a valid lien on the Property.

III. THE JUDGMENT OF FORECLOSURE AND SALE SHOULD BE VACATED.

31. As set forth in the Affidavit of Susan C. Rappin, a copy of which is attached hereto as Exhibit F, Rappin was reasonably diligent in protecting her rights in this matter. Although Rappin may have been served with process, her son, Craig Rappin, who, upon information and belief was engaged in various business matters with North Community, represented to Rappin that this matter was being handled and resolved such that a Judgment of Foreclosure would not be entered against the Property.

32. Rappin is an unsophisticated person with no business experience and her reliance on her son's word was both reasonable and excusable.

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33. Rappin was not informed that the Property was going to be foreclosed upon until early June of 1997 and she has been diligent in pursuing this matter since that time. After receiving notice of the foreclosure sale, Rappin obtained counsel to protect her interests. Given the existence of one, and possibly more, forged documents, defective conveyances and other issues calling into question the enforceability of the Mortgage, Rappin has brought this Petition as quickly as was practical.

34. As discussed above, Rappin has several meritorious defenses to the Complaint to Foreclose Mortgage. In fact, the Mortgage which North Community seeks to foreclose, thus forcing Rappin from her home of 33 years, was allegedly given by a party, who allegedly took title pursuant to a forged document, which on the face of the public record, was from an individual who did not even own the Property at the time.

WHEREFORE, Defendant Susan C. Rappin, respectfully requests that this Court vacate the Judgment of Foreclosure and Sale entered on May 22, 1997, or, solely in the alternative, to extend the redemption period and stay the sale of the Property and grant her an extension of time to answer or otherwise plead, and that the Court grant Rappin such other and further relief as the Court deems just and proper.

Dated: August 21, 1997.

Respectfully submitted,

SUSAN C. RAPPIN

By:

One of her Attorneys

James Chatz, Esq.
Stuart Gimbel, Esq.
Naomi F. Katz, Esq.
KAMENSKY & RUBINSTEIN
7250 North Cicero Avenue, Suite 200
Lincolnwood, Illinois 60646
(847) 982-1776
Attorney Code: 26388
[f:naomi@kretake.m]

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VERIFICATION

Under penalties as provided by law pursuant to Section 1-109 of the Code of Civil Procedure, the undersigned certifies that the statements set forth in this document are true and correct, except as to matters therein stated to be on information and belief, and as to such matters, the undersigned certifies as aforesaid that she verily believes the same to be true.

Susan C. Rappin

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THE GRANTORS Joe Seiden and Miriam Seiden, his wife, not as tenants in common, but as Joint Tenants

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of the County of Cook and State of Illinois for and in consideration of

Dollars, and other good and valuable considerations in hand paid,

Convey and WARRANT QUICCLAIM unto Joe Seiden, trustee of the Joe Seiden

Declaration of Trust

2050 North LaCrosse, Skokie, Illinois 60076

(The Above Space For Recorder's Use Only)

under the provisions of a trust agreement dated the 20th day of July 1990... Lot 6 in Colby Michaelson Subdivision, being a resubdivision of part of Lot 9 in County Clerk's Division of Section 29, Township 41 North, Range 13, East of the Third Principal Meridian in Cook County, Illinois.

Permanent Real Estate Index Number 10-16-403-008-0000

Address of real estate 2224 North Lawler, Skokie, Illinois

TO HAVE AND TO HOLD to the said grantee, with the appropriate covenants, conditions and purposes therein, and trust agreement on both

Full power and authority are hereby granted to said trustee to improve, maintain, protect and substitute said premises... to grant options to purchase... to amend, change or modify leases...

In no case shall any party dealing with said trustee in relation to said premises... be bound by any instrument... unless such instrument is duly acknowledged and attested by the trustee...

The interest of each and every beneficiary hereunder and of all persons claiming under them or any of them shall be in fee simple... and no beneficiary hereunder shall have any life interest...

Failure to comply with the above provisions shall render void and inoperative the entire instrument... and the grantor shall be liable for the same...

And the said grantor hereby expressly warrants and holds to the grantee and all heirs, assigns and successors... and the State of Illinois... that the premises hereunto conveyed are free from all liens...

In Witness Whereof the grantor has hereunto set their hands and seals the day and date first above written.

Joe Seiden Miriam Seiden

State of Illinois, County of Cook

TRUSTEES: MIRIAM JOE SEIDEN and MIRIAM SEIDEN



November 90

EVERETT... COOK COUNTY RECORDER... 10374463

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JOE SEIDEN

DECLARATION OF TRUST

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As of the date last written below, I hereby transfer property to myself as trustee and declare that I am to hold the property, including all substitutions therefor and additions thereto, and the income arising therefrom, hereinafter referred to as the trust estate, in one or more trusts upon the conditions hereinafter set forth.

SECTION I

1.1. During my life the trustee shall distribute the income and principal of the trust estate as I shall direct, except that if I am unable to act in the management of my affairs the trustee shall distribute any part or all of the income and principal of the trust estate as the trustee believes desirable from time to time for the best interests of myself and my spouse, adding any excess income to principal.

1.2. I shall have the right to revoke or amend this Agreement in whole or in part at any time or times by written notice to the trustee, except that an amendment shall not be effective to change the responsibilities of the trustee without its consent. The power to amend or revoke this Agreement is personal to me and may not be exercised by my legal representative, attorney-in-fact, or others.

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1.3. The following shall apply to the payment of my debts, and other payments due at or on account of my death:

(a) If I have no probate estate, or to the extent that the cash and readily marketable assets in my probate estate are insufficient, the trustee shall pay from the principal of the trust estate all funeral expenses, claims properly chargeable against my estate, costs of administration including ancillary administration, and estate and inheritance taxes assessed by reason of my death. Payments shall not be made from property otherwise excludable from my estate for Federal Estate Tax purposes, and life insurance proceeds shall be used for these payments only if, and to the extent that, other assets are not available. The trustee may make any part or all of these payments directly or to the legal representative of my estate, as the trustee deems advisable. I waive all rights of reimbursement for any payments made pursuant to this subparagraph.

(b) Interest and penalties relating to any tax shall be paid and charged in the same manner as the tax.

SECTION II

2.1. On my death, if my spouse does not survive me, the trustee shall distribute the amount of Five Thousand Dollars (\$5,000) per capita to each of my then-living grandchildren and great-grandchildren.

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SECTION III

3.1. The following shall apply upon the date of my death:

(a) After making or providing for the payments contemplated by the preceding provisions of this Agreement, the trustee shall allocate the trust estate, including property added to the trust estate by my will or from any other source, as provided in this paragraph. If my spouse survives me, then the trustee shall set aside out of the trust estate, as a separate trust designated as Trust A (undiminished to the extent possible by any estate or inheritance taxes or other charges), the smallest pecuniary amount which, if allowed as a Federal Estate Tax marital deduction, would result in the least possible Federal Estate Tax being payable by reason of my death. In determining the pecuniary amount, the trustee shall consider the credit for state death taxes only to the extent that state death taxes are not thereby incurred or increased and shall assume that all payments and legacies provided for above will have been made or satisfied in full. The balance of the trust estate, or all thereof if my spouse predeceases me, shall be held as a separate trust designated as Trust B.

(b) In the administration of Trust B, my spouse shall not be deemed to have predeceased me by reason of having disclaimed any part or all of Trust A.

(c) The trustee shall select and allocate the cash, securities and other property, including real estate and

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interest therein, which shall constitute Trust A, employing for the purpose values current at the time or times of allocation. The trustee shall not allocate to Trust A (1) any asset or proceeds of sale of any asset as to which a marital deduction is not allowable, or (2) any insurance policy on the life of my spouse. The selections and all allocations made by the trustee pursuant to this paragraph shall not be subject to question by any beneficiary.

(d) If my estate depreciates in value after the applicable Federal Estate Tax valuation date, and as a result is insufficient to satisfy in full all pecuniary legacies, these legacies shall abate proportionately.

(e) Unproductive property may be held as an asset of Trust A unless my spouse directs otherwise in writing.

SECTION IV

4.1. The following shall apply to Trust A:

(a) Commencing at my death, the trustee shall pay the income of Trust A to my spouse during my spouse's life. The trustee shall also pay to my spouse any part or all of the principal of Trust A as it believes desirable from time to time for the medical care and support of my spouse, considering the income of my spouse known to the trustee.

(b) In addition, my spouse may withdraw any part or all of the principal of Trust A at any time or times.

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(c) On the death of my spouse, the principal and any accrued or undistributed income of Trust A shall be distributed to or in trust for any appointee or appointees, including my spouse's estate, in the manner and proportions as my spouse may appoint by will, making specific reference to this power.

(d) On the death of my spouse, any part of Trust A not distributed pursuant to the above provisions of this Agreement shall be added to Trust B, except that, unless my spouse directs otherwise by will, the trustee shall first pay from the principal of that portion of Trust A which is includable in my spouse's estate for Federal Estate Tax purposes, directly or to the legal representative of my spouse's estate as the trustee deems advisable, the amount by which the estate and inheritance taxes assessed by reason of the death of my spouse shall be increased as a result of the inclusion of Trust A in my spouse's estate for tax purposes. The trustee's selection of the assets to be sold to pay such amount, and the tax effect thereof, shall not be subject to question by any beneficiary.

SECTION V

5.1. During the life of my spouse, the following shall apply to Trust B:

(a) The trustee shall pay to my spouse all of the income of Trust B.

(b) The trustee shall pay to my spouse any part or

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all of the principal of Trust B as the trustee believes desirable for the medical care and support of my spouse in my spouse's accustomed manner of living. In making payment under this subparagraph, the trustee shall take into account the income and resources of my spouse known to the trustee and the interest of my spouse in Trust A.

(c) On the death of my spouse, any part of Trust B not distributed or allocated pursuant to the above provisions of this Agreement shall be distributed to or in trust for any one or more of my descendants in the manner and proportions as my spouse shall appoint by will, making specific reference to this power.

SECTION VI

6.1. On the death of the last to die of my spouse and me, the trustee shall allocate Trust B per stirpes to my then living descendants, and each share allocated to a descendant of mine shall be retained in trust as a separate trust designated by the name of the descendant.

SECTION VII

7.1. The trusts created pursuant to the Sections immediately preceding and succeeding this Section shall be administered as follows:

(a) The trustee shall pay to a beneficiary the income of the trust named for the beneficiary until the first to

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occur of the distribution of the trust or the death of the beneficiary, except that while the beneficiary is under age twenty-one years, the trustee shall pay to the beneficiary any part or all of the income as the trustee believes desirable for the medical care, education and support of the beneficiary, adding any excess income to principal. The trustee shall pay to a beneficiary any part or all of the principal of the trust named for the beneficiary as the trustee believes desirable, from time to time, for the medical care, education and support of the beneficiary in the beneficiary's accustomed manner of living, considering the income and resources of the beneficiary known to the trustee.

(b) When a beneficiary has reached age twenty-five years, the trustee shall distribute to the beneficiary one-half in value of the principal of the trust named for the beneficiary; and when a beneficiary has reached age thirty years, the trustee shall distribute to the beneficiary the remaining principal of the trust named for the beneficiary.

(c) On the death of a beneficiary, any part of the trust named for the beneficiary not distributed or allocated pursuant to the above provisions of this paragraph shall be distributed to or in trust for any appointee or appointees, including the beneficiary's estate in the manner and proportions as the beneficiary shall appoint by will, making specific reference to this power.

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SECTION VIII

8.1. Any part of a trust not distributed, allocated or effectively appointed pursuant to the above provisions of this Agreement shall be allocated on the death of the beneficiary for whom the trust is named, per stirpes among the then living descendants of the beneficiary, or if none, per stirpes among the then living descendants of the nearest lineal ancestor of the beneficiary who also is a descendant of mine and of whom one or more descendants then are living, or if none, per stirpes among my then living descendants. Each share allocated to a beneficiary for whom a trust then held under this Agreement is named shall be added to that trust and each share allocated to any other beneficiary shall be retained in trust as a separate trust named for the beneficiary and administered as provided in this Section and the Section immediately preceding this Section.

SECTION IX

9.1. Notwithstanding the above provisions of this Agreement, no part of the trust estate shall be retained in trust for more than twenty-one years after the death of the last to die of my spouse, me, and my descendants living at the date of the first to die of my spouse and me; and each trust named for a beneficiary still retained in trust at the end of that period

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shall be distributed to the beneficiary for whom the trust is named.

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SECTION X

10.1. Notwithstanding the above provisions of this Agreement, the trustee may, but need not, terminate and distribute a trust held under this Agreement after my death to the persons named below, who are then living, under the conditions stated below:

(a) to my spouse, if my spouse is sole trustee hereunder and the trust is of an aggregate principal value of Twenty Thousand Dollars (\$20,000) or less as determined by the trustee;

(b) to my spouse, if my spouse is co-trustee hereunder and the combined value of the trust and the gross estate of my spouse for Federal Estate Tax purposes, presuming my spouse had died immediately following the distribution of the trust to my spouse, is not sufficient in amount to cause there to be a Federal Estate Tax to the estate of my spouse as determined by the co-trustee other than my spouse;

(c) to my spouse, if my spouse is a co-trustee hereunder and the trust is of an aggregate principal value of Fifty Thousand Dollars (\$50,000) or less as determined by the co-trustee other than my spouse;

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(d) to my spouse, if my spouse is not a trustee hereunder and the trust is of an aggregate principal value of Fifty Thousand Dollars (\$50,000) or less as determined by the trustee;

(e) to my spouse, if my spouse is not a trustee hereunder and the combined value of the trust and the gross estate of my spouse for Federal Estate Tax purposes, presuming my spouse had died immediately following the distribution of the trust to my spouse, is not sufficient in amount to cause there to be a Federal Estate Tax to the estate of my spouse as determined by the trustee;

(f) to the beneficiary for whom a trust is named if the aggregate principal value of the trust named for the beneficiary is Seventy-five Thousand Dollars (\$75,000) or less as determined by the trustee.

10.2. The trustee may rely upon information delivered to the trustee by my spouse in making a determination of my spouse's gross estate for Federal Estate Tax purposes as if my spouse had then died.

SECTION XI

11.1. My spouse shall be deemed to have survived me only if my spouse is living on the 178th day following my death.

11.2. My spouse's name is MIRIAM SEIDEN, and she is referred to in this Agreement as my spouse.

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11.3. I have two children now living whose names are:

SUSAN RAPPIN

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BARBARA KRETSKE

SECTION XII

12.1. The following shall apply to each trust created under this Agreement:

(a) Except as otherwise provided, income payments shall be made at least as often as quarter-annually and income accrued or undistributed at the termination of any trust shall be paid as income:

(1) to the beneficiaries next succeeding in interest in the proportion in which each takes that interest, if the termination of the trust is not caused by the death of my spouse; or

(2) except with respect to Trust B, to the estate of my spouse if the termination of the trust is caused by the death of my spouse.

(b) If any amount of the trust estate becomes payable to a minor under the law of his state of residence or to a person under legal disability or to a person not adjudicated incompetent or disabled but who, by reason of mental or physical illness is, in the opinion of the trustee, unable to manage his affairs, then such amount shall be vested in him and paid in any

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one or more of the following ways as are applicable and as the trustee deems advisable:

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- (1) to the beneficiary directly;
- (2) to the legally appointed guardian, conservator or other legal representative of the beneficiary;
- (3) to a custodian under the Uniform Transfers to Minors Act or any similar statute of the state in which a minor beneficiary resides;
- (4) to a relative or friend of the beneficiary to be used for the support, medical care and welfare of the beneficiary; or
- (5) by retaining the property in a separate trust designated by the name of the beneficiary until the beneficiary, in the opinion of the trustee, is able to manage his affairs, at which time the property shall be distributed to the beneficiary. The trustee may pay to the beneficiary any part or all of the income and principal of the trust named for the beneficiary as the trustee believes desirable for the best interests and welfare of the beneficiary, adding any excess income to principal; provided, however, if the beneficiary is my spouse, the trustee shall pay or apply for my spouse's benefit all income of the said trust.

(c) The interests of the beneficiaries in the trust estate may not be voluntarily or involuntarily transferred, alienated or encumbered and shall not be subject to legal

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process, or to claims of (1) creditors, (2) any spouse for alimony or support, or (3) others, except that this subparagraph shall not affect the exercise of any power of appointment created by this Agreement.

(d) Persons dealing with the trustee need not inquire into the terms of the trust nor see to the application of money or property delivered to the trustee.

(e) The exercise in good faith by the trustee of its powers and discretions shall be conclusive on all persons.

(f) The trustee may decide to make or not to make such elections under the tax laws applicable to any trust created hereunder as the trustee, in his sole discretion, shall determine. Any such decision shall not be subject to question by any beneficiary or any other person, and the trustee shall not be liable in any way to any beneficiary or any other person by reason of any such decision. No compensating adjustments between principal and income or with respect to any distribution shall be made even though the decision so made may affect the interests of the beneficiaries.

(g) The trustee may rely on a will admitted to probate in any jurisdiction as the last will of a beneficiary or if the trustee has no notice of the actual existence of a will within six months after the death of the beneficiary, the trustee may assume the beneficiary died intestate and make distribution

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of property subject to a power of appointment by the beneficiary, without liability.

(h) Whenever my spouse is acting as a trustee of a trust created hereunder, the trustee may, but shall not be required to, render an accounting of such trust. However, if my spouse is not so acting, or at the request of my spouse when my spouse is so acting, the trustee shall render an accounting of such trust at least annually. Accountings shall be distributed only to those beneficiaries of a trust to whom the trustee is required to distribute income. However, when the distribution of income of a trust is subject to the discretion of the trustee, accountings shall be distributed to my spouse, if my spouse is a beneficiary of such trust, and may be distributed to one or more of the beneficiaries to whom the trustee is permitted to distribute income as the trustee shall determine in the trustee's sole discretion.

(i) A majority in number of the income beneficiaries of a trust may approve the final accounts of the trustee of such trust and give a full release and discharge to such trustee. Any such approval, release and discharge shall be binding upon all beneficiaries, past, present or future of said trust, and shall constitute a complete bar to any action by any beneficiary to question any transaction for the period covered by the accounts so approved and a valid and effective release with respect to such transaction with all the force and effect of a decree of a

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court of competent jurisdiction judicially settling such accounts and discharging such trustee from any and all liability with respect to such transaction.

12.2. The trustee shall have the power to perform all acts which the trustee believes desirable for the proper administration of the trust and to do any and every act and thing, and to enter into and carry out any agreement in respect to any part or all of the trust estate. The powers conferred hereby shall include, but shall not be limited to the following, and, except to the extent inconsistent herewith, shall include those powers now or hereafter conferred by law:

(a) to receive property from any source;

(b) to retain any property (including stock of a corporate trustee or of a parent or affiliated company) originally constituting any part or all of the trust estate or subsequently added thereto by me or any member of my family, although not of a type, quality or diversification considered proper for trust investments;

(c) to invest or reinvest the trust estate in bonds, stocks of a corporation regardless of the class through "short sales" or by taking "long positions," equity or commodity options, common trust funds, commodity futures or index contracts, mortgages, notes, interests in trusts, undivided interests in real or personal property, and property of any kind whether real or personal, or any interests therein, wherever such

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property is located, and although such property is not of a type, quality or diversification considered proper for trust investments;

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(d) to manage, lease for any period of time although commencing in the future or extending beyond the termination of the trust; to grant easements, dedicate, improve and otherwise deal with real estate; to reimburse itself from the trust estate, and to the extent the trust estate is insufficient, I, or if I shall be deceased, my estate, shall reimburse the trustee for any liability, attorney's fee or other expense incurred by reason of the trustee holding title to real estate;

(e) to borrow money from any lender, including the trustee; to mortgage or pledge trust assets and extend or renew any indebtedness; to maintain margin accounts with brokerage houses of the trustee's own selection;

(f) to sell trust assets at public or private sale, including sales to trustees of trusts created under pension and profit sharing plans; to exchange trust assets for other property; to grant options to purchase trust assets; to determine the prices and terms of sales, exchanges and options;

(g) to employ attorneys and delegate duties and powers to agents, including the power to make withdrawals from checking and savings accounts, and certificates of deposit, and to have access to safe deposit boxes;

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(h) to hold trust assets in the name of a nominee, or in any other way without disclosure of a fiduciary relationship;

(i) to vote in person or by general or limited proxy, or refrain from voting, any corporate securities for any purpose; to exercise or sell any subscription or conversion rights; to consent to and join in or oppose any voting trusts, reorganizations, consolidations, mergers, foreclosures and liquidations and in connection therewith to deposit securities and accept and hold other securities or property received therefor;

(j) to compromise, contest, prosecute or otherwise deal with claims in favor of or against the trustee;

(k) to make temporary allocations to any trust created under this Agreement; to divide or distribute trust assets in undivided interests or wholly or partly in kind; to sell property for the purpose of making an allocation, division or distribution;

(l) to hold the assets of separate trusts created hereunder in one or more common accounts in which each trust shall have an undivided interest;

(m) to pay taxes and reasonable expenses, including compensation to the trustee and the agents and attorneys of the trustee;

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(n) to deal with, purchase assets from, or make loans to the fiduciary of any trust created by me or any member of my family or a trust or estate in which any beneficiary under this Agreement has an interest, even though a trustee hereunder is such fiduciary, and to retain any property so acquired;

(o) to purchase and keep in force appropriate insurance for protection of the trust estate;

(p) to transfer the situs of trust assets to another jurisdiction as often as the trustee believes desirable by appointing a person or qualified corporation as a substitute trustee; to delegate to a substitute trustee any part or all of the powers given to the trustee; to remove a substitute trustee and appoint another or reappoint itself as trustee;

(q) to appoint a person or qualified corporation at any time to act as trustee as respects property located outside my state of residence; to delegate to an appointed trustee, who shall act without bond or other security and shall not account to any court, any part or all of the powers given to the trustee; to remove an appointed trustee and appoint another if desirable;

(r) to act without bond or other security in any jurisdiction and without accounting to any court;

(s) to charge the compensation of the trustee, and agents and attorneys of the trustee, between income and principal as the trustee believes desirable for the proper administration of the trust estate, notwithstanding any rule of law to the

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contrary; provided that this subparagraph shall not apply to any trust qualifying for the marital deduction under Federal Estate Tax law;

(t) to execute and deliver necessary instruments and to give full receipts and discharges; and

(u) to determine whether receipts shall constitute principal or income and whether expenses are properly chargeable to principal or income; to establish out of income and credit to principal reasonable reserves for the depreciation of tangible property or the amortization or depletion of wasting assets, including, without limiting the foregoing, leaseholds, patents, copyrights, royalty rights (including all or any portion of royalty, overriding or limited royalty, or bonus, or from working, net profit, or any other interest in minerals, oil, gas, or other natural resources), and any rights to receive periodic payments under a contract or plan for the benefit of one or more of the employees of an employer.

SECTION XIII

13.1. Notwithstanding the powers of the trustee, as long as I am able to act in the management of my affairs, I shall direct the collection of income from and the payment of expenses pertaining to trust assets, and the management, control, retention, sale or purchase of trust assets, and the trustee shall not be liable for a loss that results from following a

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direction. I may at any time or times, with or without right of revocation, by a writing delivered to the trustee, delegate to any other person or to the trustee, or relinquish, any or all of the powers reserved to me hereunder. The statement of the trustee that it is acting according to this paragraph shall fully protect all persons dealing with the trustee. The trustee shall have no responsibility for any loss that may result from acting in accordance with this paragraph, nor shall the trustee be under any duty to make an investment review or consider the propriety of holding or selling any property in the trust.

SECTION XIV

14.1. As to life insurance policies payable to the trustee, the following shall apply:

(a) During my life the trustee shall have no duties as respects the payment of premiums or otherwise and I shall have all incidents of ownership including, but not limited to, the right to receive all benefits under the policies and to borrow from the trustee or any other lender using the policies as collateral.

(b) I shall have the right from time to time to withdraw life insurance policies deposited with the trustee and although the policies shall continue to be a part of the trust estate so long as the trustee is named beneficiary, the trustee shall have no duty to cause the policies to be returned.

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(c) On my death the trustee shall collect the net proceeds, but if legal action is necessary the trustee shall not be responsible for collection unless indemnified to its satisfaction.

(d) Notwithstanding the fact that policies are payable to the trustee, to establish that such policies are exempt from my debts and liabilities, the net proceeds shall be deemed to be payable to my spouse or to my child, my parent or other person dependent upon me to the extent such persons are beneficiaries of this trust.

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SECTION XV

15.1. Notwithstanding any other provisions of this Agreement, the trustee may at any time merge the assets of any trust created hereunder with the assets of any other trust or trusts under which it is also acting as the trustee, created either by will or by agreement, which other trust or trusts, in the opinion of the trustee, are then and thereafter to be held, administered and distributed to or for the benefit of the same beneficiaries upon substantially the same trusts, terms and conditions as the trust created hereunder and which contain a provision permitting such merger. The merged assets may be held, administered and distributed by the trustee under the provisions of this Agreement or the instrument governing any one of such other trusts, and the

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trustee may terminate this trust as a separate entity if it merges this trust into any such other trust.

15.2. Notwithstanding the foregoing, no merger of trusts shall be made pursuant to this paragraph which would disqualify any trust for any marital deduction under the Federal Estate Tax law in effect with respect to my estate.

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SECTION XVI

16.1. The following shall apply to the office of the trustee of any trust created by this Agreement:

(a) A trustee may resign by written notice to all of the other trustees, if any, and by written notice to the person, or each person within a group of persons, who may appoint a successor trustee, as may be applicable.

(b) A person shall cease to be trustee if any of the following events occur:

(1) he is determined to be unable to act in the management of his affairs;

(2) he effectively resigns as trustee; or

(3) he is effectively removed as trustee

(c) In the event of a vacancy in the office of trustee, then the successor trustee shall be appointed in the following manner:

(1) By the person, if any, having the power to appoint a trustee under subparagraph (k) of this paragraph,

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unless that person (A) gives written notice to the successor trustee named below, if any, that he declines to exercise the power, (B) fails to exercise the power within thirty days after the first day of the vacancy in the office of trustee, (C) is unable to act in the management of his affairs, or (D) fails to appoint the successor trustee within five days after a written demand to do so from (i) the successor trustee named below, or (ii) any person who is, or in the discretion of the trustee may be, then entitled to receive any part or all of the income of the trust estate (or from the conservator, parent or guardian of any such person who may be legally incompetent or disabled).

(2) If no person has the power to appoint a trustee, or if a person has the power but does not exercise the concomitant power to appoint a successor trustee, then the successor trustee shall be the first person, or group of persons, listed below who is willing and able to act as trustee and who has not previously been a trustee hereunder.

(A) my spouse;

(B) my daughter, SUSAN RAPPIN;

(C) my daughter, BARBARA KRETSKE;

(D) MY SON-IN-LAW - JEROME RAPPIN a

banking corporation.

(3) If no person has the power to appoint a trustee, or if the person with the power to appoint fails to exercise such power, and no person named as successor trustee is

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willing and able to act as successor trustee, then the successor trustee shall be appointed by the following person or a majority of persons within a group of persons, as may be applicable:

(A) me, if I am not legally incompetent or disabled;

(B) my conservator or guardian, if I am legally incompetent or disabled;

(C) all of the persons who are, or in the discretion of the trustee may be, then entitled to receive any part or all of the income of the trust, if I am deceased. If a person is legally incompetent or disabled, his conservator, parent or guardian, as the case may be, shall act or receive notice on his behalf.

(d) The following shall apply to a successor trustee:

(1) He shall have all of the rights, powers and duties which are granted or imposed on the predecessor trustee.

(2) He shall be under no duty to inquire into the acts or doings of a predecessor trustee, and shall not be liable for any act or failure to act of a predecessor trustee.

(3) With the approval of a majority of the persons who are, or in the discretion of the trustee may be, then entitled to receive any part or all of the income or principal of the trust and who are able to act in the management of their affairs, he may accept the account rendered and the property

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received as a full and complete discharge to the predecessor trustee, without incurring any liability for so doing. If no such person is able to act in the management of his affairs, then approval is not required.

(e) If the removal or resignation of a trustee causes a vacancy in the office of the trustee then the removal or resignation and appointment of the successor trustee shall be effective when the successor trustee signs a written acceptance of the office of trustee.

(f) A co-trustee may delegate to another co-trustee any part or all of the co-trustee's powers and duties for the time agreed to in writing by all of the co-trustees.

(g) The following shall apply if there are any co-trustees acting:

(1) An individual co-trustee shall not participate in the exercise of any discretion with respect to the distribution of the income or principal from a trust under any of the following circumstances:

(A) if the individual co-trustee has a legal obligation to support a person who is, or in the discretion of the trustee may be, then entitled to receive any part or all of the income or principal; or

(B) if the individual co-trustee is then entitled, or in the discretion of the trustee may be then

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entitled, to receive any part or all of the income or principal of the trust.

(2) If no co-trustee may participate in the exercise of the discretion described in subparagraph (g)(1) for a reason stated therein, then, notwithstanding subparagraph (g)(1), all of the co-trustees shall participate in the exercise of such discretion.

(h) If all of the trustees are individuals and no person has the power to appoint a successor trustee or co-trustee pursuant to any of the following provisions of this Agreement, then all of the trustees may appoint a corporate trustee to act with them for such period of time, but not longer than the trustees' term of office, as may be agreed to in writing by all of the trustees and the corporate trustee so appointed.

(i) The words trustee, trustees, co-trustee or co-trustees shall mean the person or persons acting as trustee or trustees from time to time.

(j) Following my death or during my inability to act in the management of my affairs, my spouse, if able to act in the management of her own affairs, shall have the power to remove any one or more of the trustees by written notice to all of the then acting trustees and to the applicable persons who may have the power to appoint a trustee in the event of a vacancy in the office of trustee but who do not have the power to remove a trustee.

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(k) During such period of time as a person has the power to remove a trustee, that person shall also have the following powers:

(1) to appoint any person or persons to be successor trustee or trustees in the event of a vacancy in the office of trustee;

(2) to appoint any person or persons as co-trustee or co-trustees to act with any trustee.

(l) Notwithstanding any statement in this Agreement to the contrary, if my spouse is acting as a co-trustee with any trustee and the trustees disagree with respect to any matter, the decision of my spouse shall control and the trustee other than my spouse shall not be liable for the acts or failure to act of my spouse.

(m) When a corporate trustee is acting, it shall have custody of all of the trust assets and maintain the trust books and records, unless all of the trustees agree otherwise.

(n) Any successor to the business of a corporate trustee by reorganization or otherwise shall become a trustee as though originally named trustee.

(o) As respects any insurance policies on the life of a co-trustee other than me, that co-trustee shall not participate in the exercise of any discretion of any nature whatsoever with respect to those policies.

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(p) Any successor corporate trustee must be a bank or trust company qualified to accept trusts and having a combined capital and surplus not less than Thirty Million Dollars.

SECTION XVII

17.1. The determination that an individual is unable to act in the management of his affairs shall be made in either of the following ways:

(a) by written certification of a physician licensed to practice medicine in the state in which the individual resides that the individual is unable to give prompt and intelligent consideration to financial matters by reason of a mental or physical impairment which can be expected to result in death or to be of long continued or indefinite duration; or

(b) by a determination of a court of competent jurisdiction that the individual is legally incompetent or disabled.

SECTION XVIII

18.1. A child adopted by any person, and the descendants of the child by blood or adoption, shall be considered, for all purposes of this Agreement, as though the child and his descendants were related by blood to the adopting parent and to the lineal ancestors of the adopting parent.

SECTION XIX

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19.1. The laws of the state of my residence on the date of execution of this Agreement shall govern the provisions of this Agreement.

19.2. As used in this Agreement, "beneficiary" means a person entitled to receive distributions of income and/or principal from the trust estate including remaindermen.

19.3. As used in this Agreement, "the Code" means the Internal Revenue Code of 1986, as from time to time amended, and a reference to a particular Section of the Code shall be a reference to any amended or successor Section.

19.4. Whenever the context so requires, gender references shall be modified so that the provisions hereof shall apply to the masculine, feminine or neuter, wherever either the masculine, feminine or neuter is expressed; similarly, reference to the singular shall be modified to include the plural, or vice versa.

19.5. The Sections in this Agreement are divided into paragraphs and some of the paragraphs are divided into subparagraphs. Paragraphs and subparagraphs are defined and identified as follows:

(a) A paragraph, which includes the subparagraphs, if any, therein, is the portion of a Section identified by the syntax "real number, decimal point, real number" (e.g., 2.1 or 3.2).

(b) A subparagraph, which includes other subparagraphs, if any, therein, is the portion of a paragraph identified by the syntax "noncapitalized letter, real number, capital letter and roman numeral," each enclosed in parentheses (e.g., (a) (2) (C))

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(ii)). When a subparagraph is referred to, the reference includes the paragraph designation within which that subparagraph is included, and all subparagraph designations include other subparagraphs included within the subparagraph referred to (e.g., subparagraph 2.1(c)(3), which includes subparagraphs 2.1(c)(3)(A), 2.1(c)(3)(B) and 2.1(c)(3)(C)).

SECTION XX

This Agreement may be referred to as the JOE SEIDEN
DECLARATION OF TRUST.

I, JOE SEIDEN, of Skokie, Illinois, as grantor and as trustee,
now sign this Agreement this 20 day of July, 1990.



JOE SEIDEN, Grantor and Trustee

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COOK COUNTY, ILLINOIS
PUBLIC RECORDS

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QUITCLAIM DEED
STATUTORY (ILLINOIS)

94856856

THE GRANTOR,

JOE SEIDEN, married to Miriam Seiden,

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of the Village of Skokie, Cook County of Cook, State of Illinois for and in consideration of TEN AND NO/100 DOLLARS (\$10.00) in hand paid, CONVEY AND QUIT CLAIM to JEROME RAPPIN, of 9124 North Lawler, Skokie, Illinois 60077, the following described Real Estate situated in the County of Cook in the State of Illinois, to-wit:

LOT 6 IN COLBY MICHELSON SUBDIVISION, BEING A RESUBDIVISION OF PART OF LOT 9 IN COUNTY CLERK'S DIVISION OF SECTION 16, TOWNSHIP 41 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Index Number: 10-16-405-009-0600

Address of Real Estate: 9124 North Lawler, Skokie, Illinois 60077

hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois. TO HAVE AND TO HOLD said premises forever.

This is not to be construed as a conveyance of the property of the grantor. DATED this 23RD day of September, 1994.

Joe Seiden
JOE SEIDEN

State of Illinois)
County of Cook)

I, CHRISTINE BURGESS, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JOE SEIDEN, married to Miriam Seiden, personally known to me to be the person whose name is subscribed to the foregoing instrument appeared, along with his wife, before me and acknowledged, or that he appeared, called and delivered said instrument as his free and voluntary act for the uses and purposes therein set forth.

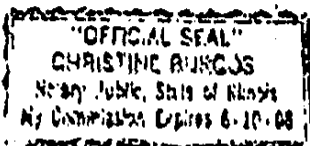
GIVEN under my hand and official seal, this 23RD day of September, 1994

Christine Burgess
Notary Public

Commission Expires June 12, 1995

This instrument prepared by Daniel P. Frenson, 300 W. Washington Street, Suite 1600, Chicago, Illinois 60606.

Mail at:
Daniel P. Frenson, Esq.
300 W. Washington Street, Suite 1600
Chicago, Illinois 60606



Send No request for bills to:
Jerome L. Rappin
9124 North Lawler
Skokie, Illinois 60077

VILLAGE of SKOKIE, ILLINOIS
Economic Development Tax
Village Code Chapter 10
EMERGENCY PROVISION
Chicago, Illinois

EXEMPT UNDER THE PROVISIONS OF SECTION 4, PARAGRAPH E OF THE
REAL ESTATE TRANSFER TAX ACT OF ILLINOIS.

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9-23-94

EXHIBIT
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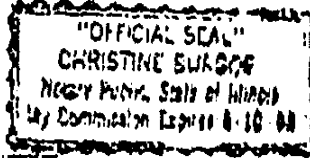
STATEMENT BY GRANTOR AND GRANTEE

The grantor or his agent affirms that, to the best of his knowledge, the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire title to real estate under the laws of the State of Illinois.

Dated 9-23, 1994

Signature: [Signature]
Grantor or Agent

Subscribed and sworn to before me by the said [Name] this 23rd day of September, 1994.
Notary Public Christine Burgess

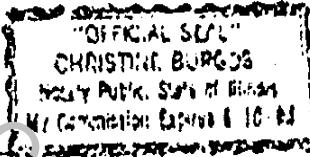


The grantor or his agent affirms and verifies that the name of the grantee shown on the deed or assignment of beneficial interest in a land trust is either a natural person, an Illinois corporation or foreign corporation authorized to do business or acquire and hold title to real estate in Illinois, a partnership authorized to do business or acquire and hold title to real estate in Illinois, or other entity recognized as a person and authorized to do business or acquire and hold title to real estate under the laws of the State of Illinois.

Dated 9-23, 1994

Signature: [Signature]
Grantee or Agent

Subscribed and sworn to before me by the said [Name] this 23rd day of September, 1994.
Notary Public Christine Burgess



94-56656

NOTE: Any person who knowingly submits a false statement concerning the identity of a grantee shall be guilty of a Class C misdemeanor for the first offense and of a Class A misdemeanor for subsequent offenses.

(Attach to Deed or AFE to be recorded in Cook County, Illinois, if exempt under the provisions of Section 4 of the Illinois Real Estate Transfer Tax Act.)

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SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

RECORDATION REQUESTED BY: NORTH COMMUNITY BANK, 333 NORTH BROADWAY, CHICAGO, IL 60610

WHEN RECORDED MAIL TO: NORTH COMMUNITY BANK, 333 NORTH BROADWAY, CHICAGO, IL 60610

MORTGAGE

THIS MORTGAGE IS DATED SEPTEMBER 30, 1994, between Jerome Rappin, married to Susan Rappin, whose address is 3633 North Broadway, Chicago, IL 60639 (referred to below as "Grantor"); and NORTH COMMUNITY BANK, whose address is 333 North Broadway, Chicago, IL 60610 (referred to below as "Lender").

GRANTOR HEREBY GRANTS, SELLERS, OBTAINERS, WARRANTS, AND CONVEYS TO LENDER AS OF GRANTOR'S FULL RIGHT, TITLE, AND INTEREST IN AND TO THE following described real property, together with all existing or subsequently created or altered buildings, improvements and fixtures attached thereto, and all other rights, water rights, watercourses and ditch rights including such in utility with such or in right of way, and all other rights and interests in the real property, including without limitation all mineral, oil, gas, geothermal and similar rights, located in Cook County, State of Illinois (the "Real Property").

LOT 6 IN COUNTY MICHAELSONS SUBDIVISION BEING A RESUBDIVISION OF PART OF LOT 9 IN COUNTY CLARK'S DIVISION OF SECTION 16, TOWNSHIP 41 NORTH, RANGE 19 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

The Real Property or its address is commonly known as 3124 North Lawler, Skokie, Illinois 60077, Skokie, IL. The Real Property has Identification Number 10-16-403-008.

Grantor hereby conveys to Lender all of Grantor's right, title, and interest in and to all parts of the Property and all Rights over the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Items owned by Grantor.

The following words shall have the following meanings when used in the Mortgage. Terms not otherwise defined in the Mortgage shall have the meanings ascribed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

The word "Grantor" means Jerome Rappin. The Grantor is the mortgagor under the Mortgage. The word "Lender" means North Community Bank, its successors and assigns. The Lender is the mortgagee under the Mortgage.

The word "Mortgage" means the Mortgage between Grantor and Lender, and includes without limitation all assignments and subassignments of the Mortgage. The word "Real Property" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes siting on the Real Property, utilities, additions, replacements and other construction on the Real Property.

The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes siting on the Real Property, utilities, additions, replacements and other construction on the Real Property.

The word "Lender" means North Community Bank, its successors and assigns. The Lender is the mortgagee under the Mortgage. The word "Mortgage" means the Mortgage between Grantor and Lender, and includes without limitation all assignments and subassignments of the Mortgage.

The word "Real Property" means the Real Property and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes siting on the Real Property, utilities, additions, replacements and other construction on the Real Property.

The word "Grantor" means Jerome Rappin. The Grantor is the mortgagor under the Mortgage. The word "Lender" means North Community Bank, its successors and assigns. The Lender is the mortgagee under the Mortgage.

BOX 333

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EXHIBIT D

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Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all accessories, parts, and spares to, or replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and release of premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter made, made in connection with the indebtedness.

Income. The word "Income" means all present and future rents, revenues, income, assets, benefits, profits, and other benefits derived from the Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RIGHTS AND THE SECURITY INTEREST IN THE REALTY AND PERSONAL PROPERTY, IS GIVEN TO SECURE: (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANITOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STATUTORY LIENS, EXCEPTING SOLELY TAXES AND ASSESSMENTS LEVIED ON THE REAL PROPERTY, TO THE EXTENT OF THE MAXIMUM AMOUNT SECURED HEREBY. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PERFORMANCE. Except as otherwise provided in the Mortgage, Grantor shall pay to Lender all amounts secured by the Mortgage as they become due, and shall strictly perform all of Grantor's obligations under the Mortgage.

POSSESSION AND ENJOYMENT OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the (state's) provisions:

Possession and Use. Under a deed, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "dispose," "release," and "treated release," as used in the Mortgage, shall have the same meanings as such terms in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-469 ("SARA"), the National Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 1001, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. The term "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, or treated release of any hazardous waste or substance by any person on, under, or about the Property; (b) Grantor has no knowledge or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (1) any such generation, manufacture, storage, treatment, disposal, or treated release of any hazardous waste or substance by any person on, under, or about the Property; (c) Grantor has no knowledge or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (1) either Grantor nor any tenant, contractor, agent or other authorized user of the Property (i) use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, or about the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with the terms of this Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste. Grantor hereby (a) releases and agrees to indemnify Lender for and hold Lender harmless from any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer (including from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release, or treated release occurring prior to Grantor's ownership or control of the Property, whether or not the same was or should have been known to Grantor) in connection with the terms of this Mortgage, including the obligation to indemnify, shall survive the payment of the indebtedness and Real Estate taxes and consequences of the loss of the Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.

Use, Waste. Grantor shall not cause, conduct or permit any nuisance nor permit, permit, or cause any burning of or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not (a) grant to any other party the right to remove, any liquid, material (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

Removal of Improvements. Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of the Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, regulations, and ordinances, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property, including without limitation, the Americans with Disabilities Act. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and as long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonable satisfactory to Lender, to protect Lender's interests.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth herein in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DEED ON SALE OR CONVEYANCE BY LENDER. Lender may, at its option, declare immediately due and payable all sums secured by this upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein, whether legal, equitable or equitable, whether voluntary or involuntary.

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Page 4

Mortgage also will secure payment of these amounts. The rights provided for in the paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage.

Title. Grantor warrants that (a) Grantor holds good and marketable title of record to the Property in fee simple, free and clear of all liens and encumbrances other than those set forth in the Fee; Property description or in any life insurance policy, life report, or final life opinion issued in favor of, and accepted by, Lender in connection with the Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Defense of Title. Subject to the exception in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of all persons. In the event any action or proceeding is commenced in the questions Grantor's title or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

CONDEMNATION. The following provisions relating to condemnation of the Property are a part of this Mortgage.

Appraisal of Real Property. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness of the note or notes on the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorney's fees incurred in connection with the condemnation.

Proceedings. If any proceeding of condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to carry out the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by it from time to time to permit such participation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, fees and charges are a part of this Mortgage.

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all local, state, documentary charges, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (b) a specific tax on Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (c) a tax on the type of Mortgage chargeable against the Lender or the holder of the Note; and (d) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

Unassessed Taxes. If any tax to which this section applies is enacted subsequent to the date of the Mortgage, this event shall have the same effect as an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (a) pays the tax before it becomes delinquent, or (b) furnishes the tax as provided above in the Taxes and Liens section and provides with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCIAL STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage.

Security Agreement. This instrument that constitutes a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Real and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file assigned counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within ten (10) days after receipt of written demand from Lender.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party), from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Code), are as stated on the first page of the Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage.

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, rolled, or consigned, as the case may be, at such times and in such places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor under the Note, this Mortgage, and the Related Documents, and (b) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Grantor. Unless prohibited by law or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Attorney-in-fact. If Grantor fails to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filing, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

Full Performance. If Grantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statements on the financing Lender's security interest in the Real and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time. If, however, payment is made by Grantor, whether voluntarily or otherwise, or

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... by this means the time of the sale or disposition

Waiver of Election of Remedies. A waiver by any party of a breach of a provision of the Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not include pursuit of any other remedy, and an election to make expenditures or take action to perform an obligation of Grantor under the Mortgage shall not affect Lender's right to declare a default and exercise its remedies under this Mortgage.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sums as the court may judge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, Lender's opinion as to the necessity of any action for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the same rate. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to reorganize), any arbitrator's fees or mediation, appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining reports (including appraisal reports), surveys' reports and appraisal fees, and title insurance, to the extent permitted by applicable law. Lender also may pay any court costs, in addition to all other sums provided by law.

NOTICES TO GRANITOR AND OTHER PARTIES. Any notice under this Mortgage, including without limitation any notice of default and any notice of sale to Grantor, shall be in writing and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or if mailed, shall be deemed effective when deposited in the United States mail first class, registered mail, postage prepaid, directed to the address shown next to the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mortgage:

Assignments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Annual Reports. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a certified statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. "Net operating income" shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property.

Applicable Law. This Mortgage has been delivered to Lender and accepted by Lender in the State of Illinois. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

Caption Headings. Caption headings in this Mortgage are for convenience purposes only and are not to be used to interpret or define the provisions of this Mortgage.

Merge. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the benefit of Lender in any capacity, without the written consent of Lender.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

Successors and Assigns. Subject to the limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and enforceable against the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness by way of acceptance or extension without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.


Time is of the Essence. Time is of the essence in the performance of this Mortgage.

Waiver of Homestead Exemption. Grantor hereby releases and waives all rights and benefits of the homestead exemption laws of the State of Illinois as to all indebtedness secured by this Mortgage.

Waiver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS MORTGAGE, GRANITOR HEREBY WAIVES, TO THE EXTENT PERMITTED UNDER ILL. REV. STAT., CH. 110 SECTION 16-201(b) OR ANY SIMILAR LAW ENACTING AFTER THE DATE OF THIS MORTGAGE, ANY AND ALL RIGHTS OF REDEMPTION ON BEHALF OF GRANITOR AND ON BEHALF OF ANY OTHER PERSONS PERMITTED TO REDEEM THE PROPERTY.

Waivers and Consents. Lender shall not be deemed to have waived any rights under this Mortgage (or under the Related Documents) unless such waiver is in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's right otherwise to demand strict compliance with that provision or any other provision. No prior waiver by Lender, nor any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's rights or any of Grantor's obligations as to any future transactions. Whenever required by Lender in connection with this Mortgage, the granting of such consent by Lender in any instance shall not constitute continuing consent in subsequent instances where such consent is required.

GRANITOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND GRANITOR AGREES TO ITS TERMS.

GRANITOR: 

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