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CONSTRUCTION MORTGAGE

1987 THIS MORTGAGE, made as of this 2ND day of ~~October~~ JANUARY, ~~1986~~, by HERITAGE STANDARD BANK & TRUST COMPANY a/t/u/t/a dated May 14, 1985, a/k/a Trust 9635 and not personally ("Mortgagor") in favor of HERITAGE STANDARD BANK & TRUST COMPANY, 2400 West 95th Street, Evergreen Park, Illinois 60642 ("Mortgagee");

W I T N E S S E T H:

THAT WHEREAS, Mortgagor has concurrently executed a Note bearing even date herewith, in the principal sum of SIX HUNDRED FIFTY THOUSAND ($650,000.00) DOLLARS made payable with interest from date to maturity, payable monthly commencing the first day of the month following the first advance under the Construction Loan Agreement and thereafter on the first day of each succeeding month at the per annum rate equal to two (2%) percent in excess of the announced prime rate of mortgagee, on the principal thereof remaining from time to time unpaid, pursuant to the terms and conditions as are more fully set out in said Note (the "Note"), and the terms and conditions of a Construction Loan Agreement between the parties, and others, dated October ____, 1986, ("Loan Agreement"). Said Note and Loan Agreement are hereby incorporated herein by reference.

All such payments on account of indebtedness evidenced by said Note are to be applied first to interest on the unpaid principal balance and the remainder to principal, provided that the principal of the Note unless paid when due shall bear interest at the per annum rate equal to FOUR (4%) PER CENT, in excess of the announced prime rate of Mortgagee (as defined in the Loan Agreement) from time to time in effect (hereinafter called "penalty rate"), and all of said principal and interest being made payable at such place as the holders of the Note may, from time to time in writing appoint, and in the absence of such appointment, then at the office of the Mortgagee.

The entire outstanding principal balance and accrued interest thereon due under said Note shall be due and payable on June 1, 1987, if the completion date, as defined herein, has not occurred prior to said date.

If the completion date has occurred prior to the final maturity date of this Note as set forth above, then from and after such completion date the principal due hereunder, together with interest at the rate of ONE (1%) percent in excess of the announced Prime Rate of mortgagee per annum shall be due and payable monthly in ONE HUNDRED EIGHTY (180) equal installments of principal of THREE THOUSAND SIX HUNDRED ELEVEN and 11/100 ($3,611.11) DOLLARS plus accrued interest on the entire principal balance remaining unpaid from time to time commencing on the first day of the second full calendar month following the completion date and thereafter on the first day of each succeeding calendar month, with a final installment as provided below. Interest only for the period from the completion date to the first day of the calendar month next following the completion date at the rate provided in this Paragraph shall be paid on the first day of the calendar month following the completion date.



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The final payment of the principal amount of this Note and all interest and other sums due thereon, unless sooner paid, shall be due and payable on the first day of the ONE HUNDRED EIGHTHY (180TH) complete month following the completion date.

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

Completion date, as used herein, shall mean the date when all of the following events shall have occurred:

1. The Improvements to be constructed on the Premises conveyed to secure this Note, pursuant to the Construction Loan Agreement, have been fully completed and equipped, free and clear of mechanic's liens and security interests.

2. Payee has received a Mortgagee's Title Insurance Policy, issued by the title insurance company approved by Payee, insuring that the aforesaid Deed of Trust is a valid first, prior, and paramount lien on the premises, subject only to those exceptions that the Payee shallhave approved, which policy will be free of all exceptions and objections relating to any then-existing right to assert claims for mechanic's liens and of all exeptions and objections relating to conditions precedent to the issuance of such Mortgagee's Title Insurance Policy.

3. Mortgagor shall have furnished Payee insurance in form and amount and with company satisfactory to Payee in accordance with the requirements in the aforesaid Deed of Trust.

4. Mortgagor shall furnish to Payee a Certificate of Occupancy from the municipality in which the Premises conveyed to secure this Note are located, or a letter from the appropriate municipal authority that such Certificate is not issued by the municipality, accompanied by a certificate that no notices of any claimed violations of ordinances were served on Maker prior to the date of said certificate.

5. Mortgagor shall have furnished a plat of survey, covering the completed Improvements to the aforesaid premises and all paving, driveways, and exterior Improvements and otherwise in compliance with the commitment from Payee to Maker and the Construction Loan Agreement.

6. All fixtures and equipment required for the operation of the Improvements to the aforesaid Premises shall have been installed free and clear of all liens and security interests except those granted Payee.

7. All tax deposits required by the aforesaid Mortgage shall have been made.

8. All other requirements of the Construction Loan Agreement and the aforesaid commitment shall have been fulfilled.

THAT, to secure the payment of the indebtedness evidenced by the Note, or under the Loan Agreement, the Mortgagor does by these present GRANT, BARGAIN, SELL, CONVEY and MORTGAGE unto Mortgagee, its successors and assigns, the real estate situated, lying and being in the County of Cook

and State of Illinois, legally described on Exhibit "A" attached hereto and made a part hereof.

TOGETHER, with all and singular the tenements, hereditments and appurtenances thereunto belonging or in any way appertaining, and the rents, issues and profits thereof; and also all the estate, right, title, interest, property, claim and demand whatsoever of the mortgagor, of, in and to the same and of, in and to every part and parcel thereof.

TOGETHER, with all buildings and improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration and repairs of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the premises immediately upon the delivery thereof to the said real estate, and all fixtures now or hereafter owned by Mortgagor and attached to or contained in and used in connection with said real estate including but not limited to all machinery, motors, fittings, shades, screens, and all plumbing, heating, lighting, ventilating, refrigerating, incinerating, air-conditioning and sprinkler equipment and fixtures and appurtenances thereto; and all items of furniture, furnishings, equipment and personal property used or useful in the operation of the said real estate; and all renewals, replacements or proceeds thereof of articles in substitution therefore whether or not the same are or shall be attached to said building or buildings in any manner; it being mutually agreed, intended and declared that all the aforesaid property owned by said Mortgagor and placed by Mortgagor on the real estate shall, so far as permitted by law, be deemed to form a part and a parcel of the real estate, and covered by and conveyed under this Mortgage; and as to the balance of the property aforesaid, this Mortgage is hereby deemed to be as well as a Security Agreement under the provisions of the Uniform Commercial Code for the purpose of creating hereby a security interest in said property, which is hereby granted to the Mortgagee as secured party, securing said indebtedness and obligations. The Mortgagor acknowledges and agrees that the within Mortgage secures an obligation incurred for the construction of an improvement on the land mortgaged herein, including the acquisition cost of the land, and constitutes a "Construction Mortgage" within the meaning of Section 9-313(c) of the Illinois Uniform Commercial Code, effective July 1, 1973 which of itself shall become a "fixture filing" financing statement within the meaning of Sections 9-313(b) and 9-402(5) of the Illinois Uniform Commercial Code. The Mortgagor further agrees to execute and deliver, from time to time, such further instruments as may be requested by the Mortgagee to confirm the lien of this Mortgage on any or all of the aforementioned chattels and fixtures, including execution of financing statements or copies thereof where Mortgagee deems appropriate.

TOGETHER, with any and all awards or payments, including interest thereon, and the right to receive the same, which may be made with respect to the premises as a result of (a) the exercise of the right of eminent domain, or (b) the alteration of the grade of any street, or (c) any other injury to or decrease in the value of the premises, to the extent of all amounts which may be secured by this Mortgage, at the date of receipt of any such award or





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payments by the Mortgagee, and of the reasonable counsel fees, costs and disbursements incurred by the Mortgagee in connection with the collection of such award or payment.

TO HAVE AND TO HOLD the above granted and described premises, with all and singular the rights, members and appurtenances thereto appertaining unto the Mortgagee, its successors and assigns, forever, Mortgagor hereby releasing and waiving on its behalf and on behalf of all persons beneficially interested in the trust estate all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois.

PROVIDED ALWAYS, and these presents are upon this express condition, that if the Mortgagor, successors or assigns of the Mortgagor shall well and truly pay unto the Mortgagee, its successors or assigns, the sum of money mentioned in the Loan Agreement and the Note and the interest thereon, at the time and in the manner mentioned in the Note, and any and all other sums which may become due and payable hereunder, and shall well and truly abide by and comply with each and every covenant and condition set forth herein or in the Note, then these presents and the estate hereby granted shall cease, determine and be void, and Lender shall, upon request, prepare, execute and deliver a release of the lien created hereunder.

AND, the Mortgagor covenants with the Mortgagee as follows:

1. That the Mortgagor will pay, or cause to be paid, the said sum of money mentioned in the Loan Agreement and the Note and the interest thereon, at the time and in the manner mentioned in the Loan Agreement and the Note, and will keep, perform and observe every covenant, term and condition of the Loan Agreement. If remittance be made in payment of principal or interest or otherwise either by check or draft, it shall be subject to the condition that such check or draft may be handled for collection in accordance with the practice of the collecting bank or banks, and that any receipt issued therefor shall be void unless the amount due is actually received by the Mortgagee. Receipt thereof shall also be void if Mortgagee is required to refund any sums paid by order of any court of competent jurisdiction. Any such refund occurring after release of the lien of this Mortgage and cancellation fo the Note secured thereby shall be deemed a pro tanto reinstatement of said Mortgage and Note.

2. That no building or other property now or hereafter covered by this Mortgage shall be removed, demolished or materially altered, without the prior written consent of the Mortgagee, exept that the Mortgagor shall have the right, without such consent, to remove and dispose of, free from the lien of this Mortgage, such equipment as from time to time may become worn out or obsolete, provided that either (a) simultaneously with or prior to such removal, any such equipment shall be replaced with other equipment of equal or greater value and free from chattel mortgage or such other encumbrance and from any reservation to title, and by such removal and replacement the Mortgagor shall be deemed to have subjected such equipment to the lien of this Mortgage, or (b) any net cash proceeds received from such disposition shall be paid over promptly to the Mortgagee to be applied

to the last installment due on the indebtedness secured, without any charge for prepayment.

3. The Mortgagor will maintain the mortgaged property in good condition and repair free from mechanics or other liens or claims for lien not expressly subordinated to the lien hereof, will not commit or suffer any waste of the mortgaged property, and will comply with, or cause to be complied with, all statutes, ordinances and requirements of any governmental authority relating to the mortgaged property; that the Mortgagor will promptly repair, restore, replace or rebuild any part of the mortgaged property now or hereafter subject to this Mortgage which may be damaged or destroyed by any casualty whatsoever or which may be affected by any proceeding of the character referred to in paragraph 9.

4. That every provision for notice and demand or request shall be deemed fulfilled by written notice and demand or request in conformity with the Loan Agreement.

5. (a) Mortgagor shall keep all buildings and improvements on said real estate including heating plant, and plate glass, if any, insured against loss, damages and liability under policies covering builder's risks, fire and extended coverage, vandalism and malicious mischief, also rental or business interruption insurance, and liability and property damage, also war damage and flood insurance when and if available, for the full insurable value of the property but in no case less than the amount of the Mortgage or other amounts as required by the Mortgagee; and policies for fire and extended coverage, liability and property damage on all furniture, fixtures, and equipment, all to be maintained during the life of the Mortgage; that all insurance herein provided for shall be in the form any by companies approved by the Mortgagee; that the Mortgagor will assign and deliver to the Mortgagee certified copies of all original policies of insurance against any loss or damage to the mortgaged property; that the original policies shall be delivered to the Mortgagee, with loss payable, without contribution, to the Mortgagee as its interest appears; that if the Mortgagor defaults in so insuring the mortgaged property, or in so assigning and delivering certified copies of the policies, the Mortgagee may, at the option of the Mortgagee, effect such insurance from year to year and pay the premium therefor, and that the Mortgagor will reimburse the Mortgagee for any premiums so paid, with interest from time of payment at the penalty rate, on demand, and the same shall be secured by this Mortgage;

(b) That no less than 10 days prior to the expiration dates of each policy required of the Mortgagor pursuant to this paragraph, the Mortgagor will deliver to the Mortgagee certified copies of the renewal policy or policies marked "premium paid" or accompanied by other evidence of payment satisfactory to the Mortgagee;

(c) That in the event of a foreclosure of this Mortgage, the purchaser of the mortgaged property





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shall succeed to all the rights of the Mortgagor, including any right to unearned premiums, in and to all policies of insurance assigned and delivered pursuant to the provisions of this paragraph;

(d) That if the mortgaged property, or any part thereof, be destroyed or damaged by fire or by any other cause, the Mortgagor will promptly restore, rebuild, repair and replace the same so that the value of the mortgaged property shall be at least equal to the value thereof prior to such loss or destruction, and that it will commence such restoration, rebuilding, repairing or replacement of the premises provided waivers of lien for work performed and material furnished and for which payment is requested to have been presented, and further provided that there shall be at all times during the progress of the restoration work in the hands of the Mortgagee sufficient monies to complete said restoration, and in the event of any deficit in the amount of insurance monies, the Mortgagor covenants and agrees forthwith to make up such deficit. In the event the Mortgagor shall neglect, fail or refuse to proceed diligently with the restoration, rebuilding, or replacement of any premises destroyed by fire or other casualty, then the Mortgagee shall have the right to restore, rebuild or replace and may use and apply any insurance monies for that purpose. If such insurance money shall be insufficient to pay the entire cost of such work, the Mortgagor shall pay the deficiency.

6. That the Mortgagor will pay or cause to be paid all taxes, assessments, water rates, sewer rents and other charges now or hereafter assessed or liens on or levied against the mortgaged property or any part thereof, and in default thereof the Mortgagee may, at the option of the Mortgagee, pay the same, and the Mortgagor will repay the same with interest at the penalty rate per annum from the date of payment, and the same shall be liens on the mortgaged property and secured by this Mortgage; that upon request of the Mortgagee, the Mortgagor will exhibit to the Mortgagee receipts for the payment of all items specified in this paragraph prior to the date when the same shall become delinquent; provided, however, that nothing in this Mortgage shall require the Mortgagor to pay, discharge or remove any tax, assessment, water rate, sewer rent or other charge now or hereafter assessed or lien on or levied against or other imposition upon or against the mortgaged property, or any part thereof (which tax, assessment, water rate, sewer rent or other charge, lien or imposition is hereinafter sometimes referred to as "imposition") so long as the Mortgagor in good faith shall proceed to contest the same or the validity thereof by appropriate legal or other proceedings to be prosecuted with due diligence, which shall operate to prevent the collection of the imposition so contested and the sale of the mortgaged property or any part thereof to satisfy the same, and shall have deposited with the Mortgagee or such person or corporation as it may in writing direct, as security for the satisfaction in the sole judgment of the Mortgagee an amount to pay said imposition together with all interest and penalties in connection therewith, and all charges that may or might be assessed against or become a charge on the mortgaged property, or any part thereof in said legal proceedings.

The Mortgagor shall have the right to cause the funds so deposited, or any part thereof, to be deposited with or paid to the person or public authority claiming said imposition on account of any such imposition, or to be appropriated as security for any bond required in order to enable the Mortgagor to prosecute such contest. Upon the termination of such legal proceedings or at any time when the Mortgagee shall deem the monies deposited with it to be insufficient security for the purpose for which they are deposited, the said monies so deposited shall be applied to the payment, removal and discharge of said imposition and the interest and penalties in connection therewith, and the charges acruing to such legal proceedings and the balance;, if any, shall be paid to the Mortgagor, provided that the Mortgagor is not in default under this instrument. In the event that such monies shall be insufficient, the Mortgagor shall forthwith pay over to the Mortgagee an amount of money sufficient, together with the moneis so deposited pursuant to this paragraph to pay the same. In the event any default by the Mortgagor under this instrument, the Mortgagee is authorized to use the money deposited under this paragraph to apply on account of such default or to pay the same imposition. The Mortgagor shall not be entitled to Interest on the monies deposited pursuant to this paragraph.

7. That in the event of the passage after the date of this Mortgage of any law of the State of Illinois (or other state of the situs of the real estate), deducting from the value of the mortgaged property for the purpose of taxation any lien thereon or changing in any way the laws for the taxation of the mortgages or debts secured by mortgage for State or local purposes or the manner of the collection of any such taxes, and imposing a tax, either directly or indirectly (other than the imposition of an income tax liability on Mortgagee), on this Mortgage or the Note or Loan Agreement, the holder of this Mortgage and of the debt which it secures shall have the right to declare the amount thereof and the interest thereon due on the date to be specified by not less than thirty (30) day's written notice to be given to the Mortgagor by the Mortgagee, provided, however, that such election shall be ineffective of the Mortgagor is permitted by law to pay the whole of such tax in addition to all other payments required hereunder and if, prior to such specified date, does pay such tax and agrees to pay any such tax when thereafter levied or assessed against the premises, and such agreement shall constitute a modification of this Mortgage.

8. That, if at any time the United States of America or other governmental authority shall require internal review or comparable stamps to be affixed to the Note, Loan Agreement or this Mortgage, the Mortgagor will pay for the same with any interest or penalties imposed in connection therewith.

9. That notwithstanding any taking by eminent domain, alteration of the grade of any street or other injury to or decrease in value of the mortgaged property by any public or quasi-public authority or corporation, the Mortgagor shall continue to pay interest on the entire principal sum secured until any such award or payment shall have been actually received by the Mortgagee and any reduction in the principal sum resulting from the application by the Mortgagee of such award or payment as hereinafter set forth shall be deemed

to take effect only on the date of such receipt, that said award or payment may be applied in such proportions and priority as the Mortgagee in the Mortgagee's sole discretion may elect to the payment of principal, whether or not then due and payable, or any sums secured by this Mortgage provided, however, that the Mortgagor shall be permitted to use the proceeds of an award received to restore the remaining portion of the premises; any balance not so expended shall be deposited with the Mortgagee. If prior to the receipt by the Mortgagee of any such award or payment the mortgaged property shall have been sold on foreclosure of this Mortgage, the Mortgagee shall have the right to receive said award or payment to the extent of any deficiency found to be due upon such sale, with legal interest thereon, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied, and of counsel fees, costs and disbursements incurred by the Mortgagee in connection witht he collection of such award of payment.

10. That the Mortgagor will transfer and assign to the Mortgagee, at any time and from time to time, in form satisfactory to the Mortgagee, the Mortgagor's interest in all leases of the mortgaged premises or portions thereof, whether now in existence or hereafter entered into, and that the Mortgagor will not assign the whole or any part of leases of the mortgaged premises or any portions thereof, whether now in existence or hereafter entered into, nor the whole or any part of the rents, income or profits arising from the mortgaged premises, without the prior written consent of the Mortgagee and any assignments made in violation hereof shall be null and void. Further, as further security for the indebtedness hereby secured, the Mortgagor has, concurrently herewith, executed and delivered to the Mortgagee a separate instrument (herein called the "Assignment") dated as of the date hereof, wherein and whereby, among other things, the Mortgagor has assigned to the Mortgagee all of the rents, issues and profits and/or any and all leases and/or the rights of management of the Premises, all as therein more specifically set forth, which said Assignment is hereby incorporated herein by reference as fully and with the same effect as if set forth herein at length. The Mortgagor agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment. The Mortgagor further agrees that it will duly perform and observe all of the terms and provisions on its part to be performed and observed under the Assignment. The Mortgagor further agrees that it will duly perform and observe all of the terms and provisions on lessor's part to be performed and observed under any and all leases of the Premises to the end that no default on the part of lessor shall exist thereunder. Nothing herein contained shall be deemed to obligate the Mortgagee to perform or discharge any obligation, duty or liability of lessor under any lease of the Premises, and the Mortgagor shall and does hereby indemnify and hold the Mortgagee harmless from any and all liability, loss or damage which the Morgagee may or might incur under any lease of the Premises or by reason of the Assignment; and any and all such liability, loss or damage incurred by the Mortgagee, together with the costs and expenses, including reasonable attorney's fees, incurred by the Mortgagee in the defense of any claims or demands therefor (whether successful or not), shall be so much additional indebtedness

hereby secured, and the Mortgagor shall reimburse the Mortgagee therefor on demand, together with interest at the penalty rate from the date of demand to the date of payment.

11. That the Mortgagor will keep proper books of record and account in accordance with sound accounting practice; that the Mortgagee shall have the right to review the affairs, finances and accounts of the Mortgagor and/or its beneficiaries and to be informed as to the same by its officers, all at such reasonable times and intervals as the Mortgagee may desire; and that the Mortgagor will furnish to the Mortgagee within NINETY (90) days after the end of each fiscal year of the Mortgagor and/or its beneficiaries, copies of statements of income and surplus of the Mortgagor and/or its beneficiaries for such fiscal year showing separately and in adequate detail the income and expense of the mortgage property, all in reasonable detail and stating incomparative form the figures as of the end of and for the previous fiscal yar and certified by an authorized financial officer of the Mortgagor and/or its beneficiaries.

12. That the Mortgagor, upon written request, shall certify to the best of its knowledge, within TEN (10) days after such request, by a writing duly acknowledged, to the Mortgagee or to any proposed assignee of this Mortgage, the amount of principal and interest then owing on this Mortgage and whether any offsets or defenses exist against the Mortgage debt.

13. That this mortgage shall oeprate as a security agreement under the provisions of the Uniform Commercial Code, as now or hereafter amended, with respect to the fixtures, or any replacements thereof, or additions thereof, and all proceed thereof, and the Mortgagor will execute and deliver such financing statements as the Illinois Uniform Commercial Code requires with respect to such security; and that the Mortgagor will execute and deliver from time to time such further instruments including renewal mortgages, security agreements, financing statements, certificates, extensions and renewals thereof, and such other documents as may be required by the Mortgagee to preserve, confirm and maintain the lien of this Mortgage on the said Fixtures whether now or hereafter acquired, and the Mortgagor shall pay to the Mortgagee on demand any expenses incurred by the Mortgagee in connection with the preparation and filing of such documents. Fixtures and equipment which the lessee of a portion of mortgaged premises has the right to remove, are specifically excluded from the provisions of this clause except to the extent that lessee's right to remove such fixtures and equipment shall be forfeited under terms of all leases assigned by the Assignment of Rents and Leases, bearing event date herewith and given as additional security for the Note.

14. That in the event of any default in the performance of any of the Mortgagor's covenants or agreements herein, the Mortgagee may, at the option of the Mortgagee, perform the same and the cost thereof, with interest at the penalty rate shall immediately be due from the Mortgagor to the Mortgagee and secured by this Mortgage.

15. That if any action or proceeding be commenced (except an action to foreclose this Mortgage or to collect the debt secured hereby), to which action or proceeding the





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Mortgagee is or becomes a party or in which it becomes necessary to defend or uphold the lien of this Mortgage, all sums paid by the Mortgagee for the expense of any litigation (including reasonable counsel fees) to prosecute or defend the rights and lien created by this Mortgage shall on notice and demand be paid by the Mortgagor, together with the interest thereon at the penalty rate, and shall be subject to this Mortgage, and shall be deemed to be secured by this Mortgage; that in any action or proceeding to foreclose this Mortgage, or to recover or collect the debt secured hereby, the provisions of law respecting the recovery of costs, disbursements and allowances shall prevail unaffected by this covenant.

16. That the Mortgagee and any persons authorized by the Mortgagee shall have the right to enter and inspect the mortgaged property at all reasonable times; and that if, at any time after default by the Mortgagor in the performance of any of the terms, covenants or provisions of this Mortgage or the Note or the Loan Agreement, the management or maintenance of the mortgaged property shall be determined by the Mortgagee to be unsatisfactory, the Mortgagor shall employ for the duration of such default as managing agent of the mortgaged property, any person from time to time designated by the Mortgagee.

17. That the Mortgagee shall have the right from time to time to sue for any sums whether interest, damages for failure to pay principal or any installment thereof, taxes, installments of principal, the costs of Mortgagee's performance of the Mortgagor's covenants or agreements provided herein, or any other sums required to be paid under the terms of this Mortgage, the Note or the Loan Agreement, as the same becomes due, without regard to whether or not the principal sum secured by the Mortgage shall be due and without prejudice to the right of the Mortgagee thereafter to bring an action of foreclosure, or any other action, for a default or defaults by the Mortgagor existing at the time such earlier action was commenced.

18. That no sale or conveyance or contract to sell the subject premises or the beneficial interest in and to Mortgagor will be made without the prior consent of Mortgagee.

19. That upon request by Mortgagee, Mortgagor covenants and agrees to deposit at such place as the holder of the Note secured by this Mortgage may, from time to time, in writing appoint and, in the absence of such appointment then at the office of Mortgagee commencing with the first interst payment pursuant to the Note secured hereby, and on the first day of each and every succeeding month thereafter until the indebtedness secured by this Mortgage is fully paid, a sum equal to 1/12th of the last total annual taxes and assessments for the last ascertainable year (general and special) on the premises secured hereby (unless said taxes are based upon assessments which exclude the improvements or any part thereof, now constructed or to be constructed, in which event the amount of such deposits shall be based upon the reasonable estimate of the holder of the Note as to the amount of taxes and assessments to be levied or assessed). Mortgagor concurrently with the disbursement of the loan will also deposit with Mortgagee an amount based upon the taxes and assessments so ascertainable, or so estimated by

Mortgagee as the case may be for taxes and assessments on the secured premises on an accrual basis for the period from January 1, succeeding the year for which all taxes and assessments have been paid to and including the date of the first deposit in this paragraph hereinabove mentioned. Such deposits are to be held in trust without allowance of interest and are to be used for the payment of taxes and assessments (general and special) on said premises next due and payable when they become due. If the funds so deposited are insufficient to pay any such taxes or assessments (general or special) for any year when the same shall become due and payable, Mortgagor shall, within ten days after receipt and demand, thereafter deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) for any year, the excess shall be applied on a subsequent deposit, or deposits. Notwithstanding any provision of law, in the event mortgagee forecloses the lien of this Mortgage, the balances of any such tax escrow account shall be set off against sums due mortgagee from mortgagor hereunder.

20. That upon request by Mortgagee, together with, and in addition to, the monthly payments of interest or principal payable under the terms of the Note secured hereby, and in addition to the deposits for general and special taxes and assessments pursuant to the terms of paragraph 19 of this Mortgage, Mortgagor will deposit with Mortgagee a sum equal to the premiums that will next become due and payable on policies of fire, extended coverage and other hazard insurance covering the mortgaged premises, less all sums already paid therefor, divided by the number of months to elapse before one month prior to the date when such insurance premiums will become due and payable, such sums to be held in trust without interest to pay said insurance premiums; Notwithstanding any provision of law, in the event mortgagee forecloses the lien of this Mortgage, the balances of any such tax escrow account shall be set off against sums due Mortgagee from Mortgagor hereunder.

21. That the whole of the principal sum and the interest of the indebtedness secured hereby shall become due at the option of the Mortgagee:

(a) After default in the payment of any installment of principal and/or of interest thereon for TEN (10) days; or

(b) After default in the payment of any tax, water rate or assessment for THIRTY (30) days after notice and demand; or

(c) After default after notice and demand either in assigning and delivering the certified copies of policies of insurance herein described or referred to or in reimbursing the Mortgagee for premiums paid on such insurance, as herein provided; or

(d) After default for FIFTEEN (15) days following request in furnishing a statement of the amount due on the Mortgage and whether any offsets or defenses exist against the Mortgage debt, as hereinbefore provided; or

(e) After default for THIRTY (30) days after notice and demand in the payment of any installment of

any assessment for local improvement heretofore or hereafter made which is or may become payable in installments, and may at any time affect the premises; or

(f) Upon the actual or threatened waste, removal or demolition of, or material alteration, to any part of the mortgaged property; or

(g) Upon default in keeping inforce the insurance required by Paragraph 5; or

(h) Upon assignment by the Mortgagor of the whole or any part of the rents, income or profits arising from the mortgaged property without the written consent of the Mortgagee unless such assignment shall be specifically subject and subordinate to the prior rights of the Mortgagee hereunder; or

(i) Upon any assignment made by the then owner of the mortgaged property, or beneficiary of Mortgagor, for the benefit of creditors; or

(j) Upon the appointment of a receiver, liquidator or trustee of the then owner, or beneficiary of Mortgagor, of the mortgaged property or of any of its property, or the adjudiciation of such owner to be a bankrupt or insolvent, or the filing of any petition for the bankruptcy, reorganization or arrangement of such owner pursuant to the Federal Bankruptcy Act or any similar statute, or the institution of any proceeding for the dissolution or liquidation of such owner, and, if such appointment, adjudication, petition or proceeding be involuntary and not consented to by such owner, the failure to have the same discharged, stayed or dismissed within NINETY (90) days; or

(k) Upon default or occurrence in the event of default in the observance or performance of any other covenant or agreement of the Mortgagor hereunder, or under the Loan Agreement and expiration of applicable grace period and notice period; or

(l) Upon any other default under the Loan Agreement.

(m) Upon any assignment of the beneficial interest of mortgagor by one or more of its beneficiaries.

22. In addition to all other provisions contained herein, Mortgagor acknowledges that the proceeds of the Note are intended to finance the construction of improvements on the premises and further covenants and agrees that:

(a) The improvements to be erected on the premises shall be completed in accordance with the provisions of the Loan Agreement dated of even date herewith.

(b) Upon default in any of the terms, provisions or covenants in the Loan Agreement contained, the holder of the Note may (but need not):

(i) Declare the entire principal indebtedness and interest secured hereby to be due and payable.

(ii) Complete the construction of said improvements and enter into the necessary contracts therefor. All monies so exptended shall be so much additional indebtedness secured by this Mortgage, and any monies expended in excess of the Note, shall be payable on demand with interest at the penalty rate and shall be deemed a pro tanto amendment to the principal sums due pursuant to said Note.

The holder of said Note may exercise either or both of the aforesaid remedies in addition to any and all other remedies afforded herein or in the Loan Agreement.

23. That when the indebtedness secured hereby shall become due whether by acceleration or otherwise, the Mortgagee shall have the right to foreclose the lien hereof; that in any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of the Mortgagee for attorneys' fees, appraisers' fees, outlay for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, guarantee policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem to be necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the mortgaged property; that all such expenditures shall become so much additional indebtedness secured hereby and immediately due and payable with interest thereon at the penalty rate per annum when paid or incurred by the Mortgagee; and that the proceeds of any foreclosure sale of the mortgaged property shall be distributed and applied in the following order of priority: First, on account of all such costs and expenses incident to the foreclosure proceedings; Second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note with interest thereon as herein provided; Third, all principal and interest remaining unpaid on the indebtedness secured hereby; and Fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

24. That upon, or at any time after the filing of a bill to foreclose this Mortgage, the court in which such bill is filed may appoint a receiver of the mortgaged property; that such appointment may be made either before or after sale, without notice and without requiring bond (notice and bond being hereby waived) without regard to the solvency or insolvency of the Mortgagor at the time of application for such receiver and without regard to the then value of the mortgaged property or whether the same shall be then occupied as a homestead or not; that such receiver shall have power to collect the rents, issues and profits of the mortgaged property during the pendency of such foreclosure suit and, in case of a sale and a deficiency,

during the full statutory period of redemption, whether there by redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in cash cases for the protection, possession, control, management and operation of the mortgaged property during the whole of said period; and that the receiver, out of such rents, issues and profits may pay any costs incurred in the management and operation of the mortgaged property, prior and coordinate liens, if any, taxes, assessments and insurance, and may pay all or any part of the indebtedness secured hereby or any deficiency decree.

25. That upon any sale by virtue of any judicial proceedings or otherwise for the enforcement of this Mortgage the mortgaged property may be sold in one parcel as an entirety, and the Mortgagor, to the full extent that it may lawfully do so, for itself and for all who may claim through or under them hereby expressly waives and releases all right to have the mortgaged property or any part thereof marshalled upon any foreclosure sale, or other enforcement hereof, and any court at the time foreclosure of this Mortgage is sought shall have the right and is hereby authorized and directed to sell the entire mortgaged property as a whole in a single parcel.

26. That any failure by the Mortgagee to insist upon the strict performance by the Mortgagor of any of the terms and provisions hereof shall not be deemed to be a waiver of any of the terms and provisions hereof, and the Mortgagee, notwithstanding any such failure, shall have the right thereafter to insist upon the strict performance by the Mortgagor of any and all of the terms and provisions of this Mortgage to be performed by the Mortgagor; that neither the Mortgagor nor any other person now or hereafter obligated for the payment of the whole or any part of the Note or any obligation secured by this Mortgage shall be released from liability for repayment of the Note or any obligations secured by this Mortgage (1) by reason of the failure of the Mortgagee to comply with any request of the Mortgagor or of any other person, to take action to foreclose this Mortgage or of any obligations secured by this Mortgage, or (2) by reason of any agreement or stipulation between any subsequent owner or owners of the mortgaged property and the Mortgagee extending the time of payment or modifying the terms of the Note or Loan Agreement or Mortgage (whether or not first having obtained the prior written consent of the Mortgagor or the other person obligated to pay the Note or any obligation secured by this Mortgage); that the Mortgagee may release, regardless of consideration, this Mortgage in whole or in part without, as to the remainder of the security, in anywise impairing or affecting the lien of this Mortgage or the priority of such lien over any subordinate lien; and that the Mortgagee may resort for the payment of the indebtedness secured hereby to any other security therefor held by the Mortgagee in such order and manner as the Mortgagee may elect.

27. That the rights of the Mortgagee arising under the clauses and covenants contained in this Mortgage shall be separate, distinct and cumulative and none of them shall be in exclusion of the others; that no act of the Mortgagee

shall be construed as an election to proceed under any one provision thereof to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

28. That wherever used in this Mortgage, unless the context clearly indicates a contrary intent or unless otherwise specifically provided herein, the word "Mortgagor" shall mean and include "the undersigned and/or any subsequent owner or owners of the premises"; the word "Mortgagee" shall mean "Mortgagee or any subsequent holder or holders of this Mortgage; that word "person" shall mean "an individual, corporation, partnership or unincorporated association"; and the word "premises" shall include the real estate hereinbefore described, together with all equipment, condemnation awards and any other rights or property interests at any time made subject to the lien of this Mortgage by the terms hereof, and pronouns of any gender shall include the other gender, and either the singular or plural shall include the other.

29. MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR DECREE OF FORECLOSURE OF THIS MORTGAGE, ON ITS OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT DECREE OR JUDGMENT CREDITORS OF THE MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE MORTGAGED PREMISES AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE.

30. That this Mortgage cannot be changed except by an agreement in writing, signed by the party against whom enforcement of the change is sought.

31. This Mortgage is issued pursuant to and is subject to the terms and conditions of the Loan Agreement.

32. Shall there exist, at any time, an inconsistency or conflict with the terms and conditions set forth in the Loan Agreement and the terms and conditions set forth herein, the Loan Agreement shall control in all instances.

33. Any part of the security herein described may be released by the Mortgagee without affecting the lien hereof on the remainder. The liability of the Mortgagor on said Note shall continue in its original force and effect until the Note and interest thereon are paid in full. ; Mortgagee may by written and signed agreement with the then record owner of said premises, or with the heirs, executors, administrators, devisees, successors or assigns of such record owner, or with any one or more persons liable, whether primarily or secondarily, for the payment of any indebtedness secured hereby, without notice to any other of said persons, extend the time of payment of said indebtedness, or any part hereof, without thereby modifying or affecting the lien of its mortgage or releasing any such person from any liability for such indebtedness, and this mortgage shall be security for all additional interest under such extension agreement; and the granting of any extension or extensions of time of payment of the principal note or interest thereof either to the maker or to any other person, or the releasing of a portion of the security hereof, or taking other or additional security for payment of said indebtedness, or waiver of or failure to exercise any right to mature or to enforce the whole debt under any covenant or

stipulation herein contained, or extending the time of payment of any other indebtedness or liability secured hereby, shall not in any wise affect this mortgage or the rights of the mortgagee hereunder, or operate as a release from any liability upon said note or said indebtedness under any covenant or stipulation herein contained.

34. The Note secured by this Mortgage evidences an indebtedness created by multiple disbursements made by Mortgagee for the financing of the cost of construction of certain improvements, and the equipping thereof, on the real estate above described, all in accordance with the terms and provisions of the Loan Agreement.

35. This instrument is executed by Mortgagor, not personally but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee. All the terms, provisions, stipulations, covenants and conditions to be performed by Mortgagor are undertaken by it solely as Trustee as foresaid, and not individually, and no personal liability shall be asserted or enforceable against Mortgagor by reason of anything contained in said instrument, or in any previously executed document whether or not executed by said Mortgagor either individually or as Trustee as aforesaid, relating to the subject matter of the foregoing agreement, all such personal liability, if any, being expressly waived by every person now or hereafter claiming any right or security hereunder.

IN WITNESS WHEREOF, this Mortgage has been duly executed the day and year first above written.

HERITAGE STANDARD BANK & TRUST CO.
A/T/U/T/A DATED 5-14-85,
A/K/A TRUST 3635

BY Angela Durco
Assistant Trust Officer

Attest: Patricia Brankin
Asst Secy.



87012495

8 7 0 1 2 4 9 5

I, Sharon Hansen, A Notary Public in and for and residing in said County, in the State aforesaid, do hereby certify that Pamela Dupco and Patricia Brankin, being Assistant Trust Officer and Assistant Secretary, respectively, of HERITAGE STANDARD BANK & TRUST COMPANY, an Illinois Banking Corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Trust Officer and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said association for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that the said Assistant Secretary as custodian of the corporate seal of the said association did affix the corporate seal of said association to said instrument, as said as their own free and voluntary act and as the free and voluntary act of said association as Trustee for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 2nd day of January, 1987.

Sharon Hansen

"OFFICIAL SEAL"
SHARON HANSEN
Notary Public, State of Illinois
My Commission Expires 8/9/88

THIS DOCUMENT WAS PREPARED BY:

JAMES B. CARROLL ESQ.
2400 WEST 95TH STREET
5TH FLOOR
EVERGREEN PARK, IL 60642
[312] 422-3766



BOX 333 L

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87012495

Mail To:
Heritage Standard Bank & Trust Co.
2400 W. 95th St.
Evergreen Park, Ill. 60642

87012495

PARCEL 1:

THE WEST 1/2 OF THE NORTH EAST 1/4 OF THE SOUTH EAST 1/4 (EXCEPT THE WEST 150 FEET THEREOF, AND EXCEPT THAT PART DEDICATED FOR PUBLIC HIGHWAY BY DOCUMENT 12010923, AND EXCEPT THAT PART LYING EAST OF THAT PART DEDICATED FOR PUBLIC HIGHWAY BY DOCUMENT 12010923) IN SECTION 14, TOWNSHIP 37 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN

PARCEL 2:

THE SOUTH 4 ACRES (EXCEPT THAT PART LYING EASTERLY OF STATE HIGHWAY 83)OF THE EAST 1/2 OF THE NORTH EAST 1/4 OF THE SOUTH EAST 1/4 OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN EXCEPT THAT PART DEDICATED FOR PUBLIC HIGHWAY BY DOCUMENT 12010925, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY GRANT OF EASEMENT MADE BY AND BETWEEN J. MARICH AND SONS, INC. A CORPORATION OF ILLINOIS AND HERITAGE STANDARD BANK AND TRUST COMPANY AS TRUSTEE UNDER TRUST AGREEMENT DATED MAY 14, 1985 AND KNOWN AS TRUST NUMBER 9635 DATED AUGUST 11, 1986 AND RECORDED SEPTEMBER 22, 1986 AS DOCUMENT 86428778 FOR INGRESS AND EGRESS OVER AND UPON THE FOLLOWING DESCRIBED LAND:

THE WEST 66 FEET OF THE EAST 322.17 FEET OF THAT PART OF LOT 2 OF DOOLIN AND KIRK'S RESUBDIVISION OF THE EAST 404.7 FEET OF THE SOUTH WEST 1/4 OF THE SOUTH EAST 1/4 AND OF THE S.E. 1/4 of THE SOUTH EAST 1/4 (EXCEPT THEREFROM LOTS 1, 2, 3, 4, AND 5 OF CHRISTIAN BOE'S SUBDIVISION OF CERTAIN PARTS THEREOF) OF SECTION 14, TOWNSHIP 37 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS ACCORDING TO THE PLAT OF SAID DOOLIN AND KIRK'S RESUBDIVISION RECORDED AUGUST 30, 1889 AS DOCUMENT 1149383, IN BOOK 37 OF PLATS, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT ON THE CENTER LINE OF SAG-LEMONT ROAD 300.00 FEET WESTERLY OF THE SOUTH EAST CORNER OF SAID LOT 2, LOT AS MEASURED ALONG THE SOUTH LINE OF SAID LOT 2, THENCE NORTHERLY ON A LINE PARALLEL TO THE EAST LINE OF SAID LOT 2 A DISTANCE OF 851.40 FEET TO THE NORTH LINE OF SAID LOT 2, BEING ALSO THE NORTH LINE OF THE SOUTH 1/2 OF THE SOUTH EAST 1/4 OF SAID SECTION 14, THENCE WESTERLY ALONG SAID NORTH LINE A DISTANCE OF 578.94 FEET TO THE EAST LINE OF THE COMMONWEALTH EDISON COMPANY RIGHT OF WAY, THENCE SOUTHERLY ALONG THE EAST LINE OF SAID THE COMMONWEALTH EDISON COMPANY RIGHT OF WAY A DISTANCE OF 848.63 FEET TO THE CENTER LINE OF SAG-LEMONT ROAD, BEING ALSO THE SOUTH LINE OF SAID LOT 2, THENCE EASTERLY ALONG SAID CENTER LINE A DISTANCE OF 578.2 FEET TO THE POINT OF BEGINNING, (EXCEPTING THEREFROM THAT PARCEL OF LAND CONDEMNED BY THE DEPARTMENT OF PUBLIC WORKS AND BUILDINGS OF THE STATE OF ILLINOIS FOR AND ON BEHALF OF THE PEOPLE OF THE STATE OF ILLINOIS IN CASE NUMBER 69L13193 IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS) ALL IN COOK COUNTY, ILLINOIS.

PERM TAX NO. 22-14-401-019-0000

PERM TAX NO. 22-14-401-020-0000

107th + Route 83
Lemont, IL.

SB

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