

# UNOFFICIAL COPY

THIS INSTRUMENT PREPARED BY:

FRANK P. ANTARELLI  
WHEN RECORDED MAIL TO  
HOME SAVINGS OF AMERICA  
P.O. BOX 7075  
PASADENA, CALIFORNIA 91109-7075

88400848



ALL NOTICES TO LENDER SHALL BE  
MAILED OR DELIVERED TO THE ABOVE  
ADDRESS.

LOAN NO. 923411-3

## Mortgage, Assignment of Rents and Security Agreement

This Mortgage (the "Instrument") is made this 24th day of AUGUST, 1988, between  
FIRST STATE BANK & TRUST CO. OF PARK RIDGE, NOT PERSONALLY, BUT AS TRUSTEE UNDER  
A CERTAIN TRUST AGREEMENT DATED MAY 5, 1987 AND KNOWN AS TRUST NO. 1781

(the "Mortgagor") whose address is 607 DEVON  
PARK RIDGE, IL. 60068

and HOME SAVINGS OF AMERICA, F.A.,  
a federally chartered savings and loan association (the "Lender"), whose address is P.O. Box 7075, Pasadena, California 91109-7075.  
WITNESSETH: Mortgagor irrevocably grants, conveys, transfers and assigns to Lender that real property in

COOK

County, Illinois, described as:

LOT 64 AND THE SOUTH HALF OF LOT 63 IN FRANK NOWAK'S SUBDIVISION OF BLOCK 26 IN THE  
SUBDIVISION OF SECTION 19, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL  
MERIDIAN, (EXCEPT THE SOUTH WEST QUARTER OF THE NORTH EAST QUARTER AND THE SOUTH EAST  
QUARTER OF THE NORTH WEST QUARTER AND) THE EAST HALF OF THE SOUTH EAST QUARTER THEREOF),  
IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS 3618-3620 NORTH MARSHFIELD AVENUE, CHICAGO, IL. 60613

PTN: 14-19-231-031 VOL. 483

DEFT-01 \$16.25  
T#3333 TRAN 2504 09/01/88 16:06:00  
#6732 + C \* -88-400848  
COOK COUNTY RECORDER

TOGETHER with all interest which Mortgagor now has or may hereafter acquire in or to said property, and in and to: (a) all easements and rights of way appurtenant thereto, and all heretofore or hereafter vacated alleys and streets abutting said property; (b) all buildings, structures, tenements, improvements, fixtures and appurtenances now or hereafter placed thereon, including, but not limited to, all fixtures, apparatus, machinery, equipment, engines, boilers, incinerators, building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with said property, including, but not limited to, those for the purposes of supplying or distributing air cooling, air conditioning, gas, electricity, water, air, refrigeration, ventilation, laundry, drying, dishwashing, garbage disposal and other services, and all related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bathtubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, panelling, rugs, attached floor coverings, furniture, pictures, antennae, trees and plants, pool equipment, if being intended and agreed that such items, including replacements and additions thereto, be conclusively deemed to be affixed to and be part of the real property that is conveyed hereby; (c) all cabinets, shelving, furniture, displays, lights, machinery and other trade fixtures attached or otherwise installed on said property used for a trade or business, if being intended and agreed that such items, including replacements and additions thereto, be conclusively deemed to be affixed to and be part of the real property that is conveyed hereby; (d) all royalties, minerals, oil and gas rights and profits, water and water rights (whether or not appurtenant) owned by Mortgagor and shares of stock pertaining to such water or water rights, ownership of which affects said property; and (e) the rents, income, issues, and profits of all properties covered by this instrument; and (f) all accounts, accounts receivable, chattel paper, insurance claims, condemnation awards, general intangibles, contract rights, instruments, documents and other rights of Mortgagor arising out of or related to Mortgagor's ownership of such property, SUBJECT, HOWEVER, to the terms and conditions herein set forth. Mortgagor agrees to execute and deliver, from time to time, such further instruments as may be requested by Lender to evidence or confirm the lien of this instrument on any such properties. The properties conveyed to Trustee hereunder are hereinafter referred to as the "Property".

### FOR THE PURPOSE OF SECURING

(1) Payment of the sum of \$ 372,600.00 with interest thereon, according to the terms of a promissory note of even date herewith and having a final maturity date of SEPTEMBER 20, 2018 made by Mortgagor payable to Lender or order, and all modifications, extensions or renewals thereof (the "Note"); (2) Payment of such additional sums with interest thereon (a) as may be hereafter advanced by Lender pursuant to paragraph 34 hereof (herein "Future Advances"); and (b) as may be incurred, paid out, or advanced by Lender, or may otherwise be due Lender under any provision of this instrument. (3) If this is a construction loan, performance by Mortgagor of the covenants and agreements contained in a construction loan agreement between Mortgagor and Lender, of even date herewith, as provided in paragraph 17 hereof. (4) Performance of each agreement of Mortgagor contained herein or incorporated herein by reference or contained in any other agreements or covenants executed by Mortgagor relating to the loan secured hereby. (5) If this loan is secured by a leasehold, performance and keeping by Mortgagor of each of the covenants and agreements required to be kept and performed by Mortgagor as lessee pursuant to the terms of the lease and any and all other instruments creating Mortgagor's leasehold interest in or defining Mortgagor's rights as lessee in respect to the Property. (6) Performance by Mortgagor with each and every monetary obligation to be performed by Mortgagor under any recorded covenants, conditions and restrictions pertaining to the Property. (7) At Lender's option, payment, with interest thereon, of any other present or future indebtedness or obligation of Mortgagor (or of any successor in interest of Mortgagor to such Property) owing to Lender, whether created directly or acquired by absolute or contingent assignment, whether due or not, whether otherwise secured or not, or whether existing at the time of the execution of this instrument or arising thereafter, the exercise of such option to be evidenced by a notice in writing to Mortgagor or any successor in interest to Mortgagor. (8) Performance of all agreements of Mortgagor to pay fees and charges to the Lender relating to the loan secured hereby. (9) Payment of charges, as allowed by law when such charges are made, for any statement issued by Lender regarding the obligation secured hereby.

Mortgagor covenants that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to grant, convey, transfer and assign the Property to Lender.

5/18/04 320 C/8 MEA

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**TO PROTECT THE SECURITY OF THIS MORTGAGE, MORTGAGOR AGREES AS FOLLOWS:**

(1) **Payment of Principal and Interest.** Mortgage shall pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment and late charges provided in the Note and all other sums secured by this instrument.

(2) **Funds for Taxes, Insurance and Other Charges.** Upon request by Lender, Mortgage shall pay to Lender on the day monthly installments of principal and/or interest as payable under the Note (or on another day designated in writing by Lender, until the Note is paid in full a sum therein). Funds equal to one-twelfth of the yearly water and sewer rates and taxes and assessments which may be levied on the Property, (b) the yearly ground rent, if any, (c) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 5 hereof, (d) the yearly premium installments for mortgage insurance, if any, and (e) if this instrument is on a leasehold, the yearly fixed rent, if any, under the ground lease, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Mortgage pay such Funds may be revoked by Lender in Lender's sole discretion at any time upon notice in writing to Mortgage. Lender may require Mortgage to pay to Lender, in advance, such sums for other taxes, charges, premiums, assessments and impositions relating to the Property or the Property payment of which Lender reasonably shall deem necessary, to protect any of the liens or security interests of Lender covered by this instrument. (Other impositions.) Unless otherwise provided by applicable law, Lender may require Funds for Other Impositions to be paid to Lender by Mortgage in a lump sum or in periodic installments at Lender's option.

The Funds shall be held by Lender or, at Lender's option, in another institution (a) the deposits or accounts of which are insured or guaranteed by a Federal or state agency, Lender shall apply the Funds to pay said rates, taxes, assessments, insurance premiums, rents and other impositions as they become due, provided that Mortgage is not in breach of any covenant or agreement of Mortgage in this instrument. Lender shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills, unless Mortgage agrees to pay the Funds and applicable law permits Lender to make such a charge. Mortgage and Lender may agree in writing at the time of execution of this instrument that interest on the Funds shall be paid to Mortgage, and unless such agreement is made or applicable law requires payment of interest, earnings or profits on the Funds to be paid to Mortgage, Lender shall not be required to pay Mortgage any interest, earnings or profits on the Funds. Lender shall give to Mortgage, without charge, an annual accounting of the Funds in Lender's usual format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the indebtedness secured by this instrument.

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, as by all due, such excess shall be refunded to Mortgage following such audit. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay water and sewer rates, taxes, assessments, insurance premiums, rents and other impositions, as they fall due, Mortgage shall pay to Lender any amount necessary to make up the deficiency within thirty days after written notice from Lender to Mortgage requesting payment thereof.

Upon Mortgage's breach of any covenant or agreement of Mortgage in this instrument, Lender may apply, in any amount and in any order as Lender shall determine, in Lender's sole discretion, any Funds held by Lender at the time of application, (i) to pay rates, taxes, assessments, insurance premiums and Other Impositions which then are due, (or (ii) as a credit against any indebtedness secured by this instrument. Upon payment in full of all sums secured by this instrument, Lender shall promptly refund to Mortgage any unapplied Funds held by Lender.

(3) **Application of Payments.** Unless applicable law requires otherwise, all payments received by Lender from Mortgage under the Note or this instrument shall be applied by Lender in the following order of priority: (a) amounts payable to Lender by Mortgage under paragraph 2 hereof, (b) interest payable on the Note, (c) principal of the Note, (d) interest payable on advances made pursuant to paragraph 2 hereof, (e) principal of advances made pursuant to paragraph 2 hereof, (f) interest payable on any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the amounts of interest payable on the Future Advances in such order as Lender may determine; (g) principal of any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the amounts of interest payable on the Future Advances in such order as Lender may determine; (h) principal of the Future Advances in such order as Lender may determine; (i) any other Future Advance is outstanding, Lender may determine; and (j) any other sums payable pursuant to paragraph 2 hereof prior to interest on and principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.

(4) **Charges; Liens.** Mortgage shall pay all water and sewer rates, taxes, assessments, premiums, and other impositions attributable to the Property at Lender's option, in the manner provided under paragraph 2 hereof, or if not paid in such manner, by Mortgage making payment, when due directly to the appropriate payee, hereof, or in such other manner as Lender may designate in writing. When required to do so by Lender, Mortgage shall promptly furnish to Lender all notices of amounts due under this paragraph 4, and in the event Mortgage shall make payment directly, Mortgage shall promptly furnish to Lender receipts evidencing such payments. Mortgage shall promptly discharge any lien which has, or may have, priority over or be equal to the lien of this instrument, and Mortgage shall due, the claims of all persons supplying labor or materials to or in connection with the Property.

(5) **Hazard Insurance.** Mortgage shall keep the improvement in, or existing or to be erected on the Property insured by carriers at all times satisfactory to Lender against loss by fire, hazards included in the term "extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Lender shall determine, and if the instrument is on a leasehold, the ground lease, including, among other things, flood, earthquake, tornado or similar environmental damage, and in such amounts and for such periods as Lender shall require. All premiums on insurance policies shall be paid, at Lender's option, in the manner provided under paragraph 2 hereof, or by Mortgage making payment, when due, directly to the carrier, or in such other manner as Lender may designate in writing. All insurance policies and renewals thereof shall be in a form acceptable to Lender, and when requested by Lender, Mortgage shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. At least thirty days prior to the expiration date of a policy, Mortgage shall deliver to Lender a renewal policy in form satisfactory to Lender. If this instrument is on a leasehold, Mortgage shall furnish Lender a duplicate of all policies, renewal notices, receipts of paid premiums and receipts of paid premiums if, by virtue of the ground lease, the originals thereof may not be supplied by Mortgage to Lender.

In the event of any loss covered by any such policy, Mortgage shall give immediate written notice to the insurance carrier and to Lender. Mortgage hereby authorizes and empowers Lender as attorney-in-fact for Mortgage to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds, provided however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Mortgage further authorizes Lender, at Lender's option, (a) to hold the balance of such proceeds to be used to reimburse Mortgage for the cost of reconstruction or repair of the Property, or (b) to apply the balance of such proceeds to the payment of sums secured by this instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof (subject, however, to the rights of the lessor under the ground lease if this instrument is on a leasehold).

If the insurance proceeds are held by Lender to reimburse Mortgage for the cost of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereof, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair; (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair; (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property; (f) shall provide for professional management of the Property by a rental property manager satisfactory to Lender pursuant to a contract approved by Lender in writing, unless such requirement shall be waived by Lender in writing; (g) shall generally operate and maintain the Property in a manner to ensure maximum rental; and (h) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this instrument or the rights or powers of Lender. Neither Mortgage nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance or any other item of kind.

If this instrument is on a leasehold, Mortgage (i) shall comply with the provisions of the ground lease; (ii) shall give immediate written notice to Lender of any default by the lessor under the ground lease or of any notice received by Mortgage from such lessor of any default under the ground lease; (iii) shall exercise any option to renew or extend the ground lease and give written confirmation thereof to Lender within thirty days after the option becomes exercisable; (iv) shall give immediate written notice to Lender of the commencement of any remedial proceedings under the ground lease by any party thereto; and, if required by Lender, shall permit Lender as Mortgage's attorney-in-fact to control and defend any action or proceeding brought by Lender under the ground lease, if any, by Lender obtaining from the lessor under the ground lease a written assignment of the ground lease and a written agreement by the lessor to assign the ground lease to Mortgage. Lender shall have no liability with respect to such covenants nor any other covenants contained in the ground covenants run with the land, but Lender shall have no liability with respect to such covenants.

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(21) Acceleration; Remedies. Upon Mortgagee's breach of any covenant or agreement or agreement of the Note, including but not limited to the covenants to pay when due and any sums secured by this instrument, Lender, at Lender's option, may declare

(M) sales or transfers of fixtures or any personal property pursuant to the replacement thereof with property of the same kind and quality. (N) Note; and (O) sales or transfers of beneficial interests in Mortgagee having been sold or transferred since commencement of amortization of the

(iii) sales or transfers of beneficial interests in Mortgagee provided that such sales or transfers, together with any prior sales or transfers of beneficial interests in Mortgagee, but excluding sales or transfers under subparagraphs (i) and (ii) above, do not result in more than 25% of the beneficial interests in Mortgagee.

(ii) the grant of a leasehold interest in a part of the Property of three years or less, including all renewal options, for such longer lease term as Lender may permit by prior written approval not containing an option to purchase (except any interest in the ground lease, if this instrument is on a leasehold).

(19) Acceleration in Case of Insolvency. Notwithstanding anything in this Mortgage or the Note to the contrary, if Mortgagee or the owner of the beneficial interest in this Mortgage or the Note shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, reorganization, or liquidation under a bankruptcy or insolvency act within a reasonable period of time after such filing or if said Mortgagee or owner shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for either of them or their property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if there is an attachment, execution or other judicial seizure of any portion of their respective assets and such seizure is not discharged within ten days, then Lender may, at Lender's option, declare all indebtedness due under this Mortgage and

Paragraph 18 of this Mortgage. Any attorney's fees and other expenses incurred by Lender in connection with such bankruptcy or any of the other aforesaid events shall be additional indebtedness of Mortgagee secured by this Mortgage and payable on demand.

(20) Transfers of the Property or Beneficial Interests in Mortgage. On sale or transfer of (a) all or any part of the Property, or any interest therein; or (b) beneficial interests in Mortgagee, Lender may, at Lender's option, declare all of the sums secured by this instrument to be immediately due and payable, and Lender may invoke any remedies permitted by Paragraph 18 of this Mortgage.

Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or invalidate any other right or remedy of Lender under applicable law or in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagee under applicable law.

accordance with the terms of the Note, compounded monthly, unless payment of interest at such rate would be contrary to applicable law, immediately due and payable by Mortgagee and shall bear interest from the date of disbursement. The rate as adjusted from time to time in pursuance of paragraph 6 hereof. Unless Lender and Mortgagee agree in writing to other terms of payment, such amounts shall be

rents, any funds expended by Lender for such purposes shall become indebtedness of Mortgagee to Lender secured by this instrument and collecting the rents of the Property are not sufficient to meet the costs, if any, of taking control and managing the Property and collecting the rents of the Property for more than two months prior to the due dates of such rents. Mortgagee covenants that Mortgagee will not

hereafter collect or accept payment of any rents of the Property prior to the due dates of such rents. Mortgagee covenants that Mortgagee will not and will not permit, any acts or omissions of that nature, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph 18, and that at the time of execution of this instrument there has been no anticipation or prepayment of any of

Mortgagee hereby covenants that Mortgagee has not executed any prior assignment of said rents, that Mortgagee has not performed and that Mortgagee shall not perform, any act or omission which would prevent Lender from exercising its rights under this paragraph 18, and that at the time of execution of this instrument there has been no anticipation or prepayment of any of

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Mortgagor shall not surrender the leasehold estate and interest herein conveyed nor terminate or cancel the ground lease creating said estate and interest, and Mortgagor shall not without the express written consent of Lender alter or amend said ground lease. Mortgagor covenants and agrees that there shall be a merger of the ground lease and of the leasehold estate created thereby, with the fee estate covered by the ground lease by reason of said leasehold estate or said fee estate or any part thereof, coming into common ownership, unless Lender shall consent in writing to such merger. If Mortgagor shall acquire such fee estate, then this instrument shall simultaneously and without further action be spread so as to become a lien on such fee estate.

(7) Use of Property. Unless required by applicable law or unless Lender has otherwise agreed in writing, Mortgagor shall not allow changes in the use for which all or any part of the Property was intended at the time this instrument was executed. Mortgagor shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.

(8) Protection of Lender's Security. If Mortgagor fails to perform the covenants and agreements contained in this instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, building code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to: (a) disbursement of attorneys' fees; (b) entry upon the Property to make repairs or otherwise to protect the same as security for the indebtedness secured by this instrument; (c) procurement of satisfactory insurance as provided in paragraph 5 hereof; and (d) if this instrument is on a leasehold, exercise of any option to renew or extend the ground lease on behalf of Mortgagor and the curing of any default of Mortgagor in the terms and conditions of the ground lease.

Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness secured by this instrument. Unless Mortgagor and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the rate as adjusted from time to time in accordance with the terms of the Note, compounded monthly, unless collection from Mortgagor of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Mortgagor under applicable law. Mortgagor hereby covenants and agrees that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by any advances made by Lender hereunder. Nothing contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

(9) Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property.

(10) Books and Records. Mortgagor shall keep and maintain at all times at Mortgagor's address as provided in the Note, or such other place as Lender may approve in writing, complete and accurate books of accounts and records, in accordance with generally accepted accounting principles, consistently applied, adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, budgets, change orders, leases and other instruments which affect the Property. Such books, records, contracts, budgets, change orders, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Within seven days of Lender's request, Mortgagor shall furnish to Lender a balance sheet, a statement of income and expenses of the Property and a statement of changes in financial position, each in reasonable detail and certified by Mortgagor and, if Lender shall require, by an independent certified public accountant. Mortgagor shall furnish, together with the foregoing financial statements and at any other time upon Lender's request, a rent schedule for the Property, certified by Mortgagor or Mortgagor's beneficiary, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid. In addition to the foregoing, at Lender's request, Mortgagor shall furnish such financial statements and other documents or records within 120 days following the close of each calendar year. All financial statements and other documents or records pursuant to this paragraph 10 shall be provided at Mortgagor's sole expense.

(11) Condemnation. Mortgagor shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect or whether by eminent domain or otherwise, of the Property, or part thereof, and Mortgagor shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Mortgagor authorizes Lender, at Lender's option, as attorney-in-fact for Mortgagor, to commence, appear in and prosecute, in Lender's or Mortgagor's name, any action or proceeding relating to any such condemnation or other taking of the Property, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any such condemnation or other taking, of the Property or part thereof, or for conveyances in lieu of condemnation, are hereby assigned to and shall be paid to Lender subject, if this instrument is on a leasehold, to the rights of the lessor under the ground lease.

Mortgagor authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to restoration or repair of the Property or to payment of the sums secured by this instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof, with the balance, if any, to Mortgagor. Unless Mortgagor and Lender otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. Mortgagor agrees to execute such further evidence of assignment of any awards, proceeds, damages or claims arising in connection with such condemnation or taking as Lender may require.

(12) Lien Not Released. From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Mortgagor, Mortgagor's successors or assigns or of any junior lienholder or guarantors, without liability on Lender's part and notwithstanding Mortgagor's breach of any covenant or agreement of Mortgagor in this instrument, extend the time for payment of said indebtedness or any part thereof, reduce the payments thereon, release any other persons secondarily or otherwise liable on any of said indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this instrument any part of the Property, take or release other or additional security, reconvey any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subdivision agreement, and agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Lender pursuant to the terms of this paragraph 12 shall not affect the obligations of Mortgagor or Mortgagor's successors or assigns to pay the sums secured by this instrument and to observe the covenants of Mortgagor contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien hereof on the Property. Mortgagor shall pay Lender a reasonable service charge, together with such title insurance premiums and attorneys' fees as may be incurred, at Lender's option, for any such action if taken at Mortgagor's request.

(13) Forbearance by Lender Not a Waiver. No waiver by Lender of any right under this instrument shall be effective unless in writing. Waiver by Lender of any right granted to Lender under this instrument or of any provision of this instrument as to any transaction or occurrence shall not be deemed a waiver as to any future transaction or occurrence. By accepting payment of any sum secured hereby after its due date or by making any payment or performing any act on behalf of Mortgagor that Mortgagor was obligated hereunder but failed to make or perform, or by adding any payment so made by Lender to the indebtedness secured hereby, Lender does not waive its right to require prompt payment when due of all sums so secured or to require prompt performance of all other acts required hereunder, or to declare a default for failure so to pay.

(14) Estoppel Certificate. Mortgagor shall within ten days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this instrument.

(15) Uniform Commercial Code Security Agreement. This instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Mortgagor hereby grants Lender a security interest in said items. Mortgagor agrees that Lender may file this instrument, or a reproduction thereof, in the appropriate records or index for Uniform Commercial Code filings as a financing statement for any of the items specified above as part of the Property. Any reproduction of this instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Mortgagor agrees to execute and deliver to Lender, upon Lender's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this instrument in such form as Lender may require to perfect a security interest with respect to said items. Mortgagor shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Mortgagor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Mortgagor's breach of any covenant or agreement of Mortgagor contained in this instrument, including the covenants to pay when due all sums secured by this instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may invoke the remedies provided in paragraph 21 of this instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 21 of this instrument.

(16) Lease of the Property. As used in this paragraph 16, the word "lease" shall mean "sublease" if this instrument is on a leasehold. Mortgagor shall comply with and observe Mortgagor's obligations as landlord under all leases of the Property or any part thereof. Mortgagor, at Lender's request, shall furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. Unless otherwise waived by Lender, all leases of the Property shall specifically provide that such leases: (a) are subordinate to this instrument; (b) that the tenant attorns to Lender, such attornment to be effective upon Lender's acquisition of title to the Property; (c) that the tenant agrees to execute such further evidences of attornment as Lender may from time to time request; (d) that the attornment of the tenant shall not be terminated by foreclosure; and (e) that Lender may, at Lender's option, accept or reject such attornments. Mortgagor shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this instrument. If Mortgagor becomes aware that any tenant proposes to do, or is doing, any act or thing which may give rise to any right of set-off against rent, Mortgagor shall: (i) take such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off against rent; (ii) notify Lender thereof and of the amount of said set-offs; and (iii) within ten days after such accrual, reimburse the tenant who shall have acquired such right to set-off or take such other steps as shall effectively discharge such set-off and as shall assure that rents thereafter due shall continue to be payable without set-off or deduction.

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(34) Future Advances. Upon request of Mortgagor, Lender, at Lender's option and in reliance of this Mortgage, may make Future Advances to Mortgagor. Such future advances on interest thereon shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note plus NONE

(35) Waiver of Right of Redemption. Mortgagor has been directed by its beneficiary to and hereby does waive any and all rights of redemption from sale under any order 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 an interest in or title to the Property subsequent to the date of this Mortgage.

This Mortgage is executed by FIRST STATE BANK & TRUST CO. OF PARK RIDGE not personally but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed by the Lender herein and by every person now and hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage shall be construed as creating any liability on said Trustee personally to pay said Note or any interest that may accrue thereon, on any indebtedness accruing hereunder or to perform any covenants either express or implied herein contained, all such liability, if any, being expressly waived, and that any recovery for any breach of any warranty contained in this Mortgage and any recovery on this Mortgage and the Note secured hereby shall be solely against and out of the Property hereby conveyed by enforcement of the provisions hereof and of said Note, and any other instrument given to secure Note, but this waiver shall in no way affect the personal liability of any cosigner, endorser or guarantor of said Note.

(36) General Provisions. (a) This Mortgage applies to, inures to the benefit of, and binds, all parties hereto and their successors and assigns, (b) the term Mortgagor shall mean the

FIRST STATE BANK & TRUST CO. OF PARK RIDGE as Trustee and where the context permits or requires the owners of the beneficial interest in Trust No. 1781 and their respective personal representatives, successors and assigns, (c) the term "Lender" shall mean the owner and holder (including a pledgee) of any note secured hereby, whether or not named as Lender herein, (d) wherever the context so requires, the masculine, feminine, and neuter genders each includes the others, the singular number includes the plural, and vice versa, and (e) captions and paragraph headings used herein are for convenience only, are not a part of this Mortgage and shall not be used in construing it.

IN WITNESS WHEREOF, MORTGAGOR has executed this instrument or has caused the same to be executed by its representatives thereunto duly authorized.

LOAN NO. 923411-3

FIRST STATE BANK & TRUST CO. OF PARK RIDGE, TRUSTEE UNDER TRUST AGREEMENT DATED MAY 5, 1987, AND KNOWN AS TRUST NUMBER 1781  
ATTEST: [Signature] as Trustee as aforesaid, and not personally or individually  
By: [Signature] By: [Signature]  
Its: Assistant Trust Officer Its: Assistant Trust Officer

STATE OF ILLINOIS }  
COUNTY OF COOK } SS:

I, Mildred Nosko, a Notary Public, in and for and residing in Cook County, in the State aforesaid, DO HEREBY CERTIFY that Eugene A. Benninger and Tom Olen, the Assistant Trust Officer and Assistant Trust Officer, respectively, of FIRST STATE BANK & TRUST COMPANY OF PARK RIDGE, personally known to me to be the same persons whose names are subscribed in the foregoing instrument as such Assistant Trust Officer and Assistant Trust Officer, respectively, appeared before me this day in person and being first duly sworn by me severally acknowledged that they signed and delivered the said instrument as their free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth and the said Assistant Trust Officer as custodian of the corporate seal of said company, did affix the corporate seal of said company to said instrument as said Asst. Trust Officer's own free and voluntary act and as the free and voluntary act of said company, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and Notarial Seal this 24th day of August, 1988

[Signature]  
Notary Public  
"OFFICIAL SEAL"  
Mildred Nosko  
Notary Public, State of Illinois  
My Commission Expires 6/20/91