

and provisions of the instrument creating such leasehold. Borrower also agrees not to amend, change, or modify the leasehold interest of the instrument on which he has assumed the obligation to pay, without the written consent of Lender being

(10) **Loan on Leasehold Estate.** If such property includes a leasehold estate, Borrower agrees to comply with all of the terms, conditions, and provisions of the instrument creating such leasehold. Borrower also agrees not to amend, change, or modify the leasehold interest of the instrument on which he has assumed the obligation to pay, without the written consent of Lender being

(9) **Litigation.** Borrower shall defend this trust in any action or proceeding brought to affect such property or not it affects the lien hereof, but shall not be liable for the reasonable costs and expenses of such action or proceeding, including reasonable attorneys' fees, unless the action or proceeding is brought by Lender or its assigns, or is brought by a third party in connection with the performance of its obligations under this Mortgage.

(8) **Disposition of the Proceeds of any Insurance Policy.** Condemnation or other Recovery. The amount received by Lender pursuant to this Mortgage under any fire or other insurance policy, in connection with any condemnation or other Recovery, shall be applied by Lender to any indebtedness secured hereby and in such order as Lender may determine, without reducing the amount of the proceeds of such insurance policy to the extent of the amount of the indebtedness secured hereby.

(7) **Condemnation and Injury to Property.** All sums due and payable to Borrower or any successor in interest to Borrower of such property, whether by way of judgment, settlement or otherwise, or injury or damage to such property, or in connection with any condemnation for public use or injury to such property, shall be applied by Lender to the payment of the indebtedness secured hereby and in such order as Lender may determine, without reducing the amount of the proceeds of such insurance policy to the extent of the amount of the indebtedness secured hereby.

(6) **Impounds.** To pay the lender's expenses, assessments, insurance premiums, ground rents or other obligations secured by this Mortgage (hereinafter referred to as "such obligations"), for the purpose of establishing a fund to insure payment when due or before delinquency of any or all of such obligations, the obligations of Borrower, or any successor in interest to Borrower, shall be subject to the payment of such obligations to the lender, or its assigns, in advance of the maturity of such obligations.

(5) **Taxes and Other Sums Due.** Borrower shall be responsible for the payment of all taxes, assessments, ground rents or other obligations secured by this Mortgage (hereinafter referred to as "such obligations"), for the purpose of establishing a fund to insure payment when due or before delinquency of any or all of such obligations, the obligations of Borrower, or any successor in interest to Borrower, shall be subject to the payment of such obligations to the lender, or its assigns, in advance of the maturity of such obligations.

(4) **Life, Health or Accident Insurance.** Borrower shall maintain and keep in force a life, health or accident insurance policy on the life of the borrower, or any other person named in this Mortgage, for the purpose of providing for the payment of the indebtedness secured hereby.

(3) **Fire and Casualty Insurance.** Borrower shall maintain and keep in force a fire and casualty insurance policy on the property, or any other property owned or to be owned by Borrower, for the purpose of providing for the payment of the indebtedness secured hereby.

(2) **Repair and Maintenance of Property.** To keep such property in good condition and repair, not to substantially alter, remove or demolish any buildings thereon, to repair, reconstruct, or improve such property, and to pay when due all claims for labor performed and materials furnished in connection with such property, and not to permit any other person to perform any such work on such property, without the written consent of Lender.

(1) **Construction or Improvements.** To complete in good and workmanlike manner any building or improvement or repair relating thereto which may be begun on such property or contemplated by the loan secured hereby, to pay when due all costs and liabilities incurred therefor, and not to permit any mechanic lien against such property, nor any stop notice against any loan proceeds, Borrower also agrees, anything in this Mortgage to the contrary notwithstanding, (a) to promptly commence work and to complete the proposed improvements promptly (b) to complete same in accordance with plans and specifications as approved by Lender, (c) to allow Lender to inspect such property at all times during construction, and to replace any work or materials unsatisfactory to Lender, within fifteen (15) days after written notice from Lender of such defect, which notice may be given to Borrower by certified mail, sent to his last known address, or by personal service of the same, and to perform all other obligations of Borrower under any building loan agreement relating to such property.

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13.3 Waiver of Limitations. Time of the essence as to all of Borrower's obligations hereunder and to the extent permitted by law, Borrower waives all present or future rights of limitation with respect to any debt incurred or to be incurred hereunder.

13.4 Appointment of Receiver. If the Borrower fails to pay any amount due hereunder on the date it is due, the Lender may appoint a receiver to collect the debt and to sell the property of the Borrower to satisfy the debt. The receiver shall have the same powers and authority as a receiver appointed by a court of law.

13.5 Foreclosure of Mortgage. The Lender has the right to foreclose on the mortgage securing this loan in the event of a default by the Borrower. The Lender may sell the property at a public or private sale and the proceeds of such sale shall be applied to the payment of the debt.

13.6 Remedies. No remedy, remedy, or right is intended to be exclusive of any other remedy, remedy, or right that may be available to the Lender under any applicable law. The Lender may pursue any or all remedies available to it.

13.7 Right to Collect and Receive Rents and Profits. The Lender has the right to collect and receive all rents and profits from the property mortgaged hereunder in the event of a default by the Borrower.

13.8 Modification in Writing. This agreement may be modified or amended only by a written instrument signed by both the Lender and the Borrower.

13.9 No Waivers by Lender. The Lender's failure to enforce any provision of this agreement shall not constitute a waiver of that provision or any other provision of this agreement.

13.10 Acceleration Clause. Right of Lender to Declare All Sums Due on any Transfer. If the Borrower transfers the property mortgaged hereunder, the Lender may declare all sums due on this loan to be immediately due and payable.

13.11 Application of Funds. Lender's obligation to apply the proceeds of any sale of the property mortgaged hereunder to the payment of the debt shall be subject to the terms of this agreement.

13.12 Prepayment Charge. Should any prepayment of principal be made by the Borrower, the Lender shall be entitled to a prepayment charge as set forth in this agreement.

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(24) **Future Advances.** Upon request of Borrower, Lender, at Lender's option prior to maturity of this Mortgage, may make Future Advances to Borrower. Such future advances with 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 72,000.00

(25) **Inspection and Business Records.** Lender at any time during the continuation of this Mortgage may enter and inspect such property at any reasonable time. Borrower agrees that if the event that such property is now or hereafter used for commercial or residential income purposes, that when requested by Lender, Borrower will promptly deliver to Lender such certified financial statements and profit and loss statements of such types and at such intervals as may be required by Lender which will be in form and content prepared according to the generally accepted accounting principles and practices, which statements shall cover the financial operations relating to such property, and Borrower further agrees, when requested by Lender, to promptly deliver, in writing such further additional information as required by Lender relating to any of such financial statements.

(26) **Governing Law; Severability.** The loan secured by this Mortgage is made pursuant to, and shall be construed and governed by, the laws of the United States and the rules and regulations promulgated thereunder, including the federal laws, rules and regulations for federal savings and loan associations. If any paragraph, clause or provision of this Mortgage or the note or any other notes or obligations secured by this Mortgage is determined by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those paragraphs, clauses or provisions so determined and shall not affect the remaining paragraphs, clauses and provisions of this Mortgage or the note or other notes secured by this Mortgage.

(27) **Offsets.** No indebtedness secured by this Mortgage shall be offset or compensated or shall be deemed to have been offset or compensated by all or part of any claim, cause of action, counterclaim or part of any claim, cause of action, counterclaim or crossclaim, whether liquidated or unliquidated, which Borrower now or hereafter may have or may claim to have against Lender, and, in respect to the indebtedness now or hereafter secured hereby, Borrower waives, to the fullest extent permitted by law, any and all rights of offset which Borrower now or hereafter may have or claim to have in respect to all or part of the indebtedness secured hereby, and further waives the benefits of any applicable law, regulation or procedure which provides or substantially provides that, where cross-demands for money have existed between persons at any point in time when neither demand was barred by the applicable statute of limitations, and an action is thereafter commenced by one such person, the other person may assert in his answer the defense of payment in that the two demands are compensated so far as they equal each other, notwithstanding that an independent action asserting his claim would at the time of filing his answer be barred by the applicable statute of limitations.

(28) **Misrepresentation or Nondisclosure.** Borrower has made certain written representations and disclosures in order to induce Lender to make the loan evidenced by the note or notes which this Mortgage secures, and in the event that Borrower has made any misrepresentation of material fact or failed to disclose any material fact, Lender, at its option and without prior notice, shall have the right to declare the indebtedness secured by this Mortgage, irrespective of the maturity date specified in the note or notes, immediately due and payable.

(29) **Waiver of Homestead.** Borrower hereby waives all right of homestead exemption in such property.

(30) **Notice to Borrower.** Any notice to the Borrower provided for in the note or this Mortgage shall be deemed given when it is deposited in the United States mail postage prepaid, addressed to the Borrower at the address of the Borrower as it appears in Lender's records pertaining to the loan evidenced by the note at the time notice is given.

(31) **General Provisions.** (a) This Mortgage applies to, inures to the benefit of, and binds, all parties hereto, their heirs, legatees, devisees, administrators, executors, successors and assigns. (b) The term "Lender" shall mean the owner and holder (including a pledgee) of any note secured hereby, whether or not named as Lender herein. (c) Wherever the context so requires, the masculine gender includes the feminine and neuter, the singular number includes the plural, and vice versa. (d) 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.

(32) **Adjustable Rate Mortgage Provisions.** The Note which this Mortgage secures is an adjustable mortgage loan on which the interest rate may be adjusted from time to time in accordance with a monthly increase or decrease in an index, all as provided in said Note. From time to time the monthly installment payments due under said Note may not be sufficient to pay all interest due in which case unpaid interest will be added to principal. In no case shall the unpaid interest added to the principal exceed 150% of the original principal indebtedness.

BORROWER REQUESTS THAT A COPY OF ANY NOTICE OF DEFAULT AND OF ANY NOTICE OF SALE HEREUNDER BE MAILED TO BORROWER AT THE ADDRESS HEREINABOVE SET FORTH.

Signature of Borrower

Reynolds Murphy
REYNOLDS MURPHY

Stella Murphy
STELLA MURPHY

State of Illinois

COOK

County ss:

I, the undersigned
REYNOLDS MURPHY AND STELLA MURPHY, HUSBAND AND WIFE

a notary public in and for said county and state, do hereby certify that

personally known to me to be the same person(s) whose name(s) ARE subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that THEY signed and delivered the same instrument as THEIR free and voluntary act, for the uses and purposes therein set forth

Given under my hand and official seal, this 14 day of September 19 91

My commission expires:

Robert J. Michalek
Notary Public

OFFICIAL
Notary Public, State of Illinois
Cook County
Commission Expires 05-15-91

LOAN NO. 1355425-8