

# UNOFFICIAL COPY

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THIS MORTGAGE IS DATED OCTOBER 19, 1992, between NORMAN D. SMITH and JUDITH A. SMITH, his wife, in joint tenancy, whose address is 820 S. MORGAN, CHICAGO, IL 60607 (referred to below as "Grantor"); and NATIONAL REPUBLIC BANK OF CHICAGO, whose address is 500 SOUTH RACINE AVENUE, CHICAGO, IL 60607 (referred to below as "Lender").

**GRANT OF MORTGAGE.** For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or annexed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including all minerals, oil, gas, geothermal and similar matters, located in COOK COUNTY, State of Illinois (the "Real Property"):

LOT 12 IN BLOCK 2 IN J. B. WALTER'S SUBDIVISION OF BLOCK 8 OF CANAL TRUSTEES SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

The Real Property or its address is commonly known as 032 W. POLK ST., CHICAGO, IL 60607. The Real Property tax identification number is 17-17-412-029.

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leasehold interests in the Real Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Real Property and Rents.

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

Grantor. The word "Grantor" means NORMAN D. SMITH and JUDITH A. SMITH. The Grantor is the mortgagor under this Mortgage.

Guarantor. The word "Guarantor" means and includes without limitation, each and all of the guarantors, sureties, and accommodation parties in connection with the indebtedness.

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

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Note and any amount expanded or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage.

Lender. The word "Lender" means NATIONAL REPUBLIC BANK OF CHICAGO, its successors and assigns. The Lender is the mortgagee under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender, and includes without limitation all assignments and security interests provisions relating to the Personal Property and Rents.

Note. The word "Note" means the promissory note or credit agreement dated October 19, 1992, in the original principal amount of \$70,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The interest rate on the Note is 8.500%.

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

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

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

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

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

## CONSTRUCTION MORTGAGE

SPACE ABOVE THIS LINE IS FOR RECORDEE'S USE ONLY

RECORDATION REQUESTED BY:  
NATIONAL REPUBLIC BANK OF CHICAGO  
500 SOUTH RACINE AVENUE  
CHICAGO, IL 60607

WHEN RECORDED MAIL TO:  
NATIONAL REPUBLIC BANK OF CHICAGO  
500 SOUTH RACINE AVENUE  
CHICAGO, IL 60607

SEND TAX NOTICES TO:  
NATIONAL REPUBLIC BANK OF CHICAGO  
500 SOUTH RACINE AVENUE  
CHICAGO, IL 60607

COOK COUNTY, ILLINOIS  
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## COMBINATION WARRANT

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THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage. GRANTOR AGREES THAT GRANTOR'S POSSESSION AND USE OF THE PROPERTY SHALL BE GOVERNED BY THE FOLLOWING PROVISIONS:

**Possession and Use.** Until in default, Grantor may remain in possession and control and operate and manage the Property and collect the Rents from the Property.  
**Duty to Maintain.** Grantor shall maintain the Property in a reasonable condition and promptly perform all repairs, replacements, and maintenance necessary to preserve its value.

The terms "hazardous waste," "hazardous substance," "hazardous waste," "release," "leakage," "spill," "disposal," "removal," and "remediation" as used in this Mortgage shall have the same meanings as set forth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. (CERCLA), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-498 (SARA), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., or other applicable state or Federal laws, rules, or regulations adopted pursuant to any of the foregoing. Grantor represents and warrants to Lender that: (a) During the term of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on, under, or about the Property; (b) Grantor has no knowledge of, or reason to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing, (i) any use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance by any prior owner or occupant of the Property or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matter; and (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, treat, dispose of, or release any hazardous waste or substance on, under, or about the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify Lender and hold Lender harmless against all claims, damages, penalties, expenses, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of any hazardous waste or substance occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provisions of this section of the Mortgage, including the obligation to indemnify, shall survive the payment of the indebtedness and the satisfaction and release of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure or otherwise.  
**Nuisance, Waste.** Grantor shall not cause, conduct or permit any nuisance, nor commit, permit, or grant to any other party the right to remove, any Property or any portion of the Property, specifically without Lender's written consent. Grantor shall not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without Lender's written consent of Lender.  
**Removal of Improvements.** Grantor shall not demolish or remove any improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such improvements with improvements of at least equal value.  
**Lender's Right to Enter.** Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage. Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and without prejudice to Lender's interests in the Property and to the protection of Lender's interests. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

**CONSTRUCTION LOAN.** This Mortgage constitutes a "construction mortgage" within the meaning of section 9-313 (U.C.C.) of the Illinois Uniform Commercial Code. If some or all of the proceeds of the loan creating the indebtedness are to be used to construct or complete construction of any improvements on the Property, the improvements shall be completed no later than the maturity date of the Note (or such earlier date as Lender may reasonably establish) and Grantor shall pay in full all costs and expenses in connection with the work. Lender, at its option, may disburse loan proceeds under such terms and conditions as Lender may deem necessary to insure that the interest created by this Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipts, bills, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.  
**DUE ON SALE - CONSENT BY LENDER.** Lender may, at its option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A sale or transfer or assignment of Real Property or any right, title or interest therein, whether legal or equitable, whether voluntary or involuntary, whether by outright sale, deed, installment sale contract, land contract, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation or partnership, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock or partnership interests, as the case may be, of Grantor. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Illinois law.  
**TAXES AND LIENS.** The following provisions relating to the taxes and liens on the Property are a part of this Mortgage.  
Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall be liable for all taxes and assessments levied or equal to the interest of Lender under this Mortgage, except for the taxes and assessments levied or equal to the interest of Lender provided in the following paragraph.

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Right to Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a non-entirety or its full value is not paid as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or it discharged the lien plus any costs and attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialman's lien, or other lien could be asserted on account of the work, services, or materials and the cost exceeds \$5,000.00. Grantor will upon request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The following provisions relating to insuring the Property are a part of this Mortgage:

Maintenance of Insurance. Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mortgage clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or diminished without a minimum of ten (10) days' prior written notice to Lender. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, to the extent such insurance is required and is or becomes available, for the term of the loan and for the full unpaid principal balance of the loan, or the maximum limit of coverage that is available, whichever is less.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$5,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not the Property, or its restoration and repair, is damaged or destroyed, Grantor shall apply the proceeds to the reduction of the indebtedness, payment of any lien affecting Lender's security or its interest in the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or replace the damaged or destroyed improvements in a manner satisfactory to Lender. Lender shall, upon satisfactory proof of such expenditure, pay or reimburse Grantor from the proceeds for a reasonable cost of repair or restoration if Grantor is not in default hereunder. Any proceeds which have not been disbursed within 180 days after the receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to prepay accrued interest, and the remainder, if any, shall be applied to the principal balance of the indebtedness. If Lender holds any proceeds after payment in full of the indebtedness, such proceeds shall be paid to Grantor.

Unexpended Insurance at Sale. Any unexpended insurance shall inure to the benefit of, and pass to, the purchaser of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or at any foreclosure sale of such Property.

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to be made during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or remedies from which Lender may be entitled on account of the default. Any such action by Lender shall not be construed as curing the default so as to bar Lender from any remedy that it otherwise would have had.

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

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

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

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

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

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation, Lender may at its election require that all or any portion of the net proceeds of the award be applied to the indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees or Lender in connection with the condemnation.

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

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

Current Taxes, Fees and Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below, together with all expenses incurred. A check for the amount of such taxes, fees, and charges for recording or filing shall be delivered to Lender with the mortgage, including without limitation all taxes, fees, documentary stamps, and other charges for recording or filing this mortgage.

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RIGHTS AND REMEDIES ON DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to a foreclosure or repossession, as provided in the Note and in the Mortgage.

insolvency. Lender reasonably deems itself insecure. obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, until the Event of Default. Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor or any of the indebtedness or such Guarantor dies or becomes incompetent. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the Lender, whether existing now or later.

Breach of Other Agreement. Any breach by Guarantor under the terms of any other agreement, between Guarantor and Lender that is not remedied within a grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Guarantor to reserves or a surety bond for the claim satisfactory to Lender. Foreclosure, etc. Commencement of foreclosure, whether by judicial proceeding, self-help, repossession or any other method, by any creditor or Guarantor against any of the Property. However, this subsection shall not apply in the event of a good faith dispute by Guarantor as to the validity or reasonableness of the claim which is the basis of the foreclosure, provided that Guarantor gives Lender written notice of such claim and furnishes a copy of the claim to Lender.

Grantor (if Grantor is an individual) also shall constitute an Event of Default under this Mortgage. Except to the extent prohibited by federal law or Illinois law, the death of Grantor's existence as a going business (if Grantor is a business). Except to the extent prohibited by federal law or Illinois law, the dissolution or termination of the insolvency of Grantor, appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, the commencement of any proceeding under any bankruptcy or insolvency laws by or against Grantor, or the dissolution or termination of the Grantor (if Grantor is an individual) also shall constitute an Event of Default under this Mortgage.

Breaches. Any warranty, representation or statement made or furnished to Lender by or on behalf of Guarantor under the Mortgage, the Note or the Related Documents is, or at the time made or furnished was, false in any material respect. compliance as soon as reasonably practical. Initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce a cure of such failure; (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately demands curing of such failure; (c) cures the failure within twelve (12) months, it may be cured (and no Event of Default will have occurred) if Guarantor, after Lender sends written notice within the preceding twelve (12) months, if such a failure is curable and if Guarantor has not been given a notice of a breach of the same provision of this Mortgage. Failure to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Documents. Failure to pay any other debt, obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Documents. Failure of Guarantor to make any payment when due on the indebtedness. Failure of Guarantor to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default (Event of Default) under this Mortgage: Default on Other Payments. Failure of Guarantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filing of or to effect discharge of any lien. Failure of Guarantor to make any payment when due on the indebtedness. Failure of Guarantor to make any payment when due on the indebtedness.

reasonable termination fee as determined by Lender from time to time. Mortgage, Lender shall execute and deliver to Guarantor a suitable satisfaction of the Mortgage and shall file a statement of termination of any financing statement on file evidencing Lender's security interest in the Real Property. (Lender will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.) FULL PERFORMANCE. If Guarantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Guarantor under this Mortgage, Lender shall execute and deliver to Guarantor a suitable satisfaction of the Mortgage and shall file a statement of termination of any financing statement on file evidencing Lender's security interest in the Real Property. (Lender will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.)

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

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

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Mortgage. Further Assurances. At any time, and from time to time, upon request of Lender, Guarantor will make, execute and deliver, or will cause to be made, executed or delivered, to Lender or to Lender's designee, and when requested by Lender, cause to be filed, recorded, ratified, or will cause to be made, executed or delivered, to Lender or to Lender's designee, any and all such mortgages, deeds of trust, security deeds, security assignments, financing statements, continuation statements, instruments of further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Guarantor under the Note, the Mortgage, and the Related Documents, and (b) the liens and security interests created by this Mortgage as first and prior liens on the Property, whether now owned or hereafter acquired by Guarantor. Unless prohibited by law or agreed to in the contrary by Lender in writing, Guarantor shall reimburse Lender for all costs and expenses incurred in connection with the matters referred to in this paragraph.

Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time. Security Interest. Upon request by Lender, Guarantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Real Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Guarantor, the executed counterparts, copies or reproductions of this Mortgage as a financing statement. Guarantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Guarantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Guarantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

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

Security Agreement; FINANCING STATEMENTS. The following provisions relating to the Mortgage as a security agreement are a part of this Mortgage. Security Agreement. This instrument shall constitute a security agreement to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured party under the Uniform Commercial Code as amended from time to time. Security Interest. Upon request by Lender, Guarantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Real Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Guarantor, the executed counterparts, copies or reproductions of this Mortgage as a financing statement. Guarantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Guarantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Guarantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

Taxes. The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this Mortgage; (b) a specific tax on Guarantor which Guarantor is authorized or required to deduct from payments on the indebtedness secured by this type of Mortgage; (c) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (d) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Guarantor. Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Guarantor either (a) pays the tax before it becomes delinquent, or (b) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender. SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to the Mortgage as a security agreement are a part of this Mortgage.

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RETURNED TO  
SENDER



Accelerate indebtedness. Lender shall have the right at its option without notice to Grantor to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Grantor would be required to pay.

UCC Remedies. With respect to all or any part of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, without notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may require any tenant or other user of the Property to make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor irrevocably designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the proceeds. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, whether or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Mortgagee in Possession. Lender shall have the right to be placed as mortgagee in possession or to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property pending foreclosure or sale, and to collect the Rents from the Property and apply the proceeds, over and above the cost of the receivership, against the indebtedness. The mortgagee in possession or receiver may save without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the appraised value of the Property exceeds the indebtedness by a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreclosure. Lender may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Deficiency Judgment. (If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the Note or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the property marshalled, in exercising its rights and remedies, Lender shall be free to sell all or any part of the Property together or separately, in one sale or by separate sales. Lender shall be entitled to bid in any public sale on all or any portion of the Property.

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property or of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice shall mean notice given at least ten (10) days before the time of the sale or disposition.

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

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at that and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of the Note shall become a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the Note rate. Expenses covered by this paragraph include, without limitation, however, subject to any limits under applicable law, Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining the reports (including foreclosure reports), surveys and appraisals fees, and the insurance, to the extent permitted by applicable law.

Grantor also will pay any court costs, in addition to all other sums provided by law.

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

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

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

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

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

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

Multiple Parties. All obligations of Grantor under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible for all obligations in this Mortgage.

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

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

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

Waiver of Homestead Exemption. Grantor hereby waives all rights and benefits of the homestead exemption laws of the State of

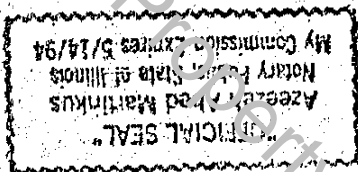
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Notary Public in and for the State of ILLINOIS My commission expires

By [Signature]  
Given under my hand and official seal this 19th day of October, 1992  
for the uses and purposes herein mentioned.  
On this day before me, the undersigned Notary Public, personally appeared NORMAN D. SMITH and JUDITH A. SMITH, to me known to be the individuals described in and who executed the Mortgage, and acknowledged that they signed the Mortgage as their free and voluntary act and deed.

STATE OF ILLINOIS  
COUNTY OF COOK  
INDIVIDUAL ACKNOWLEDGMENT

This Mortgage prepared by [Signature] Leticia Victor

GRANTOR: [Signature] NORMAN D. SMITH  
[Signature] JUDITH A. SMITH

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

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