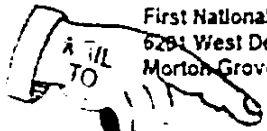


# UNOFFICIAL COPY

## RECORDATION REQUESTED BY:

First National Bank of Morton Grove  
6201 West Dempster Street  
Morton Grove, IL 60053



## WHEN RECORDED MAIL TO:

First National Bank of Morton Grove  
6201 West Dempster Street  
Morton Grove, IL 60053

## SEND TAX NOTICES TO:

First National Bank of Morton Grove  
5800 Seward  
Niles, IL 60542

901 70505

REC'D  
MORTGAGE  
170565

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

## MORTGAGE

THIS MORTGAGE IS DATED MARCH 12, 1992, between First National Bank of Morton Grove, whose address is 6800 Seward, Niles, IL (referred to below as "Grantor"); and First National Bank of Morton Grove, whose address is 6201 West Dempster Street, Morton Grove, IL 60053 (referred to below as "Lender").

**GRANT OF MORTGAGE** For valuable consideration, Grantor not personally but as Trustee under the provisions of a deed or deeds in trust duly recorded and delivered to Grantor pursuant to a Trust Agreement dated October 28, 1989 and known as 89126, mortgages 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 created or affixed buildings, improvements and fixtures, all easements, rights of way, and appurtenances, all water, water rights, watercourses and other rights, including stock in water, with other non-creation rights, and all other rights, royalties, and profits relating to the real property, including without limitation all mineral, oil, gas, geothermal and other matters, located in Cook County, State of Illinois (the "Real Property"):

Lot 8 in Joseph Cupertino subdivision in Niles. Being a subdivision in the southwest 1/4 of Section 19, Township 41 North, Range 13, east of the Third Principal meridian, according to the plat thereof registered in the office of the registrar of Titles of Cook County, on September 8, 1988, as document number 3737788, in Cook County, Illinois.

The Real Property or its address is commonly known as 6800 Seward, Niles, IL 60542. The Real Property, identification number is 10-19-920-019.

Grantor presently assigns to Lender all of Grantor's right, title and interest in and to all leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal 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 and shall be lawful moneys of the United States of America.

- Borrower.** The word "Borrower" means Leonard Carpella and Susan Carpella.
- Grantor.** The word "Grantor" means First National Bank of Morton Grove, Trustee under that certain Trust Agreement dated October 28, 1989 and known as 89126. The Lender is the mortgagee under this Mortgage.
- Guarantor.** The word "Guarantor" means and includes, without limitation, each and all of the guarantors, jointly and severally, and accommodation parties in connection with this Mortgage.
- Improvements.** The word "improvements" means and includes, without limitation, all existing and future improvements, fixtures, buildings, structures, mobile units, affixed to the Real Property, including additions and other construction on the Real Property.
- Indebtedness.** The word "indebtedness" means all principal and interest payable under the Note and any amounts expended 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, all provided in this Mortgage.
- Lender.** The word "Lender" means First National Bank of Morton Grove, 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 interest provisions relating to the Real Property and Rents.
- Note.** The word "Note" means the promissory note or credit agreement dated March 12, 1992 in the original principal amount of \$185,000.00 from Borrower to Lender, together with all renewals or extensions of, modifications of, reamendments of, consolidations of, and substitutions for the promissory note or credit agreement. The interest rate on the Note is 8.975%.
- Personal Property.** The word "Personal Property" means all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property, together with all accessories, parts, and additions to, all replacements of, and all substitutions for, any of such property, and includes, without limitation, all insurance proceeds and refund of premiums from any fire 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 and documents, whether now or hereafter existing, executed in connection with Borrower's indebtedness to Lender.

COOK COUNTY CLERK'S OFFICE  
450 N. LaSalle Street, Suite 402  
Chicago, IL 60610

COOK COUNTY CLERK'S OFFICE

5/30/92

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

**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:**

**GRANTOR'S WAIVERS.** Grantor waives all rights or defenses arising by reason of any "one action" or "anti-deficiency" law, or any other law which may prevent Lender from bringing an action against Grantor, including a claim for deficiency to the extent Lender is otherwise entitled to a claim for deficiency, before or after Lender's commencement or completion of any foreclosure action, either judicially or by exercise of a power of sale.

**GRANTOR'S REPRESENTATIONS AND WARRANTIES.** Grantor warrants that: (a) this Mortgage is executed at Borrower's request and not at the request of Lender; (b) Grantor has the full power and right to enter into this Mortgage and to hypothecate the Property; (c) Grantor has established adequate means of obtaining from Borrower on a continuing basis information about Borrower's financial condition; and (d) Lender has made no representation to Grantor about Borrower, including without limitation the creditworthiness of Borrower.

**PAYMENT AND PERFORMANCE.** Except as otherwise provided in this Mortgage, Borrower shall pay to Lender all indebtedness secured by this Mortgage as it becomes due, and Borrower and Grantor shall jointly perform all their respective obligations under this Mortgage.

**POSSESSION AND MAINTENANCE OF THE PROPERTY.** Grantor and Borrower agree that Grantor's possession and use of the Property shall be governed by the following provisions:

**Possession and Use.** In the event Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

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

**Hazardous Substances.** The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release" 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. §§ 9601-9607, and CERCLA, the Superfund Amendments and Reauthorization Act of 1990, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1601, and the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, as well as the applicable state or federal laws or regulations adopted pursuant to any of the foregoing. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance by any person on, under, or about the Property; (b) Grantor has no knowledge or reason to believe that any hazardous waste or substance has been or will be stored, treated, disposed of, or released, or any 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; (c) Grantor has no knowledge or reason to believe that any hazardous waste or substance has been or will be stored, treated, disposed of, or released, or any 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; and (d) any such activity shall be conducted in compliance with all applicable federal, state and local laws, regulations, and ordinances and with all state and local laws, regulations, and ordinances which apply to the use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, or about the Property, with the intent of this Mortgage. Any regulations, orders, or decrees that shall be issued by any governmental authority, including but not limited to state or federal agencies, and which may be applicable to the use, generation, manufacture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance on, under, or about the Property, shall be binding on Grantor and shall be enforceable against Grantor. Grantor hereby warrants and warrants contained herein are based on Grantor's due diligence in investigating the Property for hazardous waste. Grantor hereby warrants and warrants and future claims against Grantor, its agents, or contractors, or contribution to the extent Grantor shall be liable for cleanup or other costs under any state law and local law, and it agrees to indemnify and hold harmless Lender against any and all claims, losses, damages, penalties, 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, treatment, disposal, release, or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the claim, loss, damage, penalty, or expense was 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 reconveyance of the lien of this Mortgage and shall not be affected by Lender's subsequent loss of any interest in the Property, whether by foreclosure or otherwise.

**Nuisance, Waste.** Grantor shall not cause, contribute to, or allow to occur any nuisance or other permit violation, or discharge of or waste of any substance on, under, or about the Property, especially with contamination. Grantor warrants and warrants to Lender that it shall have the right to remove any such nuisance or waste, and it agrees to indemnify and hold harmless Lender against any and all claims, losses, damages, penalties, 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, treatment, disposal, release, or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the claim, loss, damage, penalty, or expense was known to Grantor.

**Removal of Improvements.** Grantor shall not remove or cause to be removed 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 fund and secure improvements with the replacement of equal value.

**Lender's Right to Enter.** Lender and its agents and representatives may, enter upon the Real Property at all reasonable times, at its sole cost and expense, 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 or appeal any such law, ordinance, or regulation and will be in compliance during any proceeding, including appropriate appeal, so long as Grantor has furnished Lender with a bond or other security acceptable to Lender's satisfaction in the Property, and not otherwise. Lender may require Grantor to post adequate security or a surety bond acceptable to Lender to protect Lender's interest.

**Duty to Protect.** Grantor shall, whether or not it is in possession of the Property, Grantor shall do all other acts, in addition to those set forth above in this section, which are necessary or advisable for the protection, preservation, and maintenance of the Property.

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at its option, require a deed or other conveyance to be recorded by the grantor, the grantor's transferee, without the Lender's consent, with the consent of the grantor, of the Real Property, or any interest in the Real Property. A "due on sale" means the conveyance of Real Property, or any right therein, in any manner, whether voluntary or involuntary, whether by mortgage, whether by outright sale, deed, instrument, lease, contract, and contract, contract for deed, warranty deed, or otherwise, with a term greater than three (3) years, whether by contract or by sale, assignment, or transfer of any beneficial interest in or to any land and 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 in 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 state 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,

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and sewer service charges levied against or on account of 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 maintain the Property free of all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, and except as otherwise provided in the following paragraphs.

**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 lien arises or is filed as a result of nonpayment, Grantor shall, within fifteen (15) days after the lien arises or is filed, with fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge 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. 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 co-insurance clause, and with a fire and theft deductible in favor of Lender. Policies shall be written by such insurance companies and in such form as may be lawfully required by Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a declaration that coverage will be maintained and provided with a minimum of ten (10) days prior written notice to Lender.

**Application of Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor fails to do so within thirty (30) days of the date of the loss. Whether or not Lender's duty is impaired, Lender may at its election apply the proceeds of the reduction of the indebtedness, payment of a claim affecting the Property, or the restoration and repair of 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 loss and evidence, pay or reimburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default hereunder. All proceeds which have not been disbursed within 180 days after their 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 has disbursed proceeds after payment of the indebtedness, such proceeds shall be paid to Grantor.

**Unexpired Insurance at Sale.** Any unexpired insurance shall inure to the benefit of and paid to the purchaser of the Property covered by this Mortgage at an arm's length sale, whether payable under the provisions of this Mortgage, or at any foreclosure sale of such Property.

**EXPENDITURES BY LENDER.** Grantor shall be deemed to have authorized Lender, in any action or proceeding as commenced that would materially affect Lender's interest in the Property, Lender or Grantor's consent shall not be required to take any action that Lender deems appropriate. Any amount that Lender expends or is 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 expenditures at Lender's option will be payable on demand, or be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (iii) 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 of any lender to whom Lender may be entitled on account of the default. Any such action by Lender shall not be construed as waiving the default or as barring 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, (b) the title is free and clear of all liens and encumbrances other than those set forth in the Real Property description and in the insurance policy, (c) the title is free of the option issued in favor of and in respect to the lender under this Mortgage, and (d) Grantor is not subject to any power of sale or other lien of record or otherwise under this Mortgage.

**Defense of Title.** In addition to the action in the paragraph above, Grantor warrants and will forever defend the title to the Property against the lawful claims of a person or persons in any action or proceeding as 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 proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as 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 of public law, 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, not to be paid or incurred by Grantor or Lender in connection with the condemnation.

**Proceedings.** In any proceeding of condemnation or award, 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 proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by Lender from time to time to permit such participation.

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

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

EX-107-10015

**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 Borrower which Borrower 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 Borrower.

**Subsequent Taxes.** 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 Grantor (either) (a) pays the tax before it becomes delinquent or (b) contests the tax as provided above in the Taxes and Lend 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 this 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, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Real and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without further authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburse Lender for all expenses incurred in perfecting or continuing this security interest upon default. Grantor shall assemble the Personal Property in a manner and at a place reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

**Addresses.** The mailing addresses of Grantor, Lender, and Lender's required party, from which information concerning the security interest created by this Mortgage may be obtained, each as required by the Uniform Commercial Code, are as stated on the first page of this Mortgage.

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

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

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

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

**DEFAULT.** Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage:

- Default on Indebtedness.** Failure of Borrower to make any payment when due on the indebtedness.
- Default on Other Payments.** Failure of Grantor 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.
- Compliance Default.** Failure to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Documents.
- Breaches.** Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor or Borrower under this Mortgage, the Note or the Related Documents, or at the time made or furnished was false in any material respect.
- Insolvency.** The insolvency of Grantor or Borrower, appointment of a receiver for any part of Grantor or Borrower's property, any assignment for the benefit of creditors, the commencement of any proceeding under any bankruptcy or insolvency law by or against Grantor or Borrower, or the production or termination of Grantor or Borrower's estate as a going business, if Grantor or Borrower is a business. Except to the extent prohibited by federal law or state law, the death of Grantor or Borrower, if Grantor or Borrower was an individual, shall constitute an Event of Default under this Mortgage.
- Foreclosure, etc.** Commencement of foreclosure, whether by judicial proceeding, self-help repossession or any other method, by any creditor of Grantor against any of the Property, however, this subsection shall not apply in the event of a good faith dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender.
- Breach of Other Agreement.** Any breach by Grantor or Borrower under the terms of any other agreement between Grantor or Borrower and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor or Borrower to Lender, whether existing now or later.
- Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the indebtedness or such Guarantor dies or becomes incompetent.

**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 any other rights or remedies provided by law:

- Accelerate Indebtedness.** Lender shall have the right at its option without notice to Borrower to declare the entire indebtedness immediately due and payable, including any prepayment penalty which Borrower 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 or Borrower, to take possession of the Property and collect the Rents.

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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 register 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 serve without bond if permitted by law. Lender's right to the appointment of a receiver shall exist whether or not the apparent 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 or Borrower hereby waive any and all right to have the property marshaled in execution of its rights and remedies. Lender shall be free to sell all or any part of the Property together or separately in one sale or in separate sales. Lender shall be entitled to bid at 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 Real Property, or of the time and place of any private sale of the Real Property, and of the date of the sale of the Real 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; Election of Remedies.** A waiver of any part of a provision of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights thereunder, with or without notice, and shall not constitute a waiver of or prejudice the party's rights to pursue any remedy that is not excluded pursuant to any other provision, and shall not constitute an election of a remedy or constitute an obligation of Grantor or Borrower under this Mortgage after the time Grantor or Borrower, in performing or not performing Lender's right to declare a default and exercise its remedies under this Mortgage.

**Attorneys' Fees; Expenses.** Lender reserves an option to enforce any of the terms of this Mortgage. Lender shall be entitled to recover such sum as the court may, in its discretion, deem reasonable as and for its cost at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Lender that are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable to Lender and shall bear interest from the date of expenditure until paid in full at the Note rate. Expenses covered by this paragraph include, without limitation, the cost of: (a) any suit or action under applicable law; (b) attorneys' fees and legal expenses, whether or not there is a lawsuit or litigation; (c) any suit or action under applicable law, including efforts to collect or enforce any automatic stay, judgment, order, appeal and any other proceedings; (d) any suit or action under applicable law, including the cost of preparing and prosecuting the rights provided herein; (e) the surveying and appraisal fees; and (f) the reasonable attorney's fees permitted by applicable law. Borrower and Lender agree to pay all of the above in addition to the amount of a judgment.

**NOTICES TO GRANTOR AND OTHER PARTIES.** Any notice under this Mortgage, including notice of default and any notice of sale to Grantor, shall be in writing and shall be effective when actually delivered or, if mailed, shall be deemed effective when deposited in the United States mail, first class, registered mail, postage prepaid, directed to the address shown in Grantor's beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving notice to the other parties, specifying that the purpose of the notice is to change the party's address. A copy of a notice of foreclosure from the trustee of a loan which has priority over this Mortgage shall be sent to Lender's address as shown near the beginning of this Mortgage. For notice purposes, Grantor agrees to keep Lender informed of all changes 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 it is in writing and signed by the party, or parties sought to be released 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.** Captions and headings in this Mortgage are for convenience purposes only and are not to be used as an instrument 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.** A coparties of Grantor and Borrower under this Mortgage shall be joint and several, and all references to Grantor shall mean each and every Grantor, and all references to Borrower shall mean each and every Borrower. This means that each of the persons signing below is responsible for all obligations under 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 on 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 becomes vested in a person other than Grantor, Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness due, without forbearance or estoppel, without releasing Grantor from the obligations of this Mortgage or liability under the indebtedness.

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

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

**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.

RECORDED

PROPERTY OF COOK COUNTY CLERK'S OFFICE

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 or Borrower, shall constitute a waiver of any of Lender's rights or any of Grantor or Borrower'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.

**GRANTOR'S LIABILITY.** This Mortgage is executed by Grantor, not personally but as Trustee as provided above in the exercise of the power and the authority conferred upon and vested in it as such Trustee, and Grantor thereby warrants that it possesses full power and authority to execute this instrument. It is expressly understood and agreed that with the exception of the foregoing warranty, notwithstanding anything to the contrary contained herein, that each and all of the warranties, indemnities, representations, covenants, undertakings, and agreements made in this Mortgage on the part of Grantor, while in form purporting to be the warranties, indemnities, representations, covenants, undertakings, and agreements of Grantor, are nevertheless each and every one of them made and intended not as personal warranties, indemnities, representations, covenants, undertakings, and agreements by Grantor or for the purpose or with the intention of binding Grantor personally, and nothing in this Mortgage or in the Note shall be construed as creating any liability on the part of Grantor personally to pay the Note or any interest that may accrue thereon, or any other indebtedness under this Mortgage, or to perform any covenant, undertaking, or agreement, either express or implied, contained in this Mortgage. All such liability, if any, being expressly waived by Lender and by every person now or hereafter claiming any right of security under this Mortgage, and that so far as Grantor and its successors personally are concerned, the legal holder or holders of the Note and the owner or owners of any indebtedness shall look solely to the Property for the payment of the Note and indebtedness, by the enforcement of the lien created by this Mortgage in the manner provided in the Note and hereon or by action to enforce the personal liability of any Guarantor or obligor, other than Grantor, on the Note.

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

GRANTOR:

First National Bank of Morton Grove

By: \_\_\_\_\_, V.P.

By: \_\_\_\_\_, A.V.P.

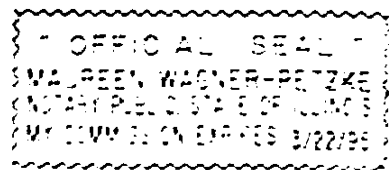
This Mortgage prepared by:

CORPORATE ACKNOWLEDGMENT

STATE OF \_\_\_\_\_ )  
 ) SS  
COUNTY OF \_\_\_\_\_ )

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, before me the undersigned Notary Public personally appeared \_\_\_\_\_, V.P. and A.V.P. of First National Bank of Morton Grove, and known to me to be authorized agents of the corporation that executed the Mortgage and acknowledged the Mortgage to be the free and voluntary act and deed of the corporation, by authority of its Bylaws or by resolution of its board of directors, for the uses and purposes therein mentioned, and on oath stated that they are authorized to execute this Mortgage and in fact executed the Mortgage on behalf of the corporation.

By \_\_\_\_\_ Residing at \_\_\_\_\_  
Notary Public In and for the State of \_\_\_\_\_ My commission expires \_\_\_\_\_



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