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RECORDATION REQUESTED BY:

Heritage Bank
12015 South Western Avenue
Blue Island, IL 60406

93724712

WHEN RECORDED MAIL TO:

Heritage Bank
12015 South Western Avenue
Blue Island, IL 60406

SEP 10 AM 9:55

93724712

SEND TAX NOTICES TO:

Timothy D. Davies
14401 S. McKinley Avenue
Posen, IL 60469

Box 333

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY



Heritage Bank

CONSTRUCTION MORTGAGE

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THIS MORTGAGE IS DATED AUGUST 17, 1993, between Timothy D. Davies, a married man, whose address is 14401 S. McKinley Avenue, Posen, IL 60469 (referred to below as "Grantor"); and Heritage Bank, whose address is 12015 South Western Avenue, Blue Island, IL 60406 (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 affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in ditches with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in Cook County, State of Illinois (the "Real Property"):

THE SOUTH 50 FEET OF THE NORTH 100 FEET OF THE WEST 122.16 FEET OF LOT 35 (EXCEPT THAT PART TAKEN FOR WIDENING BLAINE AVENUE) IN ROBERTSON AND YOUNG'S SUBDIVISION IN SECTION 7, TOWNSHIP 36 NORTH, RANGE 14, AND SECTION 12, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

The Real Property or its address is commonly known as 14833 S. Blaine, Posen, IL 60469. The Real Property tax identification number is 20-12-226-213.

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 amounts in lawful money of the United States of America.

Grantor. The word "Grantor" means Timothy D. Davies. 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 affixed 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 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 as provided in this Mortgage. In addition to the Note, the word "Indebtedness" includes all obligations, debts and liabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor, or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whether voluntary or otherwise, whether due or not due, absolute or contingent, liquidated or unliquidated and whether Grantor may be liable individually or jointly with others, whether obligated as guarantor or otherwise, and whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations, and whether such indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means Heritage Bank, 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 Personal Property and Rents.

Note. The word "Note" means the promissory note or credit agreement dated August 17, 1993, in the original principal amount of \$45,000.00 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 a variable interest rate based upon an index. The index currently is 6.000% per annum. The interest rate to be applied to the unpaid principal balance of this Mortgage shall be at a rate of 1.500 percentage point(s) over the index, resulting in an initial rate of 7.500% per annum. NOTICE: Under no circumstances shall the interest rate on this Mortgage be more than the maximum rate allowed by applicable law. The maturity date of this Mortgage is February 14, 1994. NOTICE TO GRANTOR: THE NOTE CONTAINS A VARIABLE INTEREST RATE.

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 accessions, 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.

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 INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STATUTORY LIENS, EXCEPTING SOLELY TAXES AND ASSESSMENTS LEVIED ON THE REAL PROPERTY, TO THE EXTENT OF THE MAXIMUM AMOUNT SECURED HEREBY. 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.

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

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Preservation and Use. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance...

Hazardous Substances. The terms "hazardous substance," "hazardous waste," "disposal," "release," and "threatened release," as used in the...

Removal of Improvements. A lien shall not attach to the Property for any improvements or removal of any improvements...

Liability. Grantor shall be liable for any and all claims, losses, damages, penalties, and expenses...

Insurance. Grantor shall maintain the Property in tenable condition and promptly perform all repairs, replacements, and maintenance...

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations...

Due to Precedence. Grantor agrees to subordinate its interest in the Property to the interest of the Mortgage...

Due on Sale - Consent by Lender. Lender may, at its option, require immediate payment of any and all amounts...

Right to Convey. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute...

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges...

Property Damage Insurance. The following provisions relating to insuring the Property are a part of the Mortgage...

Taxes and Liens. The following provisions relating to the taxes and liens are a part of the Mortgage...

Conditions of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of all taxes and assessments...

Grantor shall not deduct or remove any improvements or removal of any improvements from the Real Property without the prior written consent...

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Grantor's Report on Insurance. Upon request of Lender, however not more than once a year, Grantor shall furnish to Lender a report on each existing policy of insurance showing: (a) the name of the insurer; (b) the risks insured; (c) the amount of the policy; (d) the property insured, the then current replacement value of such property, and the manner of determining that value; and (e) the expiration date of the policy. Grantor shall, upon request of Lender, have an independent appraiser satisfactory to Lender determine the cash value replacement cost of the 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 become due 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 those amounts. The rights provided for in this paragraph shall be in addition to any other rights or remedies to 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 title 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 proceeding, 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 comply 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 incurred by 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 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 it 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 protect 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.

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 Grantor which Grantor 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 Grantor.

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 Grantor 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 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 (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.

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 or to Lender's designee, and when requested by Lender, cause to be filed, recorded, rolled, 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 opinion of Lender, be necessary or desirable in order to effectuate, complete, perfect, continue, or preserve (a) the obligations of Grantor under the Note, this 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 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 opinion, to accomplish the matters referred to in the preceding paragraph.

FULL PERFORMANCE. If Grantor pays all the indebtedness when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing 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 Grantor 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. If such a failure is curable and if Grantor has not been given a notice of a breach of the same provision of this Mortgage within the preceding twelve (12) months, it may be cured (and no Event of Default will have occurred) if Grantor, after Lender sends written notice demanding cure of such failure: (a) cures the failure within fifteen (15) days; or (b) if the cure requires more than fifteen (15) days, immediately initiates steps sufficient to cure the failure and thereafter continues and completes all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

Breaches. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Mortgage, the Note or the

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Related Documents, or at the time made or furnished was, false in any material respect. The incapacity of Grantor, appointment of a receiver for the property, or the death of Grantor, or the description or location of Grantor's estate as a going business (if Grantor is a business). Except to the extent prohibited by federal law or Illinois law, the death of Grantor (if Grantor is an individual) also shall constitute an event of default under this Mortgage. Foreclosure, forfeiture, etc. Commitment of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, the subordination 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 or forfeiture proceeding, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender. Any breach by Grantor under the terms of any other agreement concerning any indebtedness or other obligation of Grantor that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later. Events Affecting Guarantors. Any of the preceding events occurs with respect to any Guarantor or with respect to any Guarantor of such Guarantor due or becomes incompetent or any Guarantor ceases any guaranty of the indebtedness. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, give the Event of Default. Hereafter, Lender reasonably deems that measure. **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 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 paid due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may take any action which is necessary to make payments of rent or use less directly to Lender. If the Rents are collected by Lender, then Lender hereby designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate, collect and apply the proceeds, over and above the cost of the co-servicing, against the indebtedness. 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, including foreclosing or sale, and to collect the Rents from the Property and apply the net proceeds, over and above the cost of the co-servicing, against the indebtedness. The mortgagee in possession or receiver may sue, may serve 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 sale of the Property 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 marketed, 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 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 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 to exercise any other remedy. Election by Lender to pursue any remedy shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or to exercise any other remedy. Lender shall be entitled to recover Attorney's Fees. Expenses. If Lender institutes any suit or action to enforce any of its rights under this Mortgage, Lender shall be entitled to recover all such suit as the court may judge reasonable as attorney's fees, at trial and on any appeal. Whether or not any court action is instituted, 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 its rights shall become a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid in full. Expenses covered by the paragraph include, without limitation, however, subject to any limitations under applicable law, Lender's attorney's fees and Lender's legal expenses whether or not there is a lawsuit, including attorney's fees for drafting, preparing, recording, filing, recording, obtaining, or perfecting a lien or other security interest, the cost of searching records, obtaining a title report, procuring insurance, and other reasonable expenses. Lender's attorney's fees and Lender's legal expenses shall be a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid in full. 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, all notices 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 to have been deposited in the United States mail first class, registered mail, postage prepaid, directed to the address shown near the beginning of this Mortgage. Any party may change the address for notices under this Mortgage by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices or foreclosures from the holder of any lien 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 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 Document, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be changed or bound by the alteration or amendment. Annual Report. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a detailed statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. Net operating income shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property. 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 the 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. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or Governmentality, such finding shall not render the provision invalid or unenforceable as to any other person or Governmentality. If feasible, any such finding shall be deemed to be restricted to the terms of the provision or provisions of the Mortgage in all other respects that 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 Grantors and their successors and assigns. Their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Landlord, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness by way of forbearance or extension without releasing Grantor from this Mortgage. Grantor, together with its successors and assigns, shall be bound by the terms of this Mortgage in the event of the death of the Grantor. The liability of Grantor shall not be affected by the death of the Grantor (if Grantor is an individual) and shall constitute an event of default under this Mortgage. Foreclosure, forfeiture, etc. Commitment of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, the subordination 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 or forfeiture proceeding, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender. Any breach by Grantor under the terms of any other agreement concerning any indebtedness or other obligation of Grantor that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later. Events Affecting Guarantors. Any of the preceding events occurs with respect to any Guarantor or with respect to any Guarantor of such Guarantor due or becomes incompetent or any Guarantor ceases any guaranty of the indebtedness. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, give the Event of Default. Hereafter, Lender reasonably deems that measure. **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 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 paid due and unpaid, and apply the net proceeds, over and above Lender's costs, against the indebtedness. In furtherance of this right, Lender may take any action which is necessary to make payments of rent or use less directly to Lender. If the Rents are collected by Lender, then Lender hereby designates Lender as Grantor's attorney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate, collect and apply the proceeds, over and above the cost of the co-servicing, against the indebtedness. 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, including foreclosing or sale, and to collect the Rents from the Property and apply the net proceeds, over and above the cost of the co-servicing, against the indebtedness. The mortgagee in possession or receiver may sue, may serve 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 sale of the Property 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 marketed, 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 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 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 to exercise any other remedy. Election by Lender to pursue any remedy shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or to exercise any other remedy. Lender shall be entitled to recover Attorney's Fees. Expenses. If Lender institutes any suit or action to enforce any of its rights under this Mortgage, Lender shall be entitled to recover all such suit as the court may judge reasonable as attorney's fees, at trial and on any appeal. Whether or not any court action is instituted, 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 its rights shall become a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid in full. Expenses covered by the paragraph include, without limitation, however, subject to any limitations under applicable law, Lender's attorney's fees and Lender's legal expenses whether or not there is a lawsuit, including attorney's fees for drafting, preparing, recording, filing, recording, obtaining, or perfecting a lien or other security interest, the cost of searching records, obtaining a title report, procuring insurance, and other reasonable expenses. Lender's attorney's fees and Lender's legal expenses shall be a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid in full. 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, all notices 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 to have been deposited in the United States mail first class, registered mail, postage prepaid, directed to the address shown near the beginning of this Mortgage. Any party may change the address for notices under this Mortgage by giving written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices or foreclosures from the holder of any lien 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 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 Document, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be changed or bound by the alteration or amendment. Annual Report. If the Property is used for purposes other than Grantor's residence, Grantor shall furnish to Lender, upon request, a detailed statement of net operating income received from the Property during Grantor's previous fiscal year in such form and detail as Lender shall require. Net operating income shall mean all cash receipts from the Property less all cash expenditures made in connection with the operation of the Property. 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 the 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. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or Governmentality, such finding shall not render the provision invalid or unenforceable as to any other person or Governmentality. If feasible, any such finding shall be deemed to be restricted to the terms of the provision or provisions of the Mortgage in all other respects that 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 Grantors and their successors and assigns. Their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor, Landlord, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the indebtedness by way of forbearance or extension without releasing Grantor from this Mortgage. Grantor, together with its successors and assigns, shall be bound by the terms of this Mortgage in the event of the death of the Grantor. The liability of Grantor shall not be affected by the death of the Grantor (if Grantor is an individual) and shall constitute an event of default under this Mortgage. Foreclosure, forfeiture, etc. Commitment of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help repossession or any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, the subordination 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 or forfeiture proceeding, provided that Grantor gives Lender written notice of such claim and furnishes reserves or a surety bond for the claim satisfactory to Lender. Any breach by Grantor under the terms of any other agreement concerning any indebtedness or other obligation of Grantor that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later. Events Affecting Guarantors. Any of the preceding events occurs with respect to any Guarantor or with respect to any Guarantor of such Guarantor due or becomes incompetent or any Guarantor ceases any guaranty of the indebtedness. Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, give the Event of Default. 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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 sale of the Property 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 marketed, in exercising its rights and remedies. 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Lender shall be entitled to recover Attorney's Fees. Expenses. If Lender institutes any suit or action to enforce any of its rights under this Mortgage, Lender shall be entitled to recover all such suit as the court may judge reasonable as attorney's fees, at trial and on any appeal. Whether or not any court action is instituted, 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 its rights shall become a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid in full. Expenses covered by the paragraph include, without limitation, however, subject to any limitations under applicable law, Lender's attorney's fees and Lender's legal expenses whether or not there is a lawsuit, including attorney's fees for drafting, preparing, recording, filing, recording, obtaining, or perfecting a lien or other security interest, the cost of searching records, obtaining a title report, procuring insurance, and other reasonable expenses. Lender's attorney's fees and Lender's legal expenses shall be a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid in full. Grantor also will pay any court costs, in addition to all other sums provided by law.

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