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THIS DOCUMENT PREPARED BY AND
UPON RECORDING RETURN TO:

Anthony J. Madonia
Jerald F. Richman & Associates
318 West Randolph, Suite 500
Chicago, Illinois 60606



DEPT-01 RECORDING 339.50
74666 TRAN 1655 09/20/93 14:54:00
47409 # *-93-750969
COOK COUNTY RECORDER

MORTGAGE AND SECURITY AGREEMENT

This Mortgage and Security Agreement (hereinafter the "MORTGAGE") is made as of September 16, 1993, by William J. Gerard Jr. ("Mortgagor"), with a mailing address at 400 West Webster, Chicago, Illinois 60614, to Mary Ann Flynn, an individual ("Lender"), with a mailing address at 718 W. Wrightwood, Chicago, Illinois 60614.

RECITALS

1.01 Promissory Note. Whereas, Mortgagor has executed and delivered to Lender a Promissory Note (the "Note") of even date herewith, wherein Mortgagor promises to pay to the order of Lender the principal amount of Sixty-Five Thousand and no/100 Dollars (\$65,000.00) in repayment of a loan (the "Loan") from Lender to Mortgagor in like amount, or so much thereof as may now or hereafter be disbursed by Lender under the Note, together with interest thereon, in installments as set forth in the Note.; and

1.03 This Mortgage. Whereas, as security for the repayment of the Loan, Mortgagor has executed and delivered to Lender this Mortgage.

THE GRANT

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Now, Therefore, to secure the payment of the principal amount of the Note and interest thereon and payment of all loan fees and other sums due and payable under the Loan Documents and the performance of the agreements contained hereinbelow and to secure the payment of any and all other indebtedness, direct or contingent, that may now or hereafter become owing from Mortgagor to Lender and the performance of all other obligations under the Loan Documents, provided that the total amount of principal advanced hereunder or under the Note, exclusive of interest and amounts paid in order to protect and preserve the Lender's security in the Mortgaged Property, shall not exceed Sixty-Five Thousand and No/100 Dollars (\$65,000.00), and in consideration of the matters recited hereinabove, Mortgagor hereby grants, bargains, sells, conveys and mortgages to Lender and its successors and assigns forever the real estate, and all of its estate, right, title, and interest therein, situated in the County of Cook, State of Illinois, as more particularly described in Exhibit A, which is attached hereto and made a part hereof (the "Premises"), together with the following described property (the Premises and the following described property being hereinafter referred to collectively as the "Mortgaged Property"), all of which other property is hereby pledged primarily on a parity with the Premises and not secondarily:

(a) all buildings and other improvements of every kind and description now or hereafter erected or placed on the Premises thereon and all materials intended for construction, reconstruction, alteration, and repair of such improvements, all of which materials shall be deemed to be included within the Mortgaged Property immediately upon the delivery thereof to the Premises;

(b) all right, title, and interest of Mortgagor, including any after-acquired title or reversion, in and to the beds of the ways, streets, avenues, sidewalks and alleys adjoining the Premises;

(c) each and all of the tenements, hereditaments, easements, appurtenances, passages,

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waters, water courses, riparian rights, other rights, liberties, and privileges of the Premises or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity, as well as any after-acquired title, franchise, or license and the reversions and remainders thereof;

(d) all rents, issues, deposits and profits accruing and to accrue from the Premises and the avails thereof; and

(e) all fixtures and personal property now or hereafter owned by Mortgagor and attached to or contained in and used or useful in connection with the Premises or the aforesaid improvements thereon, including without limitation any and all air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, dynamos, elevators, engines, equipment, escalators, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stokers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring, and all renewals or replacements thereof or articles in substitution thereof, whether or not the same be attached to the Premises or to such improvements now or hereafter erected or placed thereon, it being intended, agreed, and declared that all such property owned by Mortgagor and placed by it on the Premises or used in connection with the operation or maintenance thereof shall, so far as permitted by law, be deemed for the purpose of this Mortgage to be part of the real estate constituting and located on the Premises and covered by this Mortgage, and as to any of the aforesaid property that is not part of such real estate or does not constitute a "fixture", as such term is defined in the Uniform Commercial Code (the "Code") of the state in which the Premises are located, this Mortgage shall be deemed to be, as well, a security agreement under such Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to the Lender as "secured party," as such term is defined in such Code;

To have and to hold the same unto Lender and its successors and assigns forever, for the purposes and uses herein set forth.

If and when the principal amount of the Note and all interest as provided thereunder, any and all other amounts required under the Loan Documents, and all of the agreements contained in the Loan Documents have been fully paid and performed, then this Mortgage shall be released at the cost of Mortgagor, but otherwise shall remain in full force and effect.

GENERAL AGREEMENTS

3.01 Principal and Interest. Mortgagor shall pay promptly when due the principal and interest on the indebtedness evidenced by the Note at the times and in accordance with the terms of the Note or any of the other Loan Documents.

3.02 Property Taxes. Mortgagor shall pay, before becoming delinquent, all general taxes, special taxes, special assessments, water charges, sewer charges, and any other charges that may be asserted against the Mortgaged Property or any part thereof or interest therein, and furnish to Lender duplicate receipts therefor within thirty (30) days after payment thereof, unless payment is made by Lender from the amount of any deposits made by Mortgagor hereunder.

3.03 Tax Payments by Lender. Lender is hereby authorized to make or advance, in the place and stead of Mortgagor, any payment relating to taxes, assessments, water and sewer charges, and other governmental charges, fines, impositions, or liens that may be asserted against the Mortgaged Property, or any part thereof, and may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, lien, sale, forfeiture, or title, lien, statement of lien, encumbrance, claim, charge, or payment otherwise relating to any other

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purpose herein and hereby authorized, but not enumerated in this Paragraph 3.03, whenever, in its reasonable judgment and discretion, such advance seems necessary or desirable to protect the Mi security intended to be created by this Mortgage. In connection with any such advance, Lender is per authorized, at its option, to obtain a title search prepared by a title insurance company of Lender's choosing. All such advances and indebtedness authorized by this Paragraph 3.04 shall constitute additional indebtedness secured hereby and shall be repayable by Mortgagor upon demand with interest at the rate set forth in the Note.

3.04 Insurance

(a) **Hazard.** Mortgagor shall keep the improvements now existing or hereafter erected on the Mortgaged Property insured for the "full insurable value" of the Mortgaged Property under a replacement cost form of insurance policy against loss or damage resulting from fire, windstorm, and other hazards as may be required by Lender, and to pay promptly, when due, any premiums on such insurance. In the event of any casualty loss, Mortgagor shall give immediate notice thereof by mail to Lender. Mortgagor hereby permits Lender, at Lender's option, to adjust and compromise any such losses under any of the aforesaid insurance and, after deducting any costs of collection, to use, apply, or disburse the proceeds as provided in this Section 3.05(a). In case of damage to or the destruction of the Mortgaged Property or portions thereof by fire or other casualty, Mortgagor, at Mortgagor's election exercised within sixty (60) days after the occurrence of such loss or casualty may, cause all proceeds of insurance to be applied to the indebtedness secured hereby or (provided Mortgagor is not in Default hereunder) the restoration to substantially former condition and equivalent value of the Mortgaged Property damaged or destroyed; provided however, Mortgagor's right to elect to have the proceeds applied to restoration of the Mortgaged Property shall be conditioned upon (i) the Mortgagor not being in Default hereunder; (ii) the Mortgagor's presenting to Lender concurrently with notice of Mortgagor's election, evidence satisfactory to Lender that the proceeds of insurance are sufficient to repair or restore the Mortgaged Property, or, if such proceeds are insufficient, that Mortgagor has deposited with Lender funds which, when added to the proceeds of insurance, shall be sufficient to repair or restore; (iii) in the judgment of Lender, Mortgagor can complete such repairs or restoration not less than thirty (30) days prior to the date when the Note becomes due and payable; (iv) Lender shall have approved the plans and specifications for any such restoration and (v) subject to the availability of insurance proceeds, Mortgagor shall have commenced the reconstruction or restoration of the Mortgaged Property within sixty (60) days after the occurrence of such loss or casualty and shall proceed diligently thereafter to completion. In the event Mortgagor does not or is not entitled to make the election aforesaid, Lender shall, in the exercise of its sole and absolute discretion, decide whether the insurance proceeds shall be applied against the indebtedness secured hereby, or in the repair or restoration of the Mortgaged Property. In the event the insurance proceeds are to be applied to the indebtedness secured hereby, Lender may collect all proceeds of insurance after deduction of all expenses of collection and settlement, including reasonable attorneys' and adjustors' fees and charges, and apply same against the indebtedness secured hereby. If the proceeds are insufficient to pay such indebtedness in full Lender may declare the balance remaining unpaid immediately due and payable, and avail itself of any of the remedies provided for in the event of Default. Any proceeds remaining after application upon the indebtedness shall be paid by Lender to Mortgagor.

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The term "full insurable value" as used herein shall mean actual cash value -- replacement cost without physical depreciation (exclusive of costs of excavation, foundations and footings below the lowest basement floor of the Mortgaged Property) to the extent available from Mortgagor's insurance companies. Lender shall have the right to notify Mortgagor that it elects to have the replacement value redetermined by an insurance company. The redetermination shall be made promptly and in accordance with the rules and practices of the Board of Fire Underwriters, or a like board recognized and generally accepted by the insurance company, and each party shall be promptly notified of the results by the company. The insurance policy shall be adjusted according to the redetermination. The cost of such redetermination and any additional insurance premiums shall be paid by the Mortgagor.

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In the event Lender is obligated or elects to apply such insurance proceeds toward repairing, restoring and rebuilding such improvements, such proceeds shall be made available, from time to time, upon Lender's being furnished with satisfactory evidence of the estimated cost of such repairs, restoration, and rebuilding and with such architect's and other certificates, waivers of lien, contractors' sworn statements, and other evidence of the estimated cost thereof and of payments as Lender may require and approve. If the estimated cost of the work exceeds ten percent (10%) of the original principal amount of the indebtedness secured hereby, Mortgagor must obtain the prior consent of Lender before undertaking any such repair, restoration, or rebuilding, and shall further provide Lender with all plans and specifications for such repairs, restoration, and rebuilding as Lender may require and approve. No payment made prior to the final completion of the work shall exceed ninety percent (90%) of the value of the work performed, from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of Lender shall be at least sufficient to pay for the cost of completion of the work, free and clear of any liens or Lender's obligation and the agreement to permit such proceeds to be used for rebuilding the Mortgaged Property shall terminate and a Default shall be deemed to have occurred hereunder, unless the amount of any such deficiency is deposited with Lender within fifteen (15) days after notice thereof. In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title, and interest of Lender in and to any such insurance policies then in force and any claims or proceeds thereunder, shall pass to Lender or any purchaser or grantee in reformation.

3.05 Compliance with Laws. Mortgagor shall comply with all statutes, ordinances, regulations, rules, orders, decrees, and other requirements relating to the Mortgaged Property or any part thereof by any federal, state, or local authority; and shall observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions, and nonconforming uses), privileges, franchises, and concessions that are applicable to the Mortgaged Property or that have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Property.

3.06 Interest Laws. It being the intention of Lender and Mortgagor to comply with the laws of the State of Illinois, it is agreed that notwithstanding any provision to the contrary in the Note or this Mortgage, no such provision shall require the payment or permit the collection of any amount ("Excess Interest") in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the indebtedness evidenced by the Note. If any Excess Interest is provided for, or is adjudicated to be provided for, in the Note, or this Mortgage, then in such event (a) the provisions of this Paragraph 3.06 shall govern and control; (b) neither Mortgagor nor any other "Obligors" (as that term is defined in the Note) shall be obligated to pay any Excess Interest; (c) any Excess Interest that Lender may have received hereunder shall, at the option of Lender, be (i) applied as a credit against the then unpaid principal balance under the Note, accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to the payor thereof, or (iii) any combination of the foregoing; (d) the rate of interest charged under the Note shall be subject to automatic reduction to the maximum lawful contract rate allowed under the applicable usury laws of the aforesaid State, and the Note and this Mortgage, shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in the interest rate; and (e) neither Mortgagor nor any other Obligors shall have any action against Lender for any damages whatsoever arising out of the payment or collection of any Excess Interest.

DEFAULTS AND REMEDIES

4.01 Events Constituting Defaults. Each of the following events shall constitute a default (a "Default") under this Mortgage:

(a) Failure of Mortgagor to pay any sum secured hereby, including without limitation, any installment of principal thereof or interest thereon on the date such sum becomes due and payable under the Note or this Mortgage, and the continuation of such

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failure to pay for five (5) days after notice thereof from Lender. For purposes of this paragraph, notice shall be deemed to have been delivered two (2) business days after mailing by Lender in the manner provided in Paragraph 5.01 hereof.

(b) Failure of Mortgagor to perform or observe any other covenant, warranty, or other provision contained in this Mortgage for a period in excess of thirty (30) days after the date on which notice of the nature of such failure is given by Lender to Mortgagor in the manner provided in Paragraph 5.01 hereof. In the case of non-monetary default not susceptible of being cured within such thirty (30) day period, Lender shall not declare an event of Default as long as Mortgagor (a) initiates corrective action within such thirty (30) day period, (b) diligently, continuously and in good faith proceeds to cure such default or potential event of Default and (c) the Mortgagor's security in the Mortgaged Property is not materially impaired by such failure to cure within said thirty (30) day period. In no event shall the grace period hereinabove granted be for more than sixty (60) days from the date Lender first gives notice as above to Mortgagor, it being acknowledged and agreed by Mortgagor that concurrently with the expiration of such ninety (90) day period Lender may declare a Default, accelerate all indebtedness secured hereby and pursue all remedies contained herein.

(c) Any representation or warranty contained in any of the Note, or this Mortgage, or any other document or writing submitted to Lender by or on behalf of Mortgagor pertaining to the Loan shall be materially false or misleading when made, provided that if any breach of any representation or warranty of Mortgagor is of a nature as to be reasonably capable of being cured or corrected within thirty (30) days and said breach does not, in Lender's judgment impair the Mortgagor's ability to perform its obligations under the Loan Documents or materially impair or jeopardize Lender's security in the Mortgaged Property, then Mortgagor shall have thirty (30) days after written notice thereof to cure or correct such breach.

(d) Admission by Mortgagor in writing, including without limitation an answer or other pleading filed in any court, of Mortgagor's insolvency or its inability to pay its debts generally as they fall due.

(e) Institution by Mortgagor of bankruptcy, insolvency, reorganization, or arrangement proceedings of any kind under the Federal Bankruptcy Code, whether as now existing or as hereafter amended, or any similar federal or state laws relating to debtors or creditors rights now or hereafter existing, or the making by Mortgagor of a general assignment for the benefit of creditors.

(f) Institution of any such proceedings against Mortgagor that are consented to by Mortgagor or are not dismissed, vacated, or stayed within ninety (90) days after the filing thereof. Notwithstanding the preceding sentence, if, after the institution of such proceedings, Lender reasonably determines that its security in the Mortgaged Property is materially impaired or at immediate risk of being materially impaired, Lender shall have the right to declare an immediate Default.

(g) Appointment by any court of a creditor, trustee, or liquidator of or for, or assumption by any court of jurisdiction of, all or any part of the Mortgaged Property or all or a major portion of the property of Mortgagor, if such appointment or assumption is consented to by Mortgagor or, within ninety (90) days after such appointment or assumption, such receiver, trustee, or liquidator is not discharged or such jurisdiction is not relinquished, vacated, or stayed. Notwithstanding the preceding sentence, if, after the institution of such proceedings, Lender determines that its security in the Mortgaged Property is materially impaired or at immediate risk of being materially impaired, Lender shall have the right to declare an immediate Default.

(h) Declaration by any court or governmental agency of the bankruptcy or insolvency of Mortgagor.

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(i) The occurrence of a default under the Loan Agreement or any other Loan Document, which default continues beyond any applicable notice and cure period.

4.02 Acceleration of Maturity. At any time during the existence of any Default, and at the option of Lender, the entire principal balance then outstanding under the Note, together with interest accrued thereon and all other sums due from Mortgagor thereunder or under this Mortgage and under any of the other Loan Documents, shall without notice become immediately due and payable with interest thereon at the Default Interest Rate (as defined in the Note).

4.03 Foreclosure of Mortgage. Upon the occurrence of any Default, or at any time thereafter, Lender may, at its option, proceed to foreclose the lien of this Mortgage by judicial proceedings in accordance with the laws of the state in which the Premises are located. Any failure by Lender to exercise such option shall not constitute a waiver of its right to exercise the same at any other time.

4.04 Lender's Continuing Options. The failure of Lender to exercise either or both of its options to accelerate the maturity of the indebtedness secured hereby aforesaid, or to exercise any other option granted to Lender hereunder in any one or more instances, or the acceptance by Lender of partial payments of such indebtedness, shall neither constitute a waiver of any such Default or of Lender's options hereunder nor establish, extend, or affect any grace period for payments due under the Note, but such options shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Lender, may at Lender's option, and to the extent permitted by law, be rescinded by written acknowledgement to that effect by Lender and shall not affect Lender's right to accelerate maturity upon or after any future Default.

4.05 Litigation Expenses. In any proceeding to foreclose the lien of this Mortgage or enforce any other remedy of Lender under any of the Note, this Mortgage, and the other Loan Documents, or in any other proceeding whatsoever in connection with any of the Loan Documents or any of the Mortgaged Property in which Lender is named as a party, there shall be allowed and included, as additional indebtedness in the judgment or decree resulting thereof, all expenses paid or incurred in connection with such proceeding by or on behalf of Lender, including without limitation, reasonable attorney's fees, appraiser's fees, outlays for documentary evidence and expert advice, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of such judgment or decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and any similar data and assurances with respect to title to the Mortgaged Property as Lender may deem reasonably necessary either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to such decree the true condition of the title to or value of the Premises or the Mortgaged Property. All expenses of the foregoing nature, and such expenses as may be incurred in the protection of any of the Mortgaged Property and the maintenance of the lien of this Mortgage thereon, including without limitation, the reasonable fees of any attorney employed by Lender in any litigation affecting the Note, this Mortgage, or any of the Mortgaged Property, or from and after the occurrence of a Default, in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall be immediately due and payable by Mortgagor with interest at the rate set forth in the Note.

4.06 Performance by Lender. In the event of any Default, Lender may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Lender, and Lender may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any; purchase, discharge, compromise, or settle any tax lien or other prior or junior lien or title or claim thereof, redeem the Mortgaged Property from any tax sale or forfeiture; or contest any tax or assessment thereon. All monies paid for any of the purposes authorized herein and all expenses paid or incurred in connection therewith, including reasonable attorney's fees, and any other monies advanced by Lender to protect the Mortgaged Property and the lien of this

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Mortgage, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable by Mortgagor to Lender without notice and with interest thereon at the Default Interest Rate (as defined in the Note). Inaction of Lender shall never be construed to be a waiver of any right accruing to Lender by reason of any Default by Mortgagor.

(a) to the fullest extent permitted by law, extend or modify any then existing leases and make new leases of all or any part of the Mortgaged Property, which extensions, modifications, and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the loan evidenced by the Note and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Mortgaged Property are subject to the lien hereof, and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness secured hereby, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any such purchaser; and

(b) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments, and improvements in connection with the Mortgaged Property as may seem judicious to Lender, to insure and reinsure the Mortgaged Property and all risks incidental to Lender's possession, operation, and management thereof, and to receive all rents, issues, deposits, profits and avails therefrom.

4.07 Foreclosure Sale. In the event of any foreclosure sale of the Mortgaged Property, the same may be sold in one or more parcels. Lender may be the purchaser at any foreclosure sale of the Mortgaged Property or any part thereof.

4.08 Application of Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property, or any part thereof, shall be distributed and applied in the following order of priority: (a) on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in Paragraphs 4.05 and 4.06 hereof, (b) all other items that, under the terms of this Mortgage, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon at the interest rate set forth in the Note; (c) all principal and interest remaining unpaid under the Note, in the order of priority specified by Lender in its sole discretion; and (d) the balance to Mortgagor or its successors or assigns, as their interests and rights may appear.

MISCELLANEOUS

5.01 Notices. Except as otherwise hereinabove specified, any notice that Lender or Mortgagor may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipients thereof pursuant to and at the address set forth in Section 8.4 of the Loan Agreement or at such other address as such intended recipient may, from time to time, by notice in writing, designate to the sender pursuant hereto. Any such notice shall be deemed to have been delivered two (2) business days after mailing by United States registered or certified mail, return receipt requested, or when delivered in person with written acknowledgement of the receipt thereof. Except as otherwise specifically required, herein, notice of the exercise of any right or option granted to Lender by this Mortgage is not required to be given, any such notice being deemed waived by Mortgagor to the fullest extent permitted by law.

5.02 Time of Essence. It is specifically agreed that time is of the essence of this Mortgage.

5.03 Covenants Run with Land. All of the covenants of this Mortgage shall run

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with the land constituting the Premises.

5.04 Governing Law. The place of negotiation, execution, and delivery of this Mortgage, the location of the Mortgaged Property, and the place of payment and performance under the Loan Documents being the State of Illinois, this Mortgage shall be construed and enforced according to the laws of that State.

5.05 Rights and Remedies Cumulative. All rights and remedies set forth in this Mortgage are cumulative, and the holder of the Note and of every other obligation secured hereby may recover judgment herein, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right or remedy afforded hereby.

5.06 Severability. If any provision of this Mortgage, or any paragraph, sentence, clause, phrase, or word, or the application thereof, in any circumstance, is held invalid, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included herein.

5.07 Non-waiver. Unless expressly provided in this Mortgage to the contrary, no consent or waiver, express or implied, by an interested party referred to herein, to or of any breach or default by any other interested party referred to herein, in the performance by such party of any obligations contained herein shall be deemed a consent to or waiver by the party of any obligations contained herein or shall be deemed a consent to or waiver of the performance by such party of any other obligations hereunder or the performance by any other interested party referred to herein of the same, or of any other, obligations hereunder.

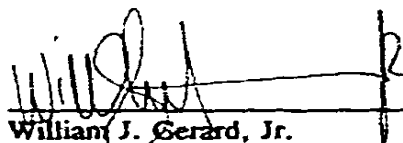
5.08 Headings. The headings of sections and paragraphs in this Mortgage are for convenience or reference only and shall not be construed in any way to limit or define the content, scope, or intent of the provisions hereof.

5.09 Grammar. As used in this Mortgage, the singular shall include the plural, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires.

5.10 Successors and Assigns. This Mortgage and all provisions hereof shall be binding upon Mortgagor, its successors, assigns, legal representatives, and all other persons or entities claiming under or through Mortgagor, and the word "Mortgagor," when used herein, shall include all such persons and entities and any other, liable for the payment of the indebtedness secured hereby or any part thereof, whether or not they have executed the Note or this Mortgage. The word "Lender," when used herein, shall include Lender's successors, assigns, and legal representatives, including all other holders, from time to time, of the Note.

5.11 Loss of Note. Upon receipt of evidence reasonably satisfactory to Mortgagor of the loss, theft, destruction or mutilation of the Note, and in the case of any such loss, theft or destruction, upon delivery of an indemnity agreement satisfactory to Mortgagor or, in the case of any such mutilation, upon surrender and cancellation of the Note, Mortgagor will execute and deliver to Lender in lieu thereof, a replacement Note, identical in form and substance to the Note and dated as of the date of the Note and upon such execution and delivery all references in this Mortgage to the Note shall be deemed to refer to such replacement Note.

IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed as of the date hereinabove first written.



William J. Gerard, Jr.

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STATE OF ILLINOIS)
) ss
COUNTY OF COOK)

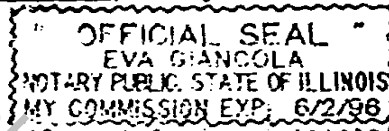
I, a Notary Public, in and for said County, in the State aforesaid,
DO HEREBY CERTIFY that William J. Gerard, Jr. is personally known to me to be the
same person whose name is subscribed to the foregoing instrument appeared before me this
day in person and acknowledged that he signed and delivered the said instrument as his own
free and voluntary act for the uses and purposes therein.

Given under my hand and notarial seal
this 20, of SEPT 1993

Eva Giancola
Notary Public

My Commission Expires: 6-2-96

"OFFICIAL SEAL" of EVA GIANCOLA, Notary Public
State of Illinois



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EXHIBIT A

LEGAL DESCRIPTION

Lot 1 in the Subdivision of Lots 10, 11 and the South 1/2 of Lot 9 in the Subdivision of Part of Section 33, Township 40 North, Range 14, East of the Third Principal Meridian, In Cook County, Illinois.

P.I.N. Number: 14-33-114-031

Street Address: 400 W. Webster, Chicago, Illinois 60614

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