

UNOFFICIAL COPY

01-71668-04

MULTIFAMILY MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (Security for Construction Loan)

...provision restricting any liability of Jefferson State Bank, attached hereto, is hereby expressly made a part hereof.

THIS MORTGAGE (herein "Instrument") is made this 24TH day of MAY, 1994, between the

Mortgagor/Grantor, JEFFERSON STATE BANK
AS TRUSTEE UNDER TRUST AGREEMENT DATED FEBRUARY 2, 1987
AND KNOWN AS TRUST NUMBER 1436, whose address is
1920 VINE STREET, PARK RIDGE, ILLINOIS 60068 (herein "Borrower"),
and the Mortgagee, CRAIN FEDERAL BANK FOR SAVINGS, a federal savings bank organized and existing under the laws of the United States of America, whose address is 5200 West Fullerton, Chicago, Illinois 60639 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of
ONE HUNDRED SIXTY EIGHT THOUSAND AND 00/100
Dollars, which indebtedness is evidenced by Borrower's note dated MAY 24, 1994 (herein "Note"),
providing for monthly installments of interest with the balance of the indebtedness, if not sooner paid, due and payable on
MAY 1, 1996.

TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof, (b) the repayment of any future advances, with interest thereon, made by Lender to Borrower pursuant to paragraph 31 hereof (the "Future Advances"), the property described on the attached rider located in
CHICAGO State of ILLINOIS

TOGETHER with all buildings, improvements, and tenements now or hereafter erected on the property, and all heretofore or hereafter vacated alleys and streets abutting the property, and all easements, rights appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock appurtenant to the property, and all fixtures, machinery, equipment, engines, boilers, incinerators, building materials, appliances and tools of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, and all elevators, and related machinery and equipment, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, mirrors, cabinets, paneling, rugs, attached floor coverings, furniture, pictures, antennas, trees and plants, and _____

_____ all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the real property covered by this Instrument; and all of the foregoing, together with said property (or the leasehold estate in the event this Instrument is on a leasehold) are herein referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, convey and assign the Property (and if this Instrument is on a leasehold, that the ground lease is in full force and effect without modification except as noted above and without default on the part of either lessor or lessee thereunder), that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Uniform Covenants. Borrower and Lender covenant and agree as follows:

- 1. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness as provided in the Note, any prepayment and late charges provided in the Note and all other sums secured by this Instrument.
- 2. Funds for Taxes, Insurance and Other Charges.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of interest are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (herein "Funds") equal to one twelfth of (a) the yearly water and sewer rates and taxes and assessments which may be levied on the Property, (b) the yearly ground rents, if any, (c) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph hereof, (d) the yearly premium installments for mortgage insurance, if any, and (e) if this Instrument is on a leasehold, the yearly fixed rents, if any, under the ground lease, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Borrower pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Borrower. Lender may require Borrower to pay to Lender, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Lender shall reasonably deem necessary to protect Lender's interests (herein "Other Impositions"). Unless otherwise provided by applicable law, Lender may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Lender's option.

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The Funds shall be held in an institution(s) the deposits or accounts of which are insured or guaranteed by a Federal or state agency including Lender if Lender is such an institution. Lender shall apply the Funds to pay said rates, rents, taxes, assessments, insurance premiums and Other Impositions in this instrument. Lender shall make no charge for so holding and applying the Funds, maintaining said account or for verifying and compiling and assessments and bills, unless Lender pays Borrower interest, earnings or profits on the Funds and Lender may agree in writing at the time of execution of this instrument that interest on the Funds shall be such a charge. Borrower and Lender may agree in writing at the time of execution of this instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires interest, earnings or profits to be paid, Lender shall not be required to pay Borrower any interest, earnings or profits on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds in Lender's normal format showing credits and debits to the Funds and the purpose for which each debt to the Funds was made. The Funds are pledged as additional security for the sums secured by this instrument.

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, they shall be credited to Borrower on the next monthly installment or disbursements of Funds due. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, Lender shall promptly refund to Borrower any Funds held by Lender.

Upon Borrower's breach of any covenant or agreement of Borrower in this instrument, Lender may apply in any amount and in any order as Lender shall determine in Lender's sole discretion any Funds held by Lender at the time of application (i) to pay rates, rents, taxes, assessments, insurance premiums and Other Impositions which are now or will hereafter become due, or (ii) as a credit against sums secured by this instrument. Upon payment in full of all sums secured by this instrument, Lender shall promptly refund to Borrower any Funds held by Lender.

3. Application of Payments. Unless applicable law provides otherwise, all of the regular monthly payments or all other payments received by the Lender from the Borrower under the Note or this Mortgage shall be applied by the Lender in the following order of priority: (a) to any costs or expenses, including reasonable attorney's fees, incurred by the Lender pursuant to the terms of the Note and this Mortgage; (b) to any and all amounts of interest payable to the Lender on any advances made by the Lender or on any other indebtedness due to the Lender pursuant to the Note and this Mortgage; (c) to any and all future advances made by the Lender or any other indebtedness due to the Lender pursuant to the Note and this Mortgage; (d) to late charges due to the Lender under the Note; (e) to any and all amounts of interest due to the Lender under the Note; and (f) to any and all amounts of principal due under the Note.

4. Charges; Taxes. Borrower shall pay all water and sewer rates, taxes, assessments, premiums, rents and Other Impositions attributable to the Property at Lender's option in the manner provided under paragraph 2 hereof or in such other manner, by Borrower making payment, when due, directly to the payee thereof, or in such other manner as Lender may designate in writing. Borrower shall promptly furnish to Lender all a lack of amounts due under this paragraph 4, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has, or may have, priority over or equate with, the lien of this instrument, and Borrower shall pay, when due, the claims of all persons supplying labor or materials to or in connection with the Property. Without Lender's prior written permission, Borrower shall not allow any lien in favor of any person to be perfected against the Property.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured by carries at all times satisfactory to Lender against loss by fire, inland included within the term "extended coverage", rent loss and such other hazards, casualties, liabilities, habits and contingencies as Lender may require. All premiums on insurance policies shall be paid, at Lender's option, and in such amounts and for such periods as Lender shall require. Hazard insurance policies shall be issued by Lender, and all receipts of paid premiums. At least thirty days prior to the expiration date of a policy, Borrower shall deliver to Lender a renewal policy in form satisfactory to Lender. If the instrument is on a leasehold, Borrower shall furnish Lender a duplicate of all policies, renewal policies, and receipts of paid premiums. If, by virtue of the ground lease, the original thereof may not be supplied by Borrower to Lender.

In the event of loss, Borrower shall give immediate written notice to the insurance carrier, and to Lender. Borrower hereby authorizes and empowers Lender as attorney-in-fact for Borrower to make proof of loss, to adjust and compromise any claim under insurance policies, to appear in and prosecute any action arising from such insurance policies, to collect and receive insurance proceeds, and to deduct therefrom Lender's expenses incurred in the collection of such proceeds, provided however, that nothing contained in this paragraph 5 shall require Lender to incur any expense or take any action hereunder. Borrower further authorizes Lender, at Lender's option, to hold the balance of such proceeds to be used to reimburse Borrower for the cost of reconstruction or repair of the Property, or (b) to apply the balance of such proceeds to the payment of the sums secured by this instrument, whether or not then due, in the order of application set forth in paragraph 3 hereof (subject, however, to the rights of the lessor under the ground lease if this instrument is on a leasehold).

If the insurance proceeds are held by Lender to reimburse Borrower for the cost of restoration and repair of the Property, the Property shall be restored to the original condition or such other conditions as Lender may approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect or engineer, contractor's cost estimates, architect's certificates, engineers' reports, sworn statements of mechanics and maintenance and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this instrument, any such application of proceeds to principal shall not extend to paragraph 27 hereof or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

6. Application of Proceeds. If the insurance proceeds are held by Lender to reimburse Borrower for the cost of restoration and repair of the Property, the Property shall be restored to the original condition or such other conditions as Lender may approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect or engineer, contractor's cost estimates, architect's certificates, engineers' reports, sworn statements of mechanics and maintenance and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Lender may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this instrument, any such application of proceeds to principal shall not extend to paragraph 27 hereof or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Borrower in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Property prior to such sale or acquisition.

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6. **Preservation and Maintenance of Property; Leaseholds.** Borrower (a) shall not commit waste or permit impairment or deterioration of the Property, (b) shall not abandon the Property, (c) shall restore or repair promptly and in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury or loss thereto, whether or not insurance proceeds are available to cover in whole or in part the costs of such restoration or repair, (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery and appliances on the Property when necessary to keep such items in good repair, (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property, (f) shall provide for professional management of the Property by a residential rental property manager satisfactory to Lender pursuant to a contract approved by Lender in writing, unless such requirement shall be waived by Lender in writing, (g) shall generally operate and maintain the Property in a manner to ensure maximum rentals, and (h) shall give notice in writing to Lender of and, unless otherwise directed in writing by Lender, appear in and defend any action or proceeding purporting to affect the Property, the security of this Instrument or the rights or powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery and appliances with items of like kind.

If this Instrument is on a leasehold, Borrower (i) shall comply with the provisions of the ground lease, (ii) shall give immediate written notice to Lender of any default by lessor under the ground lease or of any notice received by Borrower from such lessor of any default under the ground lease by Borrower, (iii) shall exercise any option to renew or extend the ground lease and give written confirmation thereof to Lender within thirty days after such option becomes exercisable, (iv) shall give immediate written notice to Lender of the commencement of any remedial proceedings under the ground lease by any party thereto and, if required by Lender, shall permit Lender or Borrower's attorney in fact to control and act for Borrower in any such remedial proceedings, and (v) shall within thirty days after request by Lender obtain from the lessor under the ground lease and deliver to Lender the Lessor's estoppel certificate required thereunder, if any. Borrower hereby expressly transfers and assigns to Lender the benefit of all covenants contained in the ground lease, whether or not such covenants run with the land but Lender shall have no liability with respect to such covenants nor any other covenants contained in the ground lease.

Borrower shall not surrender the leasehold estate and interests herein conveyed nor terminate or cancel the ground lease creating said estate and interests, and Borrower shall not, without the express written consent of Lender, alter or amend said ground lease. Borrower covenants and agrees that there shall not be a merger of the ground lease, or of the leasehold estate created thereby, with the fee estate covered by the ground lease by reason of said leasehold estate or said fee estate, or any part of either, coming into common ownership, unless Lender shall consent in writing to such merger. If Borrower shall acquire such fee estate, then this Instrument shall simultaneously and without further action be spread so as to become a lien on such fee estate.

7. **Use of Property.** Unless required by applicable law, unless Lender has otherwise agreed in writing, Borrower shall not allow changes in the use for which all or any part of the Property was intended at the time this Instrument was executed. Borrower shall not initiate or acquiesce in a change in the zoning classification of the Property without Lender's prior written consent.

8. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Instrument, or if any action or proceeding is commenced which affects the Property or title thereto or the interest of Lender therein, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option may make such appearances, disburse such sums and take such action as Lender deems necessary, in its sole discretion, to protect Lender's interest, including, but not limited to, (i) disbursement of attorney's fees, (ii) entry upon the Property to make repairs, (iii) procurement of satisfactory insurance as provided in paragraph 5 hereof, and (iv) if this Instrument is on a leasehold, exercise of any option to renew or extend the ground lease on behalf of Borrower and the curing of any default of Borrower in the terms and conditions of the ground lease.

Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness of Borrower secured by this Instrument. Unless Borrower and Lender agree to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the rate stated in the Note, unless collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law. Borrower hereby covenants and agrees that Lender shall be subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby. Nothing contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

9. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property.

10. **Books and Records.** Borrower shall keep and maintain at all times at Borrower's address stated below, or such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property, and shall include, but shall not be limited to, financial statements of the Borrower, operating and expense statements relating to the Mortgaged Premises, and up to date rental records for the Mortgaged Premises, if applicable. Such financial and operating statements shall contain correct entries in accordance with generally accepted accounting principles of all dealings and transactions relative to the Mortgaged Premises therein, and shall be certified at the expense of the Borrower in such a manner as shall be acceptable to the Lender. Such books, records, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Upon Lender's request, Borrower shall furnish to Lender, within one hundred and twenty days after the end of each fiscal year of Borrower, a balance sheet, a statement of income and expenses of the Property and a statement of changes in financial position, each in reasonable detail and certified by Borrower and, if Lender shall require, by an independent certified public accountant. Borrower shall furnish, together with the foregoing financial statements and at any other time upon Lender's request, a rent schedule for the Property, certified by Borrower, showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid. If the statements furnished shall not be prepared in accordance with generally acceptable accounting principles consistently applied, or if the Borrower fails to furnish same to the Lender when due, the Lender may audit or cause to be audited, the books of the Borrower and/or the Mortgaged Premises, at the Borrower's expense, and the costs of such audit shall be an additional advance and indebtedness of the Borrower payable upon demand of the Lender, and shall bear interest at the rate provided in the Note until paid.

11. **Condemnation.** Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other or other taking, whether direct or indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute any such action or proceeding unless otherwise directed by Lender in writing. Borrower authorizes Lender, at Lender's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation or other taking of the Property, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned to and shall be paid to Lender subject, if the instrument is on a leasehold, to the rights of lessor under the ground lease.
12. **Borrower will Lien Not Released.** From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior holder or guarantors, extend the time for payment of a part and notwithstanding Borrower's breach of any covenant or agreement of Borrower in this instrument, extend the time for payment of a part or notes thereof, modify the terms and time of payment of said indebtedness, release from the lien of this instrument any part of the Property, take or release other or additional security, recover any part of the Property, consent to any map or plan of the Property, consent to the granting of any easement, join in any extension or subordination agreement, and agree in writing with Borrower to modify the rate of interest or period of amortization of the Note or change the amount of the monthly installments payable thereunder. Any actions taken by Lender pursuant to the terms of this paragraph 12 shall not affect the obligation of Borrower or Borrower's successors or assigns to pay the sums secured by this instrument and to observe the covenants of Borrower contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority thereof on the Property. Borrower shall pay Lender a reasonable service charge, together with such title insurance premiums and lender's fees as may be incurred at Lender's option, for any such action if taken at Borrower's request.
13. **Waiver by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Lender of payment of any sum secured by this instrument after the due date of such payment shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this instrument, nor shall Lender's receipt of any awards, proceeds or damages under paragraph 5 and 11 hereof operate to cure or waive Borrower's default in payment of sums secured by this instrument.
14. **Stoppage Certificate.** Borrower shall, within ten days of a written request from Lender, furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this instrument and any right of set-off, counterclaim or other defense which exists against such sums and the obligation of this instrument.
15. **Uniform Commercial Code Security Agreement.** This instrument is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a Uniform Commercial Code security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said items. Borrower agrees that Lender may file this instrument or a reproduction thereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this instrument or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Borrower agrees to execute and deliver to Lender, upon Lender's request, any financing statements, as well as extensions, renewals and amendments thereof, and respective amendments of this instrument in such form as Lender may require in order to perfect a security interest with respect to said items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this instrument, including the covenants to pay when due all sums secured by this instrument, Lender shall have the benefit of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in paragraph 27 of this instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property separately or together and in any order whatsoever, without in any way affecting the availability of Lender's remedies under the Uniform Commercial Code or of the remedies provided in paragraph 27 of this instrument.
16. **Leases of the Property.** As used in this paragraph 16, the word "lease" shall mean "sublease." This instrument is on a leasehold. Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower will not furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. All leases of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender, such approval to be effective upon Lender's acquisition of title to the Property, that the tenant agrees to execute such further evidence of assignment as Lender may from time to time request, that the assignment of the term shall not be terminated by foreclosure, and that Lender may, at Lender's option, accept or reject such assignments. Borrower shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or any part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to this instrument. If Borrower shall (i) take such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off against rent, (ii) modify Lender's interest and of the amount of said set-off, and (iii) within ten days after such accrual, reimburse the tenant who shall have acquired such right to set-off or take such other steps as shall effectively discharge such set-off and as shall assure that rent thereafter due shall continue to be payable without set-off or deduction.

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Upon Lender's request, Borrower shall assign to Lender, by written instrument satisfactory to Lender, all leases now existing or hereafter made of all or any part of the Property and all security deposits made by tenants in connection with such leases of the Property. Upon assignment by Borrower to Lender of any leases of the Property, Lender shall have all of the rights and powers possessed by Borrower prior to such assignment and Lender shall have the right to modify, extend or terminate such existing leases and to execute new leases, in Lender's sole discretion.

17. Remedies Cumulative. Each remedy provided in this instrument is distinct and cumulative to all other rights or remedies under this instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever.

18. Acceleration in Case of Borrower's Insolvency. If Borrower shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any similar or successor Federal statute relating to bankruptcy, insolvency, arrangements or reorganizations, or under any state bankruptcy or insolvency act, or file an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if the Property shall become subject to the jurisdiction of a Federal bankruptcy court or similar state court, or if Borrower shall make an assignment for the benefit of Borrower's creditors, or if there is an attachment, execution or other judicial seizure of any portion of Instrument to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 27 of this instrument. Any attorney's fees and other expenses incurred by Lender in connection with Borrower's bankruptcy or any of the other aforesaid events shall be additional indebtedness of Borrower secured by this instrument pursuant to paragraph 8 hereof.

19. Transfers of the Property or Beneficial Interest in Borrower; Assumption. On sale or transfer of (a) all or any part of the Property, or any interest therein, or (b) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity), Lender may, at Lender's option, declare all of the sums secured by this instrument to be immediately due and payable, and Lender may invoke any remedies permitted by paragraph 27 of this instrument.

20. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this instrument or in the Note shall be given by mailing such notice by certified mail addressed to Borrower at Borrower's address stated below or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this instrument or in the Note shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

21. Successors and Assigns Bound; Joint and Several Liability; Agents; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 19 hereof. All covenants and agreements of Borrower shall be joint and several. In exercising any rights hereunder or taking any actions provided for herein, Lender may act through its employees, agents or independent contractors authorized by Lender. The captions and headings of the paragraphs of this instrument are for convenience only and are not to be used to interpret or define the provisions hereof.

22. Uniform Multifamily Instrument; Governing Law; Severability. This form of multifamily instrument combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property and related fixtures and personal property. This instrument shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision of this instrument or the Note conflicts with applicable law, such conflicts shall not affect other provisions of this instrument and the Note such can be given effect without the conflicting provisions, and in this case the provisions of this instrument and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this instrument or in the Note, whether considered separately or together with other charges levied in connection with this instrument and the Note, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amount payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note. For the purpose of determining whether any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower has been violated, all indebtedness which is secured by this instrument or evidenced by the Note and which constitutes interest, as well as all other charges levied in connection with such indebtedness which constitute interest, shall be deemed to be allocated and spread over the stated term of the Note. Unless otherwise required by applicable law, such allocation and spreading shall be effected in such a manner that the rate of interest computed thereby is uniform throughout the stated term of the Note.

23. Waiver of Statute of Limitations. Borrower hereby waives the right to assert any statute of limitations as a bar to the enforcement of the lien of this instrument or to any action brought to enforce the Note or any other obligation secured by this instrument.

24. Waiver of Marshalling. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all of the Property shall be subjected to the remedies provided herein. Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Borrower, any party who consents to this instrument and any party who now or hereafter acquires a security interest in the Property and who has actual or constructive notice hereof hereby waives any and all right to require the marshalling of assets in connection with the exercise of any of the remedies permitted by applicable law or provided herein.

25. **Construction Loan Provisions.** From time to time as Lender deems necessary to protect Lender's interests, Borrower shall, upon request of Lender, execute and deliver to Lender, in such form as Lender shall direct, assignments of any and all rights or claims which relate to the construction of the Property and which Borrower may have against any party, supplying or who has supplied labor, materials or services in connection with construction of the Property.

26. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** As part of the consideration for the indebtedness evidenced by the Note, Borrower hereby assigns and unconditionally transfers to Lender all the rents and revenues of the Property, including those now due, past due, or to become due by virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues and hereby directs each tenant of the Property to pay such rents to Lender or Lender's agents to collect the aforesaid rents and revenues and to whom the rents and revenues of the Property are payable. Borrower hereby authorizes Lender or Lender's agents, provided, however, that prior to written notice given by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower, to apply the rents and revenues so collected to the sums secured by this instrument in the order provided in paragraph 3 hereof with the balance, so long as no such breach has occurred, to the account of Borrower, it being intended by Borrower and Lender that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lender to Borrower of the breach by Borrower of any covenant or agreement of Borrower in this instrument, and without the necessity of Lender entering upon and taking and maintaining full control of the Property in person, by agent or by a court-appointed receiver, regardless of the absence of Lender's agent, enter upon and take and maintain full control of the Property in order to perform all acts necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property and the execution or termination of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this instrument. In the event Lender elects to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this instrument, Borrower hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

27. **Accretion; Remedies.** Upon Borrower's breach of any covenant or agreement of Borrower in this instrument, including, but not limited to, the covenants to pay when due any sums secured by this instrument, Lender or its instrument by judicial process secured by this instrument to pay when due any sums secured by this instrument, Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees, costs of documentary evidence, abstracts and title reports.

28. **Environmental Representations of Borrower.** Borrower covenants and represents that it shall maintain and keep the Mortgaged Premises free at all times of any environmental violation, waste, hazard or risk required by the Lender that the Mortgaged Property is free from any federal environmental statute, regulation or law. Further, the Borrower represents that the Mortgaged Premises shall not violate any state or federal environmental statute, regulation or law. If at any time any soil test or any other environmental test of the Mortgaged Premises evidences environmental violations or dangers, the Borrower shall have a period of sixty (60) days to remedy said violation and deliver an updated test to Lender evidencing that the environmental violations or dangers have been removed. If the Borrower fails to remediate the environmental dangers evidenced by the requisite soil or environmental test within sixty (60) days, or if any other environmental violation, waste, hazard, or damage occurs on the Mortgaged Premises, said environmental violation, waste, hazard or damage shall be considered an event of Default under the terms of this Mortgage, and the Lender shall have the right, at its option, but shall have no obligation, to cure any environmental violation, waste, hazard or damage on behalf of the Borrower, and any and all amounts advanced by the Lender hereunder shall become an additional indebtedness of the Borrower under this Note, and interest shall accrue on said amounts advanced by the Lender at the Interest Rate as set forth in the Note. Any amounts advanced by the Lender under this paragraph, plus interest thereon, shall be immediately due and payable by the Borrower.

Any entering upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default hereunder or available any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this instrument ceases to secure indebtedness held by Lender.

All rents and revenues collected subsequent to delivery of written notice by Lender to Borrower of the breach by Borrower of any government or agreement of Borrower in this instrument shall be applied first to the costs, if any, of taking control of and managing the Property and collecting the rents, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, costs of repairing to the Property, premiums on insurance policies, taxes, assessments, and other charges on the Property, and the costs of discharging any obligation or liability of Borrower as lessor, landlord of the Property and then to the sums secured by this instrument. Lender or the receiver shall have access to the books and records used in the operation and maintenance of the Property and shall be liable to account only for those rents actually received. Lender shall not be liable to Borrower, anyone claiming under or through Borrower or anyone having an interest in the Property by reason of anything done or left undone by Lender under this paragraph 26. If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become a debt of the Borrower to Lender secured by this instrument pursuant to paragraph 8 hereof. Unless Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law.

29. **Construction Loan Provisions.** From time to time as Lender deems necessary to protect Lender's interests, Borrower shall, upon request of Lender, execute and deliver to Lender, in such form as Lender shall direct, assignments of any and all rights or claims which relate to the construction of the Property and which Borrower may have against any party, supplying or who has supplied labor, materials or services in connection with construction of the Property.

30. **Construction Loan Provisions.** From time to time as Lender deems necessary to protect Lender's interests, Borrower shall, upon request of Lender, execute and deliver to Lender, in such form as Lender shall direct, assignments of any and all rights or claims which relate to the construction of the Property and which Borrower may have against any party, supplying or who has supplied labor, materials or services in connection with construction of the Property.

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The Lender shall have the right to cause the Borrower to conduct environmental tests upon the Mortgaged Premises of the Borrower's property... Upon receipt of a request for an environmental test from the Lender, the Borrower shall have a period of thirty (30) days to provide the Lender with the results of the requested environmental test. Any failure of the Borrower to conduct any environmental test requested by the Lender, or to provide the Lender with test results, shall be considered an Event of Default under the terms of this Mortgage.

The Borrower agrees that in addition to its representations provided in paragraph 28(a) above, it shall, at its own expense, comply with any operation or management plan proposed by any state or federal agency for the removal of asbestos from the Mortgaged Premises. The failure of the Borrower to comply with this paragraph 28(e) shall be considered an Event of Default under this Mortgage.

29. Release. Upon payment of all sums secured by this Instrument, Lender shall release this Instrument. Borrower shall pay Lender's reasonable costs incurred in releasing this Instrument.

30. Waiver of Homestead and Redemption. Borrower hereby waives all right of homestead exemption in the Property. If Borrower is a corporation, Borrower hereby waives all right of redemption on behalf of Borrower and on behalf of all other persons acquiring any interest or title in the Property subsequent to the date of this Instrument, except decree or judgment creditors of Borrower.

31. Future Advances. Upon request of Borrower, Lender at Lender's option so long as this Instrument secures indebtedness held by Lender, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Instrument when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Instrument, not including sums advanced in accordance hereto to protect the security of this Instrument, exceed the original amount of the Note (U.S. \$ 168,000.00) plus twenty percent of the original amount of the Note.

IN WITNESS WHEREOF, Borrower has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

JEFFERSON STATE BANK

David Miller
Borrower

AS TRUSTEE UNDER TRUST AGREEMENT
DATED FEBRUARY 2, 1987 AND KNOWN AS TRUST
NUMBER 1436 AND NOT PERSONALLY

Rita Mulvan
Borrower

BY: *David Rosenthal*

ATTEST: *Lawrence S. Schuster*
Asst. Trustee

Borrower's Address: *Michael Miller*

EXECUTED AND DELIVERED BY THE JEFFERSON STATE BANK OF CHICAGO, NOT IN ITS INDIVIDUAL CAPACITY, BUT SOLELY IN THE CAPACITY HEREIN DESCRIBED, FOR THE PURPOSE OF BINDING THE HEREIN DESCRIBED PROPERTY, AND IT IS EXPRESSLY UNDERSTOOD AND AGREED BY THE PARTIES HERETO, ANYTHING HEREIN TO THE CONTRARY NOTWITHSTANDING, THAT EACH AND ALL OF THE UNDERTAKINGS AND AGREEMENTS HEREIN MADE, ARE MADE AND INTENDED NOT AS PERSONAL UNDERTAKINGS AND AGREEMENTS OF THE TRUSTEE, OR FOR THE PURPOSE OF BINDING THE TRUSTEE PERSONALLY, BUT EXECUTED AND DELIVERED BY THE TRUSTEE SOLELY IN THE EXERCISE OF THE POWERS CONFERRED UPON AS SUCH TRUSTEE, AND NO PERSONAL LIABILITY OR PERSONAL RESPONSIBILITY IS ASSUMED BY, OR SHALL AT ANY TIME BE ASSERTED OR ENFORCED AGAINST SAID TRUSTEE ON ACCOUNT HEREOF OR ON ACCOUNT OF ANY UNDERTAKING OR AGREEMENT HEREIN CONTAINED, EITHER EXPRESS OR IMPLIED, AND SUCH PERSONAL LIABILITY IF ANY, BEING HEREBY EXPRESSLY WAIVED AND RELEASED BY ALL OTHER PARTIES HERETO, WHO KNOWING CLAIMING BY, THROUGH, OR UNDER THEM.

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MS 3333

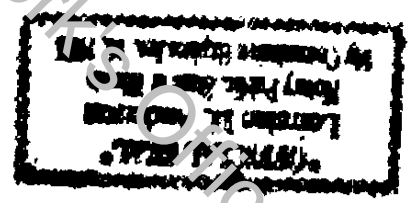
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CRAIG FEDERAL BANK FOR SAVINGS
425 WEST DEWON AVENUE, PEARL RIDGE, ILLINOIS 60068

THIS INSTRUMENT WAS PREPARED BY RICHARD J. JAINES OF

1021118

Property of Cook County Clerk



91512925

My Commission Expires _____

person acknowledging
 LORRAINE M. ANDERSON

name of corporation
 JEFFERSON STATE BANK

state of corporation
 ILLINOIS

corporation, on behalf of the corporation

county clerk
 Lorraine M. Anderson

The foregoing instrument was acknowledged before me this 31 MAY 1994 by _____

STATE OF ILLINOIS, COUNTY _____

CORPORATE ACKNOWLEDGMENT

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INDEX LEGAL DESCRIPTION

LOT 28 IN HUBBARD SUBDIVISION OF BLOCK 10 IN DAVIS WATSON AND TOWERS
SUBDIVISION OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 6, TOWNSHIP
39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK
COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

17-06-116-020

1321 A - Oakleaf
A 1990, II - 10/16/32

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Property of Cook County Clerk's Office

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