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THIS MORTGAGE IS SPECIFICALLY SUBORDINATE TO THOSE MORTGAGES RECORDED WITH THE COOK COUNTY RECORDER OF DEEDS AS DOCUMENT NOS. 90551451 AND 85093182, and specifically subordinate to mortgage recorded 1-4-78 in Doc. # 94008478 (F1)

JUNIOR MORTGAGE

THIS JUNIOR MORTGAGE ("Mortgage") is made on December 31, 1993. The mortgagor is Valentino E. Sykes (a/k/a Valentino Sykes), a widow, not since remarried ("Borrower"), having a mailing address at 2654 Concord Pl., Hazelcrest, IL 60426. This Mortgage is given to U.S. Loan Limited Partnership, which is organized and existing under the laws of the State of Illinois, having a mailing address at, 325 W. Huron, Suite 612, Chicago, IL 60610 ("Lender"). Borrower has executed and delivered to Lender a Promissory Note ("Note") dated the same date as this Mortgage payable to the order of Lender in the principal sum of Sixty Two Thousand Five Hundred and 00/100 Dollars (\$62,500.00), bearing interest and payable as set forth in the Note, and due on January 1, 1999 ("Maturity Date"). This Mortgage secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, replacements, extensions and modifications thereof; (b) the payment of all other sums, with interest, advanced under paragraph 8 of this Mortgage to protect the Mortgaged Property (as hereafter defined); and (c) the performance and observance of Borrower's covenants and agreements under this Mortgage, the Note, and any other loan documents ("Loan Documents") securing Borrower's obligations under the Note. For this purpose, Borrower does HEREBY MORTGAGE, GRANT, CONVEY AND WARRANT to Lender the following described property located in Cook County, Illinois:

The East 10.50 feet of Lot 19, all of Lot 19 and Lot 20 (except the east 31.5 feet) in Block 3 in E.C. Mahoney's Twin Creek Village, a Subdivision of the West 1/2 of the Southeast 1/4 of Section 25, Township 36 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

Address: 2654 Concord Place, Hazelcrest, IL 60429  
PIN: 28-25-403-034-0000

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("Property Address" or as sometimes referred to hereinafter as "Premises");

TOGETHER WITH all buildings and improvements, tenements, easements, fixtures and appurtenances thereto belonging, and all rents, royalties, mineral, oil and gas rights and profits, water rights and stock, and all issues and profits thereof and therefrom for so long and during all such times as Borrower may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, refrigerators, curtain and drapery fixtures, partitions, and attached floor coverings, now or hereafter therein or thereon, and all fixtures, apparatus, equipment, and articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including (without restricting the foregoing): all fixtures, apparatus, equipment, and articles, other than such as constitute trade fixtures used in the operation of any business conducted upon the premises as distinguished from fixtures which relate to the use, occupancy and enjoyment of the Premises and other than such as are owned by any tenant of all or any portion of the Premises, it being understood that the enumeration of any specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared, to the maximum extent permitted by law, to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be for the purposes of this Mortgage deemed to be real estate and conveyed and mortgaged hereby. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is hereafter referred to in this Mortgage as the "Mortgaged Property."

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BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Mortgaged Property and that the Mortgaged Property is unencumbered, except for those permitted encumbrances accepted by Lender as exceptions to the ALTA Loan Title Insurance Policy delivered to and accepted by Lender in connection with the closing of the transaction creating the indebtedness secured by this Mortgage ("Permitted Encumbrances"). Borrower warrants and will defend generally the title to the Mortgaged Property against all claims and demands, subject to any encumbrances of record that are of record prior to the date hereof and are contained in a title commitment given to Lender.

BORROWER FURTHER AGREES, COVENANTS WITH AND REPRESENTS TO LENDER as of the date hereof and until the indebtedness is paid in full and all other obligations of Borrower under this Mortgage and of Borrower under the Loan Documents are performed in full, as follows:

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall (a) promptly pay when due the principal and the interest on the debt and any other indebtedness evidenced by or required to be paid pursuant to the Note, including any prepayment and late charges due under the Note; and (b) punctually perform and observe all of the requirements of this Mortgage and the Loan Documents, including, but not limited to (i) the loan application of Borrower; (ii) Lender's loan commitment dated December 17, 1993; (iii) the application and commitment, if any, between Borrower and any assignee of Lender and relating to the loan evidenced by the Note and secured hereby; and (iv) any modifications or amendments to any of the foregoing.

2. **Funds for Taxes and Insurance.** Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Mortgage; (b) yearly leasehold payments or ground rents on the Mortgaged Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution 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 the escrow items. Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage and shall not be subject to the direction or control of Borrower. Upon a default under this Mortgage, Lender may, at its option, apply any Funds on hand to the sums secured by this Mortgage in such order and manner as Lender may elect.

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If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be at Lender's option either repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall, upon demand, pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Mortgage, Lender shall refund to Borrower any Funds held by Lender. If under paragraph 23 hereof the Mortgaged Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Mortgaged Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. **Application of Payments.** Unless applicable law provides otherwise all payments received by Lender under paragraphs 1 and 2 hereof shall be applied as follows: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2 hereof; fourth, to sums (other than

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those described above, principal and interest) due under the Note or Mortgage; fifth to interest due; and last, to principal due or any other sums due under the Note or this Mortgage.

**4. Payment of Expenses; Liens.** Borrower shall pay when due all taxes, assessments, charges, fines, impositions, and other operating costs and expenses attributable to the Mortgaged Property which may attain priority over this Mortgage, including leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph 4. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien, unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; or (b) contests in good faith and with reasonable diligence the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Mortgaged Property. If Lender determines that any part of the Mortgaged Property is subject to a lien which may attain priority over this Mortgage, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days from the giving of notice. Prior to initiating any contest pursuant to this paragraph 4(b), Borrower shall deposit with Lender, at such place as Lender may from time to time in writing designate, a sum of money or other security acceptable to Lender that is sufficient in Lender's judgment, to pay in full the amount, including interest and penalties thereon, to discharge the lien.

**5. No Further Encumbrances.** Borrower shall not, without the prior written consent of Lender, create, suffer or permit to be created or to exist any mortgage, deed of trust, security interest, or other encumbrance of any kind whatsoever upon all or any part of the Mortgaged Property, whether junior, secondary or subordinate or senior or prior to the lien of the Mortgage, other than impositions not yet due and the Permitted Encumbrances. To the extent the Lender so consents to any further encumbrances, Borrower shall perform all of its obligations with respect to such encumbrances, including without limitation payment when due of all principal, interest and other indebtedness secured thereby. Borrower shall also furnish Lender with copies of all notices received, immediately upon Borrower's receipt of such notices, from the holders of such encumbrances claiming the existence of a default thereunder or giving notice of a condition which with the passage of time would give rise to a default thereunder.

**6. Insurance Coverage.** Borrower shall keep the improvements now existing or hereafter erected on the Mortgaged Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender may from time to time require insurance. This insurance shall be maintained in such amounts, with such limits, and for the periods that Lender may from time to time require. Lender may also require Borrower to obtain and maintain comprehensive general liability insurance in an amount not less than Five Hundred Thousand and No/100 Dollars (\$500,000.00) and rental or business interruption insurance in amounts sufficient to pay, for a period of up to one (1) year, all amounts required to be paid by Borrower pursuant to the Note and this Mortgage. The insurance carriers providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All policies of insurance and renewals thereof shall provide for at least fifteen (15) days prior written notice of cancellation to Lender. Borrower must provide Lender proof of continuing insurance coverage no later than ten (10) days prior to the expiration date of the policy. Failure to do so may result in the Lender obtaining fire or other insurance if Lender so chooses. In such cases, Lender, at its option, may charge a One Hundred and No/100 Dollar (\$100.00) fee. Premiums and other funds advanced by the Lender shall accrue interest at the Def Rate as described in the Promissory Note signed in connection here.

All insurance policies and renewals must be acceptable to Lender and shall include a standard mortgagee clause and standard wai

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subrogation endorsements. Lender shall have the right to hold the policies and renewals. Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Lender shall have the right to negotiate any settlement with the insurance company. The Lender may use the proceeds to repair or restore the Mortgaged Property or to pay the sum secured by this Mortgage, whether or not then due. All insurance policies shall provide that the coverage shall not be terminated or materially modified without fifteen (15) days advance written notice to Lender, and shall provide that no claims shall be paid thereunder without ten (10) days advance written notice to Lender.

Lender may, in its sole discretion, elect to apply the proceeds of insurance policies consequent upon any casualty either (a) to reduce the sum secured by this Mortgage; or (b) to reimburse Borrower for the cost of restoring or repairing the Mortgaged Property, if restoration or repair is economically feasible and Lender's security is not lessened. In the event Lender applies the proceeds of insurance policies to the sum secured by this Mortgage and such proceeds do not discharge that indebtedness in full, the entire sum secured by this Mortgage shall become immediately due and payable with interest thereon at the Default Rate specified in the Note. Whether or not insurance proceeds are made available to Borrower, Borrower shall restore or repair the improvements, to be of at least equal value, and of substantially the same character as prior to such casualty, all to be effected in accordance with plans, specifications and procedures approved in advance by Lender, and Borrower shall pay all costs of such restoring or repairing.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 hereof or change the amount of the payments. If the Mortgaged Property is acquired by Lender pursuant to paragraph 23 hereof, Borrower's right to any insurance policies and proceeds resulting from damage to the Mortgaged Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

**7. Preservation and Maintenance of Mortgaged Property; Leaseholds.** Borrower shall not destroy, damage, substantially change or abandon the Mortgaged Property, allow the Mortgaged Property to deteriorate or commit waste. If this Mortgage is on a leasehold, Borrower shall comply with all of the provisions of the lease, and if Borrower acquires fee title to the Mortgaged Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

Borrower shall further (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair; (c) complete any building or buildings, and all construction work with respect thereto, now or at any time in process of construction upon the Premises; (d) comply with all requirements of law, municipal ordinances and restrictions of record with respect to the Premises or the use thereof, including, without limitation, those relating to building, zoning, environmental protection, health, fire and safety; (e) make no structural or non-structural alterations to the Premises or any buildings or other improvements now or hereafter constructed thereon, without the prior written consent of Lender; (f) suffer or permit no change in the general nature of the occupancy of the Premises, without the prior written consent of Lender; (g) initiate or acquiesce in no zoning reclassification, without the prior written consent of Lender.

**8. Protection of Lender's Rights in the Mortgaged Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Lender's rights in the Mortgaged Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Mortgaged Property and Lender's rights in the Mortgaged Property. Lender's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Mortgaged Property to make repairs. Although Lender may take action under this

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paragraph 8, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 8 shall become additional debt of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Default Rate (as that term is defined in the Note) and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by the Mortgage, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

**9. Inspection.** Borrower shall permit Lender or Lender's representative (a) to make reasonable entries upon and inspections of the Mortgaged Property and (b) to inspect and audit all records relating to the Mortgaged Property, including all leases, rent rolls or related reports, for the purpose of determining whether Borrower is in compliance with the provisions of the Note, this Mortgage, or the Loan Documents.

**10. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of all or any part of the Mortgaged Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Borrower shall immediately notify Lender of the actual or threatened commencement of any proceedings in respect of the condemnation or other taking of all or any part of the Mortgaged Property and shall deliver to Lender copies of all papers served in connection with any such proceedings.

In the event of a total or partial taking of the Mortgaged Property, in the sole discretion of Lender, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower or applied to repair of the Mortgaged Property.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 hereof or change the amount of such payments.

**11. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest. Lender may accept any payments, including but not limited to partial or other payments, either before or after the Maturity Date without such action either waiving or precluding the Lender's exercise of any right or remedy. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

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**12. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and successors, assigns, legal and personal representatives, executors, administrators, devisees, legatees and heirs of Borrower, subject to the provisions of paragraph 19. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Mortgage but does not execute the Note: (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Mortgaged Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage, unless otherwise agreed; (c) waives any homestead rights said Borrower may have in the Premises; and (d) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent.

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13. **Subordination of Mortgage to Leases.** At the option of Lender, this Mortgage shall become subject and subordinate, in whole or in part, but not with respect to priority of entitlement to insurance proceeds or any award in any condemnation proceeding, to any and all leases of all or any part of the Mortgaged Property upon the execution by Lender and recording thereof at any time, in the Office of the Recorder for the county in which the Mortgaged Property is situated, of a unilateral declaration to that effect.

14. **Loan Charges.** If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender at its sole option may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

15. **Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note, this Mortgage or the Loan Documents unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 23. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 19.

16. **Notices.** Any notice to Borrower provided for in this Mortgage shall be in writing and shall be given by delivering it by hand or by depositing it at any main or branch United States post office with postage prepaid for delivery thereof via certified or registered mail, return receipt requested, unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be in writing and shall be given by delivering it by hand or by depositing it at any main or branch United States post office with postage prepaid for delivery thereof via registered or certified mail, return receipt requested, to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

17. **Governing Law; Severability.** This Mortgage shall be governed by federal law and the law of the jurisdiction in which the Mortgaged Property is located. In the event that any provision or clause of this Mortgage, the Note or the Loan Documents conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage, the Note or the Loan Documents which can be given effect without the conflicting provision. To this end the provisions of this Mortgage, the Note or the Loan Documents are declared to be severable.

18. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Mortgage.

19. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Mortgaged Property or any interest in it is sold or transferred (or if any beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

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20. **Assignment of Rents and Leases.** All right, title, and interest of Borrower in and to all leases, and other agreements or documents evidencing the rents, now or hereafter in effect and any and all deposits held as security under such leases, agreements or documents, together with all of the rents from, due or arising out of the Mortgaged Property have been transferred and assigned simultaneously herewith to Lender as further security for the payment of indebtedness secured hereby under the provisions of that certain instrument entitled Assignment of Rents and Leases ("Assignment of Rents") of even date herewith executed by Borrower and to be recorded simultaneously herewith, the terms, covenants, and conditions of which are hereby expressly incorporated herein by reference and made a part hereof, with the same force and effect as though the same were more particularly set forth herein. All future leases affecting the Mortgaged Property shall be submitted by Borrower to Lender for its approval prior to the execution thereof.

21. **Borrower's Right to Reinstate.** If Borrower meets certain conditions Borrower shall have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Mortgaged Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Mortgage, the Note and the Loan Documents had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's rights in the Mortgaged Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Borrower, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 15 or 19 hereof.

22. **Events of Defaults.** Any of the following shall constitute an "Event of Default" under this Mortgage:

(a) **Non-Payment.** A default shall occur in the payment of any installment of principal, interest or combined principal and interest pursuant to the Note, or in the payment of any other amount coming due under the Note, this Mortgage or the Loan Documents and in any of such events such default shall continue for ten (10) days;

(b) **Non-Observance; Non-Performance; False or Inaccurate Representation.** A default shall occur in the observance or performance of any other covenant, agreement or obligation of Borrower contained in the Note, this Mortgage or the Loan Documents or any other instrument given at any time as security for payment of the indebtedness which is not cured within thirty (30) days from date of notice to Borrower; or any representation or statement made in this Mortgage or any representation, warranty or statement made in the Loan Documents or in any other document or material furnished to Lender by or on behalf of Borrower in connection with the loan proves to be false or inaccurate in any material respect as of the date of making or issuance thereof;

(c) **Sale, Transfer or Encumbrance.** Borrower without the prior written consent of Lender, shall (i) not sell, convey, lease with an option to purchase, enter into a contract for the sale of, grant an option to purchase or otherwise alienate, mortgage or further encumber all or any part of the Mortgaged Property or any interest therein, or (ii) not be divested of its title thereto or any interest therein in any manner or way, whether voluntarily or involuntarily; or any beneficiary of Borrower, without the prior written consent of Lender, shall not create, effect, contract for, commit to, consent to, suffer or permit any sale, assignment, collateral assignment, transfer, lien, pledge, mortgage, security interest, other encumbrance or alienation of all or any portion of such beneficiary's beneficial interest in Borrower;

(d) **Change in Ownership of Any Beneficiary of Borrower.** Any merger, consolidation, dissolution or reorganization of any beneficiary of Borrower or, if any such beneficiary is a partnership, of the corporate general partner of such beneficiary shall occur; or any sale,

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conveyance, assignment or other transfer of, or the grant of a security interest in, any general partnership interest in such beneficiary or a majority interest in such beneficiary or in any corporation or other partnership constituting a general partner of such beneficiary shall occur, other than by reason of the death of an individual beneficiary of Borrower, the death of an individual general partner or stockholder of such beneficiary or the death of an individual owning an interest in a general partner of such beneficiary;

(e) **Judgments; Enforcement of Liens.** Any proceedings shall be instituted or process issued to enforce any lien, charge or encumbrance against the Mortgaged Property; a writ of execution or attachment or any similar process shall be issued or levied against all or any portion of in the Mortgaged Property or interest therein; or any judgment involving monetary damages shall be entered against Borrower or any beneficiary of Borrower which shall become a lien on all or any portion of the Mortgaged Property or any interest therein and within twenty (20) days thereafter such proceeding, execution, attachment, similar process or judgment is not dismissed, stayed on appeal, withdrawn, released, satisfied or vacated;

(f) **Default Under Other Encumbrances.** A default shall occur in the observance or performance of any covenant or agreement of Borrower with respect to payments or otherwise, contained in any other deed of trust, mortgage, lease or security agreement relating to the Mortgaged Property or any part thereof;

(g) **Governmental Action.** Borrower, any guarantor of all or any portion of the indebtedness secured by this Mortgage or, if any beneficiary of Borrower is a partnership, any of such beneficiary's general partners shall be prevented or relieved by any governmental authority from performing or observing any material terms, covenant or condition of the Note, this Mortgage or the Loan Documents;

(h) **Material Adverse Change.** Any material adverse change shall occur in the assets, financial condition, business, operations, affairs or circumstances of Borrower, any guarantor of all or any portion of the indebtedness secured by this Mortgage or, if any beneficiary of Borrower is a partnership, any of such beneficiary's general partners;

(i) **Bankruptcy; Insolvency.** Any one of the following events shall occur:

(i) Borrower, any guarantor of all or any portion of the indebtedness secured by this Mortgage or, if any beneficiary of Borrower is a partnership, any of such beneficiary's general partners becomes insolvent, is generally not paying its debts as they become due or admits in writing its inability to pay its debts as they become due;

(ii) Borrower, any beneficiary of Borrower, any guarantor of all or any portion of the indebtedness secured by this Mortgage or, if any beneficiary of Borrower is a partnership, any of such beneficiary's general partners voluntarily suspends the transaction of business;

(iii) Borrower, any beneficiary of Borrower, any guarantor of all or any portion of the indebtedness secured by this mortgage or, if any beneficiary of borrower is a partnership, any of such beneficiary's general partners applies for, consents to or acquiesces in the appointment of a trustee, receiver or other custodian for such person or any property of such person or makes a general assignment for the benefit of creditors;

(iv) In the absence of any application, consent or acquiescence, a trustee, receiver or other custodian is appointed for Borrower, any beneficiary of Borrower, any guarantor of all or any portion of the indebtedness secured by this Mortgage or, if any beneficiary of Borrower is a partnership, any of such beneficiary's general partners or is appointed for a substantial part of the property of such persons and in any of such events such trustee, receiver or other custodian is not discharged within thirty (30) days;

(v) Any bankruptcy, reorganization, debt arrangement, composition, readjustment, dissolution, liquidation or other case or proceeding is commenced under any federal, state or other bankruptcy or insolvency law in respect of Borrower, any beneficiary of Borrower, any

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guarantor of all or any portion of the indebtedness secured by this mortgage or, if any beneficiary of Borrower is a partnership, any one of such beneficiary's general partners and, if such case or proceeding is not commenced by Borrower, any beneficiary of Borrower or general partner of a beneficiary of Borrower, as the case may be, it is consented to or acquiesced in by the person or persons against which the same was commenced or remains undismissed for thirty (30) days;

(vi) A writ or warrant of attachment or similar order shall be issued by any court or any governmental authority against all or a substantial portion of the property of Borrower, any beneficiary of Borrower, any guarantor of all or any portion of the indebtedness secured by this mortgage or, if any beneficiary of Borrower is a partnership, any of such beneficiary's general partners; or

(vii) Borrower, any beneficiary of Borrower, any guarantor of all or any portion of the indebtedness secured by this mortgage or, if any beneficiary of Borrower is partnership, any one of such beneficiary's general partners takes any action to authorize, or in furtherance of, any of the foregoing.

(j) Death, Legal Incompetency or Mental Disability. A default shall occur in the event of the death or legal incompetency of the Borrower.

**23. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following an Event of Default or Borrower's breach of any covenant or agreement in this Mortgage (but not prior to acceleration under paragraphs 15 and 19 hereof unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than ten (10) days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Mortgaged Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and shall have the right to foreclose the lien hereof in accordance with the Illinois Mortgage Foreclosure Law 735 ILCS 5/15-1101, et. seq. and to exercise any other remedies which Lender may have at law, at equity or otherwise. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 23, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

**24. Lender in Possession.** Upon acceleration under paragraph 23 or abandonment of the Mortgaged Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Mortgaged Property and to collect the rents of the Mortgaged Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Mortgaged Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. Such appointment may be made without notice, without regard to the solvency or insolvency of Borrower at the time of application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and Lender or any holder of the Note may be appointed as such receiver.

**25. Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage. Borrower shall pay \$25.00 to Lender as a fee for costs incurred in connection with the preparation thereof and Borrower shall pay any recordation costs.

**26. Waiver of Right of Redemption and Similar Rights.** Borrower hereby waives for Borrower, its heirs, devisees, representatives, vendees, successors and assigns and for any and all persons beneficially interested in or otherwise claiming any interest in the Mortgaged Property, to the maximum extent not prohibited by law, the benefit of

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all laws now existing or that hereafter may be enacted providing for (a) any appraisal before sale of any portion of the Mortgaged Property, (b) the sale of the Mortgaged Property as separate or unitary tracts, lots or units, and (c) the benefit of all laws now in effect or that may be hereafter enacted that in any way (i) extend the time for the enforcement or the collection of the Note or the indebtedness evidenced thereby or by this Mortgage or (ii) create or extend a period of redemption from any sale under any order or decree of foreclosure of this Mortgage. To the full extent Borrower may do so, Borrower agrees that neither Borrower nor any of the Beneficiaries of Borrower (if Borrower is a land trustee) will at any time insist upon, plead, claim or take the benefit or advantage of any law now or hereafter in effect that provides for any homestead exemption, appraisal, valuation, stay, extension, reinstatement or redemption, and Borrower hereby waives and releases for Borrower (and its beneficiaries if Borrower is a land trustee), its heirs, devisees, representatives, vendees, successors and assigns and for any and all persons beneficially interested in or otherwise claiming any interest in the Mortgaged Property, to the maximum extent permitted by law, all rights of reinstatement, redemption, valuation, homestead, appraisal, stay of execution, notice of election to mature or declare due the whole of the indebtedness and marshalling in the event of foreclosure of the liens hereby created. If any such law now in effect, of which Borrower, its beneficiaries, its heirs, devisees, representatives, successors and assigns or any other person might take advantage despite this paragraph 26 shall hereafter be repealed or ceased to be enforced, such law shall not thereafter be deemed to preclude the applications of this paragraph 26.

**27. Waiver of Jury Trial.** BORROWER HEREBY WAIVES A TRIAL BY JURY ARISING IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BETWEEN THE PARTIES HERETO, OR THEIR SUCCESSORS OR ASSIGNS, OF ANY AND ALL ISSUES ARISING UNDER OR CONNECTED WITH THIS MORTGAGE, THE NOTE, OR THE LOAN DOCUMENTS, OR ANY OF THE PROVISIONS IN ANY SUCH DOCUMENTS.

\_\_\_\_\_  
Borrower's Initials.

**28. Business Loan.** The proceeds of the Note will be used for the purposes specified in Illinois Compiled Statutes Chapter 815, Act 205, Section 4, and the principal obligation secured hereby constitutes a "business loan" coming within the definition and purview of said section.

**29. Riders to this Mortgage.** If one or more riders are executed by Borrower and recorded together with this Mortgage, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider(s) were a part of this Mortgage. [Check applicable box(es)]

Condominium Rider     Planned Unit Development Rider

Other(s) [specify]     None.

**30. Lender's Right of Subrogation.** Should the proceeds of the loan made by Lender to Borrower, or any part thereof, be used directly or indirectly to pay off, discharge, or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any part thereof, then Lender shall be subrogated to such other lien or encumbrance and to any additional security held by the holder thereof and shall have the benefit of the priority of all the same.

**31. Estoppel Certificate.** Borrower, within seven days after being so requested by Lender, shall furnish a written statement, sworn to by Borrower's beneficiary or an authorized financial officer or other representative of such beneficiary, duly acknowledged and otherwise in a form satisfactory to Lender, setting forth the amount of the indebtedness secured by this Mortgage the date to which interest has been paid; stating either that no offsets or defenses exist against the indebtedness secured hereby or, if such offsets or defenses are alleged to exist, the nature thereof; and covering such other matters as Lender may reasonably require. If Borrower does not furnish said Estoppel Certificate to the Lender, as aforesaid, then Borrower hereby appoints Lender as its Attorney-in-Fact for the limited purpose of executing the Estoppel Certificate on behalf of Borrower.

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32. **Additional Amounts Secured.** At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage shall secure (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, expenses, and advances due to or incurred by Lender in connection with the loan to be secured hereby, all in accordance with the Loan Documents.

33. **Future Advances.** Lender may, at its sole option upon a request by Borrower, at any time before full payment of the indebtedness secured by this Mortgage, make further advances to Borrower, and the same with interest shall be on a parity with, and not subordinate to, the indebtedness evidenced by the Note and shall be secured hereby in accordance with all covenants and agreements herein contained; provided that the amount of principal secured hereby and remaining unpaid may decrease or increase from time to time but the total unpaid balance so secured at any one time shall not, including the amount of such advances, exceed three times the original principal sum secured hereby, plus all interest thereon and any disbursements made by Lender pursuant to the provisions of this Mortgage; and provided further, that if Lender shall make such further advances, Borrower shall repay all such advances in accordance with the note or notes, or agreement or agreements, evidencing the same, which Borrower shall execute and deliver to Lender, which shall be payable no later than the maturity of the indebtedness secured by this Mortgage and which shall include such other terms as Lender shall require.

34. **Further Assurances.** Borrower shall do, execute, acknowledge and deliver, at the sole cost and expense of Borrower, all such further acts, deeds, conveyances, mortgages, assignments, financing statements, notice of assignment, transfers and assurances as Lender may require from time to time in order to better assure, convey, assign, transfer and confirm unto Lender the rights now or hereafter intended to be granted to Lender under this Mortgage, the Note, or the Loan Documents executed in connection with this Mortgage, the Note, or the Loan Documents under which Borrower may be or may hereafter become bound to convey, mortgage or assign to Lender for the purpose of carrying out the intention or facilitating the performance of the terms of this Mortgage. Borrower hereby appoints Lender its attorney-in-fact and hereby authorizes and empowers Lender, as such attorney-in-fact, to execute, acknowledge and deliver for and in the name of Borrower any and all of the instruments mentioned in this paragraph 34, all to the extent permitted by applicable law. This power, being coupled with an interest shall be irrevocable as long as any part of the indebtedness secured by this Mortgage remains unpaid.

35. **Miscellaneous.** Neither this Mortgage nor any provision hereof may be amended, modified, discharged or terminated orally. The section headings used in this Mortgage are for convenience of reference only and shall not limit or define the provisions of this Mortgage. As used in this Mortgage, the singular shall include the plural and the plural shall include the singular, and masculine, feminine, and neuter pronouns shall be fully interchangeable, where the context so requires. As used in the Mortgage, the disjunctive shall be interpreted to include the conjunctive and the conjunctive shall be interpreted to include the disjunctive, where the context so requires. Time is of the essence of this Mortgage.

36. **Returned Checks.** Borrower agrees to pay a Twenty-Five (\$25.00) dollar fee to Lender for any check returned for insufficient funds or uncollected funds. This charge shall not be considered interest but as penalty for the purpose of defraying the expense of the incident of handling such a bad check. Thereafter all mortgage payments must be by certified check or money order if Lender so requires by notifying Borrower in writing.

37. **Financial Statements.** Borrower shall cause to be delivered to Lender, thirty (30) days prior to each yearly anniversary hereof during the term of this Mortgage, financial statements of Borrower prepared by Borrower and certified to be true, complete and correct by Borrower, in such detail as Lender may require.

38. **Lender in Possession.** Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence of the actual taking of possession of the Premises by Lender pursuant to this Mortgage.

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Mortgage and in any rider(s) executed by Borrower and recorded with it.

Valentino E. Sykes (SEAL)  
Valentino E. Sykes

Valentino E. Sykes (SEAL)  
(a/k/a Valentino Sykes)

STATE OF ILLINOIS, Cook County ss:

I, Thy Underwood, a Notary Public in and for said county and state, do hereby certify that Valentino E. Sykes (a/k/a Valentino Sykes), a widow and not since remarried, 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 she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 31st day of December, 1993.

My Commission expires:

Lisa A. Downey  
Notary Public

"OFFICIAL SEAL"  
Lisa A. Downey  
Notary Public, State of Illinois  
My Commission Expires 7/23/96

After recording return to:

Marc Joseph  
D'Ancona & Pflaum  
30 N. LaSalle, 29th Floor  
Chicago, IL 60602

This instrument was prepared by:

Marc Joseph  
D'Ancona & Pflaum  
30 N. LaSalle, 29th Floor  
Chicago, IL 60602

RECORDED  
1993 DEC 31

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