

THIS MORTGAGE SECURITY AGREEMENT AND FINANCING STATEMENT ("Mortgage") is made as of June 16, 1995

Handwritten notes: 5/4/95, 5427794, 5562715

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(Mortgagor) individually,

but as Trustee under Trust Agreement dated _____, 19 _____ and known as

Trust No _____

(X) Robert W. Jones and _____

() _____ corporation,

() _____

() limited partnership,

() _____

DEPT-01 RECORDING 135.50
T0001 TRAM 8603 06/27/95 09112100
\$3234 + CG *--95--411364
COOK COUNTY RECORDER
DEPT-10 PENALTY 132.00

d b a _____

general partnership or joint venture.

("Mortgagor") whose mailing address is

5504 Bonnie Trail, Oak Forest, IL 60452

in favor of Bank One, Chicago, NA,

("Mortgagee"), whose mailing address is

8760 W. 159th Street, Orland Park, IL 60462

Mortgagor or XXX is justly indebted to the Mortgagee including

without limitation, the principal sum of One Hundred and Twenty Five Thousand and 00/100-----

----- Dollars (\$ 125,000.00) as evidenced by a certain PROMISSORY NOTE of even date herewith ("Note"), made payable to the order of and delivered to the Mortgagee, whereby the obligor promises to pay the Note, late charges, prepayment premiums (if any) and interest at the rate or rates, all as provided in the Note. The final payment of principal and interest, if not sooner paid, renewed, modified, extended or renegotiated shall be due on March 16, 1996. All such payments on account of the indebtedness secured hereby shall be applied first to interest on the unpaid principal balance of the Note, secondly to any other sums due thereunder, thirdly to all other advances and sums secured hereby, and the remainder to principal.

Mortgagor, (i) in order to secure the payment of said principal sum of money and said interest and late charges and prepayment premiums, if any, fees and expenses, in accordance with the terms, provisions and limitations of this Mortgage and of the Note, (ii) either directly or indirectly as evidenced by a guaranty of payment of performance executed by the Mortgagor or beneficiary of Mortgage and the performance of the covenants and agreements herein contained by the Mortgagor to be performed, (iii) as security for repayment of any and all other liabilities and obligations of Mortgagor or its beneficiary now or hereafter due Mortgagee, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, and (iv) in consideration of the sum of ONE DOLLAR (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, Mortgagor does by these presents MORTGAGE, GRANT, REMISE, RELEASE, ALIEN AND CONVEY unto the Mortgagee and its successors and assigns, the following described real estate and all of its present and hereafter acquired estate, title and interest therein, lying and being in the County of

Cook and State of Illinois to wit.

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT "A"

Commonly known as Lots 43, 48 and 64 In Indian Boundary Subdivision, Oak Forest, IL 60452 which, with the property hereinafter described, is collectively referred to herein as the "Premises"

This Instrument Prepared By:

Marcia Miller

and Shall be Returned to Bank One,

Chicago, NA

Attn:

David W. Kurow

8760 W. 159th Street

Orland Park, IL 60462

708-873-3030



Real Estate Tax I.D. No. 28-28-404-007 28-28-404-010/011/012/003/002

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Handwritten initials and notes.

4. MORTGAGE INTEREST IN AND USE OF TAX AND INSURANCE DEPOSITS, SECURITY INTEREST. In the event of a default by the Premises, the Mortgagee shall have the right to apply any monies deposited to the payment of the principal and interest on the mortgage...

3. INSURANCE DEPOSITS. For the purpose of governing funds which to pay premiums when due on all policies of fire and other hazard insurance covering the Premises, the Mortgagee shall have the right to apply any monies deposited to the payment of the principal and interest on the mortgage...

3. TAX DEPOSITS. Unless waived from time to time by Mortgagee in writing, Mortgagee shall deposit with the Mortgagee, commencing on the date of disbursement of the proceeds of the loan secured hereby and on the first day of each month following the month in which said disbursement occurs...

2. PAYMENT OF TAXES. Mortgagee shall pay all general taxes, both by or on behalf of the Premises, and shall pay special taxes, special assessments, water charges, sewer charges, and all other charges (including the Premises of any nature whatsoever when due, and shall upon receipt of any tax or other amount which Mortgagee may desire to collect in the full and provided by law...

1. MAINTENANCE, REPAIR AND RESTORATION OF IMPROVEMENTS, PAYMENT OF PRIOR LIENS, ETC. Mortgagee shall (a) promptly repair, restore or rebuild any buildings and other improvements now or hereafter on the Premises which may become damaged or destroyed to substantially the same character as prior to such damage or destruction, without regard to the availability of any casualty insurance proceeds or amounts...

IT IS FURTHER UNDERSTOOD AND AGREED THAT: TO HAVE AND TO HOLD the Premises unto the Mortgagee and its successors and assigns forever, for the purpose and uses herein set forth...

TO HAVE AND TO HOLD the Premises unto the Mortgagee and its successors and assigns forever, for the purpose and uses herein set forth. TOGETHER with all improvements, remainders, reversions, reversionary interests, and appurtenances now or hereafter thereto belonging...

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deposited, or accompanied by the bills for such taxes or assessments, or insurance premiums. Mortgages shall not be liable for any act or omission taken in good faith, but only for its gross negligence or willful misconduct.

5. INSURANCE. Mortgages shall keep all buildings and improvements, and the Collateral (defined in Paragraph 27 below) now or hereafter situated on said Premises insured against loss or damage by fire on a so-called "All Risks" basis and against such other hazards as may reasonably be required by Mortgagee, including without limitation of the generality of the foregoing: (a) rent loss or business interruption insurance whenever in the opinion of Mortgagee such protection is necessary; and (b) flood insurance whenever same is available and, in the opinion of Mortgagee, such protection is necessary. Mortgages shall also provide insurance coverage with such limits for personal injury and death and property damage as Mortgagee may require. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts satisfactory to Mortgagee, with waiver of subrogation and replacement cost endorsements and a standard non-contributory mortgagee clause attached to all policies, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagee. Mortgages shall deliver all original policies, including additional and renewal policies, to Mortgagee and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration.

Mortgages shall not take out separate insurance or coverage in form of contribution in the event of loss with that required to be maintained hereunder unless Mortgagee is included therein under a standard non-contributory mortgagee clause acceptable to Mortgagee. Mortgages shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the original policy or policies of such insurance. In the event of a foreclosure of the lien Mortgagee or of a transfer of title to the Premises, either in lieu of foreclosure or by purchase at the foreclosure sale, all interests in all insurance policies in force shall pass to Mortgagee, transferee or purchaser, as the case may be.

Within ninety (90) days following the end of each fiscal year of Mortgagee, at the request of the Mortgagee, Mortgages agrees to furnish evidence of replacement cost, without cost to the Mortgagee, such as are regularly and ordinarily made by insurance companies to determine the then replacement cost of the building(s) and other improvements on the Premises.

6. ADJUSTMENT OF LOSSES WITH INSURER AND APPLICATION OF PROCEEDS OF INSURANCE. In case of the loss or damage by fire or other casualty, Mortgagee is authorized (a) to settle and adjust any claim under insurance policies which insure such risks, or (b) to allow Mortgages to agree with the insurance company or companies on the amount to be paid in regard to such loss. In either case, Mortgagee is authorized to collect and receipt for any such insurance monies. So long as (a) such losses applicable to the premises is in full force and effect and each tenant thereunder is not in default and such loss or damage does not result in the termination or cancellation of any of those leases or give any tenant thereunder the right to terminate or cancel its lease, (b) no other person is liable as to any insured or claims any right of participation in any of the Mortgagee's security, and (c) the Mortgagee is not in default, then the insurance proceeds, after deducting therefrom any expense incurred by Mortgagee in the collection thereof, shall be made available by the Mortgagee for the repair, rebuilding or restoration of the building(s) and other improvement(s) on the Premises. In all other cases, such insurance proceeds may, at the option of the Mortgagee, be: (a) applied in reduction of the indebtedness, whether due or not, or (b) held by the Mortgagee and used to reimburse Mortgages (or any lessee) for the cost of the repair, rebuilding or restoration of the building(s) and other improvements on the Premises. In any event, the building(s) and other improvement(s) shall be repaired, restored or rebuilt so as to be of at least equal value and substantially the same character as prior to such damage or destruction. If the insurance proceeds are made available for repair, rebuilding or restoration, such proceeds shall be disbursed upon the Disbursing Party (hereinafter defined) being furnished with satisfactory evidence of the cost of completion thereof and with architects' certificates, waivers or lien contractors' and subcontractors' sworn statements, bills, continuations and other evidence of cost and payments so that the Disbursing Party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics' lien claims. No payment made prior to the final completion of the work shall exceed ninety per cent (90%) of the value of the work performed from time to time, and at all times the undistributed balance of such proceeds remaining in the hands of the Disbursing Party shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. If the cost of rebuilding, repairing or restoring the buildings and other improvements may reasonably exceed the sum of FIFTY THOUSAND DOLLARS (\$50,000.00), then the Mortgagee must approve plans and specifications of such work before such work shall be commenced. Any surplus which may remain out of said insurance proceeds, after payment of the cost or repair, rebuilding, restoration and the reasonable charges of the Disbursing Party shall, at the option of the Mortgagee, be applied on account of the indebtedness or paid to any party entitled thereto as the same appear on the records of the Mortgagee. No interest shall be allowed to Mortgages on any proceeds of insurance held by the Disbursing Party.

As used in this Paragraph 6, the term "Disbursing Party" refers to the Mortgagee and or any title insurance company selected by the Mortgagee.

7. STAMP TAX; EFFECT OF CHANGES IN LAWS REGARDING TAXATION. If, by the laws of the United States of America or of any state or subdivision thereof having jurisdiction over the Mortgages, any tax is due or becomes due in respect to the Note or this Mortgage, the Mortgagee covenants and agrees to pay such tax in the manner required by any such law. The Mortgagee further covenants to reimburse the Mortgagee for any sums which Mortgagee may expend by reason of the imposition of any tax on the issuance of the Note.

In the event of the enactment of any law of the state in which the Premises are located imposing upon the Mortgagee the payment of the whole or any part of taxes, assessments or charges on the lien of this Mortgage, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagee's interest in the Premises, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and in any such event, the Mortgagee, upon demand by the Mortgagee, shall pay such taxes or assessments or reimburse the Mortgagee therefor, provided, however, that if in the opinion of counsel for the Mortgagee: (a) it might be unlawful to require Mortgages to make such payment, or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law; then and in any such event, the Mortgagee may elect, by notice in writing given to the Mortgagee, to declare all of the indebtedness to be and become due and payable sixty (60) days from the giving of such notice.

8. OBSERVANCE OF LEASE ASSIGNMENT. As additional security for the payment of the Note and for the faithful performance of the terms and conditions contained herein, Mortgages and its beneficiary or beneficiaries do hereby assign to the Mortgagee all of their right, title and interest as landlords in and to the present leases and all future leases of the Premises. All leases of the Premises are subject to the approval of the Mortgagee as to form, content and tenant(s).

Mortgages will not and Mortgagee's beneficiary or beneficiaries will not, without Mortgagee's prior written consent: (i) execute assignment or pledge of any rents or any leases of the Premises except an assignment or pledge securing the indebtedness in favor of Mortgagee, or (ii) accept any payment of any installment of rent more than thirty (30) days before the due date thereof, or (iii) make any lease of the Premises except for actual occupancy by the tenant thereunder.

Mortgages shall not and the beneficiary of Mortgagee, if any, shall not enter into or permit to be entered into any management contract, assignment or sublease of any lease, license or concession pertaining to the Premises without the prior written approval of Mortgagee having first been obtained and following such approval shall not amend or modify the same without further written approval of Mortgagee.

Mortgages at its sole cost and expense will: (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases of the Premises, on the part of the landlord thereunder to be kept and performed; (ii) enforce or secure the performance of all of the covenants, conditions, and agreements of such leases on the part of the tenants to be kept and performed, but Mortgagee shall not and Mortgagee's beneficiary or beneficiaries shall not modify, amend, cancel, terminate or accept surrender of any lease without prior written consent of Mortgagee; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or the obligations, duties or liabilities of the landlord or of any tenants thereunder; (iv) transfer and assign or cause to be separately transferred and assigned to Mortgagee, upon written request of Mortgagee, any lease or leases of the Premises heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment; (v) furnish Mortgagee, within ten (10) days after a request by Mortgagee so to do, a written statement containing the names of all tenants and the terms of all leases of the Premises, including the spaces occupied and the rentals payable thereunder; and (vi) exercise within five (5) days of any demand therefor by Mortgagee any right to request from the tenant under any lease of the Premises a certificate with respect to the status thereof.

Nothing in this Mortgage or in any other documents relating to the Note secured hereby shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of the landlord under any of the leases assigned to Mortgagee or to pay any sum of money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgages agrees to perform and pay or cause to be performed and paid.

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At all times... the Mortgagee shall appear and defend any suit, action or proceeding that might in any way in the sole judgment of Mortgagee affect the validity of the loan or the priority of the Mortgagee or the rights and powers of Mortgagee hereunder or under any instrument given at any time to secure the indebtedness...

13. UNRECOGNIZED, EXPENSE OF LITIGATION. When the indebtedness or any part thereof shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the loan hereon by the sale of the premises or by the appointment of a receiver and the proceeds of such sale shall be applied to the payment of the loan hereon... In the event of the foreclosure by Mortgagee of any real property...

12. ACCELERATION OF INDEBTEDNESS IN CASE OF DEFAULT. If at any time the Mortgagee or any guarantor or any beneficiary of the Note or any other party shall fail to pay to Mortgagee... or if at any time the Mortgagee or any guarantor or any beneficiary of the Note or any other party shall fail to pay to Mortgagee...

11. MORTGAGEE'S RELIANCE ON TAX BILLS, ETC. Mortgagee in making any payment hereby authorized... may do so according to any computer or billing service, bill statement, or similar procedure from the appropriate public office or the company without inquiry into the accuracy of such bill, statement or return...

10. MORTGAGEE'S PERFORMANCE OF DEFAULTED ACTS. In case of default hereon, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagee in any state and manner Mortgagee deems expedient... Any act herein required of Mortgagee in any state and manner Mortgagee deems expedient...

9. MORTGAGOR AND LIEN NOT RELEASED. From time to time Mortgagee may, at the Mortgagee's option, without giving notice to or obtaining the consent of Mortgagee, its beneficiary, or Mortgagee's successors or assigns or the consent of any junior lien holder, guarantor or tenant, without liability on Mortgagee's part and notwithstanding Mortgagee's breach of any covenant, agreement or condition... (a) release anyone primarily or secondarily liable on any of the indebtedness...

At the option of the Mortgagee, 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 eminent domain), to any one or more leases affecting any part of the Premises... Mortgagee shall have the option to declare this Mortgage in default because of a material default of land in any lease of the Premises...

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and the sum of such expenditures shall be secured by this Mortgage, and shall bear interest after demand at the rate specified in the Note applicable to a period when an unpaid default exists thereunder, and such interest shall be secured hereby and shall be due and payable on demand.

14. APPLICATION OF PROCEEDS OF FORECLOSURE SALE. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding Paragraph hereof; second, all other debts which may under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; and fourth, any excess to any party entitled thereto as their rights may appear.

15. APPOINTMENT OF RECEIVER OR MORTGAGEE IN POSSESSION. Upon, or at any time after, the commencement of an action to foreclose this Mortgage, the court in which such action was commenced may, upon request of the Mortgagee, appoint a receiver of the Premises, either before or after foreclosure sale, without notice and without regard to the solvency or insolvency of Mortgagor 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 the Mortgagee or any holder of the Note may be appointed as such receiver, as Mortgagee in possession. Such receiver or the Mortgagee in possession shall have power to collect the rents, issues, and profits of the Premises during the pendency of such foreclosure action and, in case of a sale and a deficiency, during the full statutory period of redemption (if any), whether there be redemption or not, as well as during any further time (if any) when Mortgagor, except for the redemption of such receiver or Mortgagee in possession, would be added to collect such rents, issues and profits, and all other powers which be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court from time to time may authorize the receiver or Mortgagee in possession to apply the net income in its hands in payment in whole or in part of: (a) the indebtedness secured hereby or by any order or judgment foreclosing the lien of this Mortgage or any tax, special assessment or other lien which may be or become superior to the lien hereof or the lien of such order or judgment, provided such application is made prior to foreclosure sale; (b) the deficiency in case of a sale and deficiency.

16. RIGHTS CUMULATIVE. Each right, power and remedy conferred upon the Mortgagee by this Mortgage and by all other documents evidencing or securing the indebtedness and conferred by law and in equity is cumulative and in addition to every other right, power and remedy, express or implied, given now or hereafter existing, at law and in equity, and each and every right, power and remedy herein or therein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee, and the exercise of the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of, or discontinuance by, the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

17. MORTGAGEE'S RIGHT OF INSPECTION. Mortgagee, its representatives, agents or participants shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

18. EMINENT DOMAIN AND/OR CONDEMNATION. Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. So long as: (a) any applicable lease is in full force and effect and each tenant thereof (if not in default) and such taking shall not result in the termination or cancellation of any of those leases or given any tenant thereunder the right to occupy its lease; (b) the Premises require repair, rebuilding or restoration; and (c) this Mortgage is not in default, then any award, after deducting therefrom any expenses incurred in the collection thereof, shall be made available by the Mortgagee for the repair, rebuilding or restoration of the Premises in accordance with plans and specifications to be submitted to and approved by the Mortgagee.

In all other cases, the Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness, whether due or not, or make those proceeds available for repair, restoration or rebuilding of the Premises in accordance with plans and specifications to be submitted to and approved by the Mortgagee. In any case where proceeds are made available for repair, rebuilding or restoration, the proceeds of the award shall be paid out in the same manner and under the same conditions provided in Paragraph 6 hereof for the payment of insurance proceeds toward the cost of repair, rebuilding or restoration. Any surplus which may remain out of said award after payment of such cost of repair, rebuilding, restoration and the reasonable charges of the Disbursing Party shall, at the option of Mortgagee, be applied on account of the indebtedness or paid to any party entitled thereof as the same appear on the records of the Mortgagee. No interest shall be allowed to Mortgagor on account of any proceeds of any award held by the Mortgagee.

19. RELEASE UPON PAYMENT AND DISCHARGE OF MORTGAGOR'S OBLIGATIONS. Mortgagee shall release (in whole or partially) this Mortgage and the lien (in whole or partially) by proper instrument upon payment and discharge of all indebtedness (or applicable agreed portion) secured hereby (including any prepayment charges and late charges provided for herein or in the Note) and upon payment of a reasonable fee to Mortgagee for the preparation and execution of such proper instrument as shall be determined by Mortgagee in its absolute discretion.

20. GIVING OF NOTICE. Any notice which either party hereto may desire or be required to give to the other party shall be in writing and the mailing thereof, by certified mail addressed to the Mortgagor or to the Mortgagee, as the case may be, at the respective addresses set forth on the first page hereof or at such other place as any party hereto may by notice in writing designate as a place of notice, shall constitute service of notice hereunder.

21. WAIVER OF DEFENSE. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

22. WAIVER OF STATUTORY RIGHTS. Mortgagor shall not and will not (nor shall any beneficiary of Mortgagee) apply for or avail itself of any abatement, valuation, stay, extension or exemption laws or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement of foreclosure of the lien of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, including its beneficiary, waives any and all right to have the property and estate comprising the Premises marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption from sale under any order or judgment of foreclosure of the lien of this Mortgage on behalf of the Mortgagor, the trust estate and all persons beneficially interested therein and each and every person, except judgment creditors of the Mortgagee in its representative capacity and of the trust estate, acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

23. FURNISHING OF FINANCIAL STATEMENTS TO MORTGAGEE. Mortgagor covenants and agrees that it will keep and maintain, or cause its beneficiary or beneficiaries from time to time to keep and maintain, books and records of account in which full, true and correct entries shall be made of all dealings and transactions relative to the Premises, which books and records of account shall, at reasonable times and on reasonable notice, be open to the inspection of the Mortgagee and its accountants and other duly authorized representatives. Such books of record and account shall be kept and maintained in accordance with generally accepted accounting principles consistently applied.

23.1 Mortgagor covenants and agrees to furnish to the Mortgagee, within ninety (90) days following the end of every fiscal year applicable to the operation of the improvements on the Premises, a copy of a report of the operations of the improvements on the Premises for the year then ended, to be certified by the Mortgagor or its beneficiary (or a general partner, if the beneficiary of Mortgagee is a partnership or the chief financial officer if the beneficiary of Mortgagee is a corporation) satisfactory to the Mortgagee, including a balance sheet and supporting schedules and containing a detailed statement of income and expenses. Each such certificate to such annual report shall certify that the certifying party examined such records as were deemed necessary for such certification and those statements are true, correct and complete.

23.2 If Mortgagor fails to furnish promptly any report required by Paragraph 23.1, the Mortgagee may elect (in addition to exercising any other right, remedy and power) to make an audit of all books and records of Mortgagor and its beneficiaries which in any way pertain to the Premises and to prepare the statement or statements which Mortgagor failed to procure and deliver. Such audit shall be made and such statement or statements shall be prepared by an independent Certified Public Accountant to be selected by the Mortgagee. Mortgagor shall pay all expenses of the audit and other services which expenses shall be secured hereby as additional indebtedness and shall be immediately due and payable with interest thereon at the rate set forth in the Note applicable to a period when default exists thereunder.

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29. DUE ON SALE OR FURTHER ENCUMBRANCE CLAUSE. In determining whether or not to make the loan secured hereby, Mortgagee examined the credit worthiness of Mortgagor and/or Mortgagor's beneficiary or guarantors (if applicable), found the same to be acceptable and relied and continues to rely upon same as the basis for its payment of the loan. Mortgagee also evaluated the background and experience of Mortgagor and/or its beneficiary or guarantor (if applicable) in owning and operating property such as the Premises, found the same to be acceptable and relied and continues to rely upon same as the basis for its payment of the loan. The value of the Premises, which is Mortgagee's security for the loan, is recognized that Mortgagee is entitled to sell the same from its portfolio at current interest rates, by either making new loans at such rates or collecting assumption fees and/or increasing the interest rate on a loan the security for which is purchased by a party other than the original Mortgagor and/or its beneficiary (if applicable). Mortgagor and/or its beneficiary (if applicable) further recognizes that any secondary or junior financing placed upon the Premises, or the beneficial interest of beneficiary in Mortgagor (a) may divert funds which would otherwise be used to pay the Note secured hereby, (b) could result in acceleration and foreclosure by any such junior encumbrance which would force Mortgagee to take measures and incur expenses to protect its security, (c) would detract from the value of the Premises, should Mortgagee come into possession thereof with the intention of selling same, and (d) impair Mortgagee's right to accept a deed in lieu of foreclosure, as a foreclosure by Mortgagee would be necessary to clear the title to the Premises.

In accordance with the foregoing and for the purpose of (i) protecting Mortgagee's security, both of repayment by the indebtedness, and of value of the Premises, (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor and/or beneficiary (if applicable) and Mortgagor, (iii) allowing Mortgagee to raise the interest rate and/or collect assumption fees, and (iv) keeping the Premises and the beneficial interest (if applicable) free of subordinate financing liens, beneficiary (if applicable) and Mortgagor agree that if this Paragraph be deemed a restraint on alienation, that it is a reasonable one and that any sale, conveyance, assignment, further encumbrance or other transfer of title to the Premises or any interest therein (whether voluntary or by operation of law) without the Mortgagee's prior written consent shall be an event of default hereunder. For the purpose of, and without limiting the generality of, the preceding sentence, the occurrence at any time of any of the following events shall be deemed to be an unpermitted transfer of title to the Premises and therefore an event of default hereunder:

- (a) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, all or any part of the title to the Premises, or the beneficial interest or power of direction under the trust agreement with the Mortgagor, if applicable;
- (b) any sale, conveyance, assignment or other transfer of, or the grant of a security interest in, any share of stock of the Mortgagor, (if a corporation) or the corporation which is the beneficiary or one of the beneficiaries under the trust agreement with the Mortgagor, or of any corporation directly or indirectly controlling said beneficiary corporation;
- (c) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any general partnership interest of the limited partnership or general partnership (herein called the "Partnership") which is the Mortgagor or the beneficiary or one of the beneficiaries under the trust agreement with the Mortgagor;
- (d) any sale, conveyance, assignment, or other transfer of, or the grant of a security interest in, any share of stock of any corporation directly or indirectly controlling any such Partnership.

Any consent by the Mortgagee, or any waiver of an event of default, under this Paragraph shall not constitute a consent to, or waiver of any right, remedy or power of the Mortgagee upon a subsequent event of default under this Paragraph.

30. HAZARDOUS MATERIALS. Mortgagor and its beneficiary (for purposes of this paragraph, collectively "Mortgagor") represents, warrants and covenants that Mortgagor has not used Hazardous Materials (as defined hereinafter) on, from, or affecting the Premises in any manner which violates Federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, and that, to the best of Mortgagor's knowledge, no prior owner of the Premises or any tenant, subtenant, prior tenant or prior subtenant have used Hazardous Materials on, from, or affecting the Premises in any manner which violates Federal, state or local laws, ordinances, rules, regulations, or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials. Mortgagor shall keep or cause the Premises to be kept free of Hazardous Materials. Without limiting the foregoing, Mortgagor shall not cause or permit the Premises to be used to generate, store, manufacture, refine, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws or regulations, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant or subtenant, a release of Hazardous Materials onto the Premises or onto any other property. Mortgagor shall comply with and ensure compliance by all tenants and subtenants with all applicable federal, state or local laws, ordinances, rules and regulations, whenever and by whomsoever triggered, and shall obtain and comply with, and ensure that all tenants and subtenants obtain and comply with, any and all approvals, registrations or permits required thereunder. Mortgagor shall (a) conduct and complete all investigations, studies, sampling, and testing, and all remedial, removal, and other actions necessary to clean up and remove all Hazardous Materials, on, from or affecting the Premises (i) in accordance with all applicable federal, state, and local laws, ordinances, rules, regulations, and policies, (ii) to the satisfaction of Mortgagee, and (iii) in accordance with the orders and directives of all federal, state and local governmental authorities, and (b) defend, indemnify and hold harmless Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs, or expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to, (i) the presence, disposal, release, or threatened release of any Hazardous Materials which are on, from or affecting the soil, water, vegetation, buildings, personal property, persons, animals, or otherwise; (c) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials; (iii) any lawsuit brought or threatened, settlement reached, or government order relating to such Hazardous Materials, and/or (iv) any violation of laws, orders, regulations, requirements, or decrees of government authorities, or any policies or requirements of Mortgagee, which are based upon or in any way related to such Hazardous Materials, including, without limitation, attorney and consultant fees, investigation and laboratory fees, court costs, and litigation expenses. In the event Mortgagor is foreclosed, or Mortgagor tenders a deed in lieu of foreclosure, Mortgagor shall deliver the Premises to Mortgagee free of any and all Hazardous Materials, so that the condition of the Premises shall conform with all applicable federal, state or local laws, ordinances, rules, regulations affecting the Premises. For purposes of this paragraph 30 "Hazardous Materials" includes, without limit, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous, regulated toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended (42 U.S.C. Sections 6901, et seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Sections 1801, et seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Sections 6901, et seq.); and in the regulations adopted and publications promulgated pursuant thereto or any other Federal, state or local environmental law, ordinance, rule, or regulation. Mortgagor shall secure all permits and approvals and file all notifications required under state and local laws, ordinances and regulations prior to undertaking asbestos abatement activities. The provisions of this paragraph 30 shall be in addition to any and all other obligations and liabilities Mortgagee may have to Mortgagee at common law, and shall survive the transactions contemplated herein.

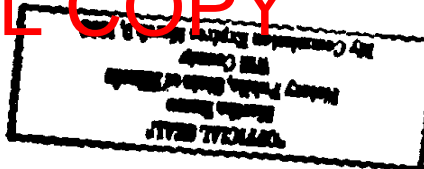
Initials

31. REVOLVING CREDIT. In the event that the box is checked to signify that this Mortgage secures a revolving credit note, this Mortgage shall secure not only the existing indebtedness, but also such future advances, whether such advances are obligatory or to be made at the option of the Mortgagor, or otherwise, as are made within twenty years from the date hereof, to the same extent as if such future advances were made on the date of execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness that is secured hereby may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of the Note, plus interest thereon, and any disbursements made for the payment of taxes, special assessments, or insurance on the Premises, with interest on such disbursements.

32. EXCULPATORY. In the event the Mortgagor executing this Mortgage is an Illinois land trust, this Mortgage is executed by the Mortgagor, not personally, but as Trustee aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee and the Mortgagor hereby warrants that it possesses full power and authority to execute this instrument and it is expressly understood and agreed that nothing contained herein or in the Note shall be construed as creating any liability on the Mortgagor personally to pay the Note or any interest, late charge or premium that may accrue thereon, or any indebtedness secured by this Mortgage, or to perform any covenant, either express or implied herein contained, all such liability, if any, being expressly waived by Mortgagor and by every person now or hereafter claiming any right or security hereunder, and that so far as Mortgagor is personally concerned, the legal holder or holders of the Note and the owner or owners of any indebtedness secured hereby shall look solely to the Premises and Collateral hereby mortgaged, conveyed and assigned and to any other security given at any time to secure the payment thereof.

55-11136-1

UNOFFICIAL COPY



Robert W. Jones
Notary Public

19 95

16 12

and personally known to me to be the same persons who are named in the foregoing instrument, appearing before me this day in person, and acknowledging that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes and in the capacity of my aforesaid parties.

and personally known to me to be the same persons who are named in the foregoing instrument, appearing before me this day in person, and acknowledging that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes and in the capacity of my aforesaid parties.

Robert W. Jones

the said County, in the State aforesaid, do hereby certify that

the undersigned

a Notary Public in and for and residing in

COUNTY OF Cook

STATE OF ILLINOIS

Property of Cook County Clerk's Office

INDIVIDUALS:

Robert W. Jones
Robert W. Jones

P.L.N. 28 28 404-007/010/011/012/003/002

LOTS 43, 48 AND 64 IN INDIAN BOUNDARY SUBDIVISION, BEING A SUBDIVISION OF PART OF FRACTIONAL SECTION 28, NORTH OF THE INDIAN BOUNDARY LINE, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

"EXHIBIT A"

(name of partnership or joint venture)

PARTNERSHIP/JOINT VENTURE:

The Mortgagor has executed this instrument as of the day and year first above written

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