

# UNOFFICIAL COPY

**COVENANTS** Borrower and Lender covenant and agree as follows:

- 1. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Agreement.
- 2. Application of Payments.** All payments received by Lender shall be applied first to interest then to other charges, and then to principal.
- 3. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fees, and impositions attributable to the Property, and loaned payments or amounts to be paid under this paragraph. The Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. Upon Lender's request, Borrower shall promptly furnish to Lender duplicate receipts. Borrower may, in good faith and with due diligence, control the validity or amount of any such taxes or assessments, provided that (a) Borrower shall notify Lender in writing of the intention of Borrower to control the same before any tax or assessment has been increased by any interest partition or costs, (b) Borrower shall make all required payments, under protest if Borrower desires, unless such contest shall suspend the collection thereof, (c) neither the Property nor any part thereof or interest therein are

**BORROWER COVENANTS** that Borrower is lawfully bound of the estate hereby conveyed and has the right to record, grant and convey the Property and that the Property is unencumbered, except for encumbrances and demands subject to any encumbrances of record. There is a prior mortgage from Borrower to FIRST EQUITY SAVINGS AND LOAN COMPANY, dated 10/15/97, and recorded in document number 97-15-174.

**TOGETHER WITH** all the improvements now or hereafter located on the property, and all immovable rights appurtenant, rents, royalties, mineral or gas rights and profits, claims or demands with respect to insurance, any and all awards made for the taking by eminent domain, water right and block and all features now or hereafter a part of the property. All improvements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the Property.

which has no address of JAMES O'BRYEN, JR., ARLINGTON, IL 60004-4711 (Property Address)

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NOT 314 IS BORGARTE BEING A RESIDENT OF HOBBS HERRY CO'S EAST NORTHWEST QUARTER OR SECTION 34, AND THAT PART OF THE EAST HALF OF THE NORTHWEST QUARTER OR SECTION 34, LITING NORTHWESTLY OF THE CHICAGO AND NORTHWESTERN RAILROAD COMPANY, ALL IN TOWN 42 NORTH RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

This Security Instrument is given to THE FIRST NATIONAL BANK OF CHICAGO, which is a NATIONAL BANK, organized and existing under the laws of the United States of America, whose address is 222 EAST HALEY PLAZA, CHICAGO, ILLINOIS 60601 (Lender) Borrower over Lender the maximum principal sum of \$2,000,000.00 (Twenty Million Dollars (U.S. \$ 2,000,000.00)), or the aggregate unpaid amount of all loans and any disbursements made by Lender pursuant to that certain Equity Credit Line Agreement of even date herewith executed by Borrower (Agreement), whichever is less. The Agreement is hereby incorporated in this Security Instrument by reference. This debt is evidenced by the Agreement which Agreement provides for monthly interest payments, with the full debt, if not paid earlier, due and payable five years from the issue Date (as defined in the Agreement). The Lender will provide the Borrower with a final payment notice at least 60 days before the final payment must be made. The Agreement provides that loans may be made from time to time during the Draw Period (as defined in the Agreement) (The Draw Period may be extended by Lender in its sole discretion, but in no event later than 20 years from the date hereof). All future loans will have the same lien priority as the original loan. This Security Instrument secures to Lender (a) the repayment of the debt evidenced by the Agreement, including all principal, interest, and other charges as provided for in the Agreement, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 6 of this Security Instrument to protect the security of the Security Instrument; and (c) the performance of Borrower's covenants and agreement under the Security Instrument and the Agreement and all renewals, extensions and modifications thereof, all of the foregoing not to exceed the maximum principal sum stated above. For the purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

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at any time in any danger of being sold, foreclosed, lost or interfered with, and (d) Borrower shall furnish such security as may be required in the context of as requested by Lender.

4. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Paragraph 5.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, 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.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible. Lender's security is not assigned and Borrower is not in default under this Security Instrument or the Agreement, if the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower advertises the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair, restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

If under paragraph 18 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds remaining from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

5. Preservation and Maintenance of Property; Borrower's Application; Leaseholds. Borrower shall not destroy, damage, substantially change, the Property, allow the Property to deteriorate, or commit waste. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided by this paragraph 10, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Agreement. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

6. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the 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 Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over the Security Instrument, appearing in court, paying reasonable attorney's fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Agreement rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

7. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnation offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, whether to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

9. 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 Security Instrument granted by Lender to any successor in interest of the 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 failure to make time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the Agreement, or any part thereof, shall apply to the particular instance or instances and all the particular times or times only, and no such





