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10/10/97

FIDELITY FEDERAL SAVINGS BANK
5455 W. BELMONT AVE.
CHICAGO, IL 60641

ATTN: LOAN Closing Department

2-006419-3

This instrument was prepared by:
Renee Witke
5455 W. BELMONT AVE. CHICAGO, IL 60641

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

THIS MORTGAGE (herein "Instrument") is made this second day of October 1997 between the Mortgage Grantor, Keith Potetti and Adrienne Potetti HIS WIFE whose address is 819 W. Juniper Terrace Chicago Illinois 60613 (herein "Borrower"), and the Mortgagee, FIDELITY FEDERAL SAVINGS BANK a Corporation organized and existing under the laws of THE UNITED STATES OF AMERICA, whose address is 5455 W. BELMONT AVE. CHICAGO, IL 60641 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of TWO HUNDRED SIXTEEN THOUSAND & 00/100 Dollars, which indebtedness is evidenced by Borrower's note dated October 2, 1997 (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on November 1, 2027;

CA 407034

TO SECURE TO LENDER (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof; (b) the repayment of any future advances, with interest thereon, made by Lender to Borrower pursuant to paragraph 30 hereof (herein "Future Advances"); (c) the performance of the covenants and agreements of Borrower contained in a Construction Loan Agreement between Lender and Borrower dated N/A 19 if any, as provided in paragraph 25 hereof; (d) the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Instrument; and (e) the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant, convey and assign to Lender the following described property located in Cook County, State of Illinois:

LOT 44 IN JOHN N. YOUNG'S GRAND AVENUE ADDITION TO CHICAGO IN SECTION 05, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Permanent Tax Index No: 14-05-112-024-0000

Property Address: 6222-24 N. Wayne Chicago Illinois 60660

ILLINOIS-Multifamily-17-FYMA/HIL/MC Uniform Instrument

INITIALS

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C966 (page 1 of 3 pages)

TICOR TITLE INSURANCE

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

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

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

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

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, any prepayment, and late charges provided in the Note and all other sums secured by this Instrument.

2. FUNDS FOR TAXES, INSURANCE AND OTHER CHARGES. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Lender), until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of (a) the yearly water and sewer rates and taxes and assessments which may be levied on the Property, (b) the yearly ground rents, (c) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Property as Lender may require pursuant to paragraph 5 hereof, (d) the yearly premium installments for mortgage insurance, if any, and (e) if this Instrument is on a leasehold, the yearly ground rents, if any, under the ground lease, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Lender of a requirement that Borrower pay such Funds may be revoked by Lender, in Lender's sole discretion, at any time upon notice in writing to Borrower. Lender may require Borrower to pay to Lender, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Borrower or the Property which Lender shall reasonably deem necessary to protect Lender's interests (herein "Other Impositions"). Unless otherwise provided by applicable law, Lender may require Funds for Other Impositions to be paid by Borrower in a lump sum or in periodic installments, at Lender's option.

The Funds shall be held in an institution(s) the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said rates, rents, taxes, assessments, insurance premiums and Other Impositions so long as Borrower is not in breach of any covenant or agreement of Borrower in this Instrument. Lender shall make no charge for so holding and applying the Funds, analyzing said account or for verifying and compiling said assessments and bills, unless Lender pays Borrower interest, earnings or profits on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Instrument that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires interest, earnings or profits to be paid, Lender shall not be required to pay Borrower any interest, earnings or profits on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds in Lender's normal form at 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 Instrument.

If the amount of the Funds held by Lender at the time of the annual accounting thereof shall exceed the amount deemed necessary by Lender to provide for the payment of water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions as they fall due, such excess shall be credited to borrower on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Lender shall be less than the amount deemed necessary by Lender to pay water and sewer rates, taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within thirty days after notice from Lender to Borrower requesting payment thereof.

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

3. APPLICATION OF PAYMENTS. Unless applicable law provides otherwise, all payments received by Lender from Borrower under the Note or this Instrument shall be applied by Lender in the following order of priority: (i) amounts payable to Lender by Borrower under paragraph 2 hereof, (ii) interest payable on the Note, (iii) principal of the Note, (iv) interest payable on advances made pursuant to paragraph 3 hereof, (v) principal of advances made pursuant to paragraph 3 hereof, (vi) interest payable on any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the amounts of interest payable on the Future Advances in such order as Lender, in Lender's sole discretion, may determine, (vii) principal of any Future Advance, provided that if more than one Future Advance is outstanding, Lender may apply payments received among the principal balances of the Future Advances in such order as Lender, in Lender's sole discretion, may determine, and (viii) any other sums secured by this Instrument in such order as Lender, at Lender's option, may determine, provided, however, that Lender may, at Lender's option, apply any sums payable pursuant to paragraph 3 hereof prior to interest on any principal of the Note, but such application shall not otherwise affect the order of priority of application specified in this paragraph 3.

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

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Any amounts disbursed by Lender pursuant to this paragraph 8, with interest thereon, shall become additional indebtedness of Borrower secured by the instrument. Lender agrees to other terms of payment, such amounts shall be immediately due and payable and shall bear interest from the date of disbursement at the rate stated in the Note unless collection from Borrower of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law. Borrower hereby covenants and agrees that Lender shall be assigned to the use of any mortgage or other lien discharged, in whole or in part, by the indebtedness secured hereby.

Nothing contained in this paragraph 8 shall require Lender to incur any expense or take any action hereunder.

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

use for which all or any part of the Property was intended at the time this instrument was executed. Borrower shall not make or acquire in a change in the zoning classification of the Property without Lender's prior written consent.

7. USE OF PROPERTY. Unless required by applicable law or unless Lender has otherwise agreed in writing, Borrower shall not allow changes in the such fee estate, then this instrument shall simultaneously and without further action be spread so as to become a lien on such fee estate, whether or said fee estate, or any part of either, coming into common ownership, unless Lender shall consent in writing to such transfer. Borrower shall acquire and Borrower shall not, without the express written consent of Lender, alter or amend said ground lease. Borrower covenants and agrees that there shall not be a merger of the ground lease, or of the leasehold estate created thereby, with the fee estate covered by the ground lease by reason of said leasehold estate.

Borrower shall not surrender the leasehold estate and interests herein conveyed nor terminate or cancel the ground lease, creating said estate and interests, or not such covenants run with the land, but Lender shall have no liability with respect to such covenants nor any other covenants contained in the ground lease. Lender shall not be bound by any such covenants contained in the ground lease, whether required thereunder, if any. Borrower hereby expressly transfers and assigns to Lender the benefit of all covenants contained in the ground lease, whether and (v) shall within thirty days after request by Lender obtain from the lessor under the ground lease, and deliver to Lender the lessor's accepted certificate (party) thereto and, if required by Lender, shall permit Lender as Borrower's attorney-in-fact to execute and act for Borrower in any such remedial proceedings becomes exercisable. (v) shall give immediate written notice to Lender of the commencement of a remedial proceeding under the ground lease by any (iii) shall exercise any option to renew or extend the ground lease and give written notice to Lender within thirty days after such option of any default by lessor under the ground lease or of any notice received by Borrower from the lessor of any default under the ground lease by Borrower. If this instrument is on a leasehold, Borrower (i) shall comply with the provisions of the ground lease, (ii) shall give immediate written notice to Lender and appliances with terms of the land.

6. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS. Borrower (a) shall not commit a waste or permit impairment or deterioration of the Property. (b) shall not abandon the Property. (c) shall restore or repair promptly a wall in a good and workmanlike manner all or any part of the Property to the equivalent of its original condition, or such other condition as Lender may approve in writing, in the event of any damage, injury, or loss thereon, whether or not insurance proceeds are available to cover in whole or in part the cost of such restoration or repair. (d) shall keep the Property, including improvements, fixtures, equipment, machinery and appliances thereon in good repair and shall replace fixtures, equipment, machinery, and appliances on the Property when necessary to keep such items in good repair. (e) shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property. (f) shall provide for professional management of the Property by a residential rental property manager (satisfaction) to Lender pursuant to a contract approved by Lender in writing, unless such requirement shall be waived by Lender in writing. (g) shall generally operate and maintain the Property in a manner to ensure maximum rental value, and (h) shall give notice in writing to Lender of any other damage, defect or defect in writing by Lender, appear in and defend any action or proceeding pertaining to affect the Property, the security, the quiet enjoyment or the right of powers of Lender. Neither Borrower nor any tenant or other person shall remove, demolish or alter any improvement now existing or hereafter erected on the Property or any fixture, equipment, machinery or appliance in or on the Property except when incident to the replacement of fixtures, equipment, machinery, and appliances with terms of the land.

to the proceeds resulting from any sale in the Property prior to such sale or acquisition.

If the insurance proceeds are held by Lender to reimburse Borrower for the cost of restoration and repair of the Property, the Property shall be restored to the equivalent of its original condition or such other condition as Lender may approve in writing. Lender may, at Lender's option, condition disbursement of said proceeds on Lender's approval of such plans and specifications of an architect satisfactory to Lender, contractor's cost estimates, architect's certificates, market value of items, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payment, and satisfaction of liens as Lender may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this instrument, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof, or waive the amount of such installments. If the Property is sold pursuant to paragraph 27 hereof or if Lender acquires title to the Property, Lender shall have all of the right, title and interest of Borrower in and to any insurance, policies and unearned premiums thereon and in and to the proceeds resulting from any sale in the Property prior to such sale or acquisition.

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

5. HAZARD INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured by carriers at all times satisfactory to Lender against loss by fire, hazards included within the term "extended coverage", real loss and such other hazards, casualties, liabilities and contingencies as Lender (and, if this instrument is on a leasehold, the ground lease) shall require and in such amounts and for such periods as Lender shall require. All premiums on insurance policies shall be paid, at Lender's option, in the manner provided under paragraph 2 hereof, or by Borrower making payment, when due, directly to the carrier, or in such other manner as Lender may designate in writing.

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

10. **BOOKS AND RECORDS.** Borrower shall keep and maintain at all times at Borrower's address stated below, or such other place as Lender may approve in writing, complete and accurate books of accounts and records adequate to reflect correctly the results of the operation of the Property and copies of all written contracts, leases and other instruments which affect the Property. Such books, records, receipts, contracts, leases and other instruments shall be subject to examination and inspection at any reasonable time by Lender. Upon Lender's request, Borrower shall furnish to Lender, within one hundred and twenty days after the end of each fiscal year of Borrower, a balance sheet, a statement of income and expenses of the Property, and a statement of changes in financial position, each in reasonable detail and certified by Borrower and, if Lender shall require, by an independent certified public accountant. Borrower shall furnish, together with the foregoing financial statements and at any time upon Lender's request, a rent schedule for the Property, certified by Borrower showing the name of each tenant, and for each tenant, the space occupied, the lease expiration date, the rent payable and the rent paid.

11. **CONDEMNATION.** Borrower shall promptly notify Lender of any action or proceeding relating to any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, and Borrower shall appear in and prosecute, in Lender's option, as attorney-in-fact for Borrower, to commence, appear in and prosecute, in Lender's or Borrower's name, any action or proceeding relating to any condemnation or other taking, whether direct or indirect, and to settle or compromise any claim in connection with such condemnation or other taking. The proceeds of any award, payment or claim for damages, direct or consequential, in connection with any condemnation or other taking, whether direct or indirect, of the Property, or part thereof, or for compensation in lieu of condemnation, are hereby assigned to and shall be paid to Lender subject, if this instrument is on a leasehold, to the rights of lessor under the ground lease.

Borrower authorizes Lender to apply such awards, payments, proceeds or damages, after the deduction of Lender's expenses incurred in the collection of such amounts, at Lender's option, to restoration or repair of the Property, or to payment of the sums secured by this instrument, whether or not then due, in the order of application set forth in Paragraph 3 hereof, with the balance, if any, to Borrower. Lender and Borrower otherwise agree in writing any application of proceeds to payment shall not extend or postpone the due date of the monthly installment payments hereunder and 2 hereof or change the amount of such installment payments.

12. **BORROWER AND TENANT NOT RELEASED.** From time to time, Lender may, at Lender's option, without giving notice to or obtaining the consent of Borrower, Borrower's successors or assigns or of any junior lienholder or guarantor, without liability on Lender's part and notwithstanding Borrower's breach of any covenant or agreement of Borrower in this instrument, extend the time for payment of said indebtedness if any part thereof, reduce the amount of any such indebtedness, accept a renewal note or notes therefor, modify the terms and time of payment of said indebtedness, release from the lien of this instrument any part of the Property, take or release other or additional security, recover any part of the Property, consent to the granting of any extension, joint or substitution agreement, and agree in writing with Borrower to modify the rate of interest or extend or change the amount of the monthly installment payments hereunder. Any action taken by Lender pursuant to the terms of this paragraph 12 shall not affect the obligations of Borrower or their successors or assigns to pay the sums secured by this instrument and to obtain the benefit of the covenants of Borrower contained herein, shall not affect the guaranty of any person, corporation, partnership or other entity for payment of the indebtedness secured hereby, and shall not affect the lien or priority of lien on the Property. Borrower shall pay Lender a reasonable service charge, together with such title insurance premiums and attorney's fees as may be incurred at Lender's option, for any such action if taken at Borrower's request.

13. **FORFEITURE BY LENDER NOT A WAIVER.** Any forfeiture by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance of payment of any sum secured by this instrument after the due date of such payment shall not be a waiver of Lender's right to either require prompt payment when due of all other sums so secured or to declare a default for failure to make prompt payment. The receipt of payment of the indebtedness secured by this instrument or other sums secured by Lender shall not be a waiver of Lender's right to exercise the remedies secured by this instrument, including the right to receive payment of any award, proceeds or damages under Paragraphs 5 and 11 hereof, or to cure or repair. Borrower's default in payment of sums secured by this instrument and, proceeds or damages under Paragraphs 5 and 11 hereof, operate to cure or repair. Borrower's default in payment of sums secured by this instrument.

14. **STOPPED CERTIFICATE.** Borrower shall within ten days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this instrument and any right of set-off, claim, offset or other defense which exists against such sums and the obligations of this instrument.

15. **UNIFORM COMMERCIAL CODE SECURITY AGREEMENT.** This instrument is made to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code for any of the items specified above as part of the Property. Borrower agrees that Lender may file this instrument or a reproduction thereof, in the real estate records or other appropriate records, as a financing statement for any of the items specified above as part of the Property. Any reproduction of this instrument or of any other security agreement or financing statement shall be effective as a financing statement in addition, Borrower agrees to execute and deliver to Lender upon Lender's request any financing statements, as well as all other instruments and amendments thereto, and reproductions of this instrument in such form as Lender may request to perfect a security interest with respect to all items. Borrower shall pay all costs of filing such financing statements and any extensions, renewals, amendments, releases and releases thereof, and shall pay all reasonable costs and expenses of Lender in connection with such financing statements. Lender may reasonably require, without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said items, including replacement and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this instrument, including the covenants to pay when due, all sums secured by this instrument, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in Paragraph 27 of this instrument as to such items. In exercising any of said remedies, Lender may proceed against the items of real property and any items of personal property specified above as part of the Property, separately or together and in any order whatsoever, without in any way affecting the validity of Lender's remedies under the Uniform Commercial Code or of the remedies provided in Paragraph 27 of this instrument.

16. **LEASES OF THE PROPERTY.** As used in this paragraph 16, the word "lease" shall mean "lease" as defined in Paragraph 1 of this instrument or a leasehold interest in a leasehold shall comply with and observe the terms of a leasehold under a lease of the Property or any part thereof. Borrower will not lease any portion of the Property for non-residential use except with the prior written approval of Lender. However, at Lender's request, Lender shall furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into in form and substance subject to the approval of Lender. All leases of the Property, shall specifically provide that such leases are subordinate to this instrument, that the tenant agrees to be effective upon Lender's acquisition of title to the Property, that the tenant agrees to execute such further evidence of assignment as Lender may from time to time request, that the agreement of the tenant shall not be terminated by foreclosure, and that Lender may, at Lender's option, accept or reject such assignments. Borrower shall not, without Lender's written consent, execute, modify, surrender or terminate either orally or in writing, any lease, or in writing, any lease, or hereafter made of all or any part of the Property, providing for a term of three years or more, period of assignment or sublet of such a lease in whole or in part, or consent to the subordination of any lease of all or any part of the Property to any lease subordinate to this instrument. Borrower becomes a party to any lease or agreement to do so, or is doing, or is doing, any act or thing which may give rise to any right of set-off against rent, thereunder shall, in taking such steps as shall be reasonably calculated to prevent the accrual of any right to a set-off

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24. WAIVER OF MARSHALLING. Notwithstanding the existence of any other security interests in the Property held by Lender or by any other party, Lender shall have the right to determine the order in which any or all portions of the indebtedness secured hereby are satisfied from the proceeds realized upon the exercise of the remedies provided herein. Lender may, at its option, declare all of the sums secured by this instrument to be immediately due and payable...

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

22. UNIFORM MICHIGAN INSTRUMENTS GOVERNING LAW, SEVERABILITY. This instrument shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision of this instrument or the Note conflicts with any applicable law, such conflict shall not affect other provisions of this instrument or the Note which can be given effect without the conflicting provision, and to the extent of the conflict, the provisions of this instrument and the Note shall be severable and shall remain in full force and effect.

21. SUCCESSIONS AND ASSIGNS: JOINT AND SEVERAL LIABILITY; AGENTS; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 19 hereof. All covenants and agreements of Borrower shall be joint and several in nature and shall inure to the benefit of Lender.

20. NOTICE. Except for any notice required under applicable law, notice to Borrower shall be given in the manner set forth in this instrument or in the Note. Borrower shall be deemed to have been given notice by the Note when given in the manner set forth herein.

(c) Lender or transferee of Lender or any transferee of Lender shall be deemed to have been given notice by the Note when given in the manner set forth herein. (d) Lender or transferee of Lender or any transferee of Lender shall be deemed to have been given notice by the Note when given in the manner set forth herein.

19. TRANSFER OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWER'S ASSI. If Borrower shall voluntarily file a petition under the Federal Bankruptcy Act, as such Act may from time to time be amended, or under any state bankruptcy or insolvency act, or if an involuntary proceeding is commenced against Borrower for the reorganization, liquidation or insolvency of Borrower, or if Borrower shall be adjudged a bankrupt, or if a receiver or trustee is appointed for the Property, or if there is an attachment, execution or other judicial seizure of any portion of Borrower's assets and such seizure is not discharged within ten days, then Lender may, at its option, declare all of the sums secured by this instrument to be immediately due and payable without proof of notice to Borrower.

17. REMEDIES COEXTENSIVE. Each remedy provided in this instrument is distinct and cumulative to all other rights or remedies under this instrument or afforded by law or equity, and may be exercised concurrently, independently, or successively, in any order whatsoever. Lender shall have the right to modify, extend or terminate such easements and to execute new leases, in Lender's sole discretion.

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27. ACCELERATION; REMEDIES. Upon the power's breach of any covenant or agreement of Borrower in this Instrument, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, Lender at Lender's option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand and may, however this Instrument by judicial proceeding and may invoke any other remedies permitted by applicable law or provided herein. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees, costs of documentation, evidence, witness and the reports.

Non-Uniform Covenants. Borrower and Lender further covenant and agree as follows:

Any collecting upon and taking and maintaining of control of the Property by Lender or the receiver and any application of rents as provided herein shall not cure or waive any default, be tendered or a validly any other right or remedy of Lender under applicable law or provided herein. This assignment of rents of the Property shall terminate at such time as this instrument ceases to secure indebtedness held by Lender. If the rents of the Property are not sufficient to meet the costs, if any, of taking control of and managing the Property and collecting the rents, any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by this instrument pursuant to paragraph 8 hereof. Lender and Borrower agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amount shall bear interest at the highest rate which may be collected from Borrower under applicable law. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees, costs of documentation, evidence, witness and the reports.

26. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LEVY IN POSSESSION. As part of the cons deed for the indebtedness evidenced by the Note, Borrower hereby irrevocably and unconditionally assigns and transfers to Lender all the rents and revenues of the Property, including those now due, past due, or to become due in virtue of any lease or other agreement for the occupancy or use of all or any part of the Property, regardless of to whom the rents and revenues of the Property are payable, whether by Borrower or Lender's agents, provided, however, that in writing notice given to Lender by Borrower of any covenant or agreement of Borrower in this instrument, Borrower shall collect and receive all rents and revenues of the Property, a trustee for the benefit of Lender and Borrower, to apply the rents and revenues to collect to the account of Borrower, it being intended by Borrower and Lender that the assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Upon delivery of written notice by Lender to Borrower of the breach of any covenant or agreement of Borrower in this instrument, and without the necessity of Lender entering upon and taking and maintaining full control of the Property, in person, by agent or by a court-appointed receiver, Lender shall immediately be entitled to possession of all rents and revenues of the Property, as specified in this paragraph 26 as the same become due and payable, including but not limited to rents then due and unpaid, and all such rents shall immediately upon delivery of such notice be held by Borrower as trustee for the benefit of Lender only, provided, however, that the written notice by Lender to Borrower of the breach of any covenant or agreement of Borrower in this instrument shall contain a statement that Lender exercises its rights to such rents. Borrower agrees that upon delivery of such written notice of the breach of any covenant or agreement of Borrower, each tenant of the Property shall make such rent payable to Lender or Lender's agents or Lender's written demand to each tenant thereafter, as to the existence of a default by the borrower.

Borrower hereby covenants that Borrower has not received any assignment of said rents, that Borrower has not performed, and will not perform, any act or has not executed, and will not execute, any instrument which would prevent Lender from exercising its rights under this paragraph 26, and that at the time of execution of this instrument there has been no assignment or payment of any of the rents of the Property for more than two months prior to the due date of such rents. Borrower covenants that Borrower will not collect or accept payment of any rents of the Property more than two months prior to the due date of such rents. Borrower further covenants that Borrower will execute and deliver to Lender such further assignments of rents and revenues of the Property as Lender may from time to time request. Upon Borrower's breach of any covenant or agreement of Borrower in this instrument, Lender may, in person, by agent or by a court-appointed receiver, regardless of the adequacy of Lender's security, enter upon and take and maintain full control of the Property in order to perform all necessary and appropriate for the operation and maintenance thereof including, but not limited to, the execution, cancellation or modification of leases, the collection of all rents and revenues of the Property, the making of repairs to the Property, and the execution or enforcement of contracts providing for the management or maintenance of the Property, all on such terms as are deemed best to protect the security of this instrument. In the event Lender elects to seek the appointment of a receiver for the Property upon Borrower's breach of any covenant or agreement of Borrower in this instrument, Borrower hereby expressly consents to the appointment of such receiver. Lender or the receiver shall be entitled to receive a reasonable fee for so managing the Property.

25. CONSTRUCTION LOAN PROVISIONS. Borrower agrees to comply with the covenants and conditions of the Construction Loan Agreement, if any, which is hereby incorporated by reference in and made a part of this instrument. All advances made by Lender pursuant to the Construction Loan Agreement shall be made pursuant to the Construction Loan Agreement, and such advances may be obligated as provided in the Construction Loan Agreement. All sums disbursed by Lender prior to completion of the improvements to protect the security of this instrument up to the principal amount of the Note shall be treated as disbursement pursuant to the Construction Loan Agreement. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless collector from Borrower under applicable law and shall be payable upon notice from Lender to Borrower requesting payment thereof. From time to time as Lender deems necessary to protect Lender's interests, Borrower shall, upon request of Lender, execute and deliver to Lender, in such form as Lender shall direct, assignments of any and all rights or claims which relate to the construction of the Property and which Borrower may have against any party supplying or who has supplied labor, materials or services in connection with construction of the Property. In case of breach by Borrower of the covenants and conditions of the Construction Loan Agreement, Lender, at Lender's option, with or without entry upon the Property, (i) may accelerate the sums secured by this instrument and invoke those remedies provided in paragraph 27 hereof; (ii) may co-hold the Note and this instrument with Lender; from and after such date the Construction Loan Agreement shall cease to be a part of this instrument and from now on shall not assert any right or set-off, counterclaim or other claim or defense arising out of or in connection with the Construction Loan Agreement against the obligations of the Note and this instrument.

69019816

[Handwritten signature]

69019876

Property of Cook County Clerk's Office

Chicago Illinois 60613

819 W. Juniper Terrace

Borrower's Address

.....
.....
.....

[Handwritten signature]
Additional Pockets

[Handwritten signature]
Kath Pockets

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

plus the additional sum of U.S. \$.....

in accordance herewith to protect the security of this Instrument, except the original amount of the Note (U.S. \$.....) and the additional sum advanced
stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Instrument, not including sums advanced
make future Advances to Borrower. Such future Advances, with interest thereon, shall be secured by this Instrument when evidenced by promissory notes
28. WAIVER OF HOMESTEAD AND REDEMPTION. Borrower hereby waives all right of redemption on behalf of Borrower and on behalf of all other persons acquiring any interest or title in the
Property subsequent to the date of this Instrument, except decree or judgment creditors of Borrower
29. RELEASE. Upon payment of all sums secured by this Instrument, Lender shall release this Instrument. Borrower shall pay Lender's reasonable costs
incurred in releasing this Instrument.
30. FUTURE ADVANCES. Upon request of Borrower, Lender, at Lender's option so long as this Instrument secures indebtedness held by Lender, may

Handwritten initials

6981069786

CORPORATE LIMITED PARTNERSHIP ACKNOWLEDGMENT

State of Illinois, County ss _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 _____ (date)
 _____ (name of officer)
 _____ (name of corporation)
 _____ (name of partnership)
 _____ (My Commission Expires)

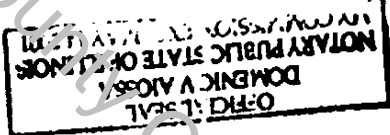
INDIVIDUAL LIMITED PARTNERSHIP ACKNOWLEDGMENT

State of Illinois, County ss _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 _____ (date)
 _____ (person acknowledging)
 _____ (name of partnership)
 _____ (My Commission Expires)

INDIVIDUAL ACKNOWLEDGMENT

State of Illinois, County ss _____
 I, _____
 personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument appeared before me this day in person, and acknowledged that she/he/it signed and delivered the said instrument as _____ free and voluntary act for the uses and purposes therein set forth
 Given under my hand and official seal this _____ day of _____ 19____

 _____ (My Commission Expires)



Handwritten signature and date

CORPORATE ACKNOWLEDGMENT

State of Illinois, County ss _____
 The foregoing instrument was acknowledged before me this _____ day of _____
 _____ (date)
 _____ (person acknowledging)
 _____ (name of corporation)
 _____ (state)
 _____ (My Commission Expires)

UNOFFICIAL COPY

69079816



APR 1997

Page 2 of 2
MORTGAGE FORM 1005-2000

1005-2000

stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

one-eighth percent

The Note Holder will then round the result of this addition to the Nearest Next Highest Next Lowest

THREE AND ONE-HALF (percentage point(s)) 3.500 to the Current Index

Before each Change Date, the Note Holder will calculate my new interest rate by adding

(C) Calculation of Changes

information. The Note Holder will give me notice of this choice.

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable

before each Change Date is called the "Current Index."

The most recent Index figure available as of the date: 45 days

years, as made available by the Federal Reserve Board.

securities adjusted to a constant maturity of three

The weekly average yield on United States Treasury

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is:

(B) The Index

"Change Date."

on that day every 36th month thereafter. Each date on which my interest rate could change is called a

The interest rate I will pay may change on the first day of November 2000 and

(A) Change Dates

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

the interest rate and the monthly payments, as follows:

The Note provides for an initial interest rate of 8.000

%. The Note provides for changes in

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

Instrument, Borrower and Lender, under covenant and agree as follows:

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security

PAYMENTS, DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

AND MY MONTHLY PAYMENT, INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER

THIS NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE

(Property Address)

6222-24 N. Wayne Chicago Illinois 60660

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:

Chicago, IL 60641

5155 W. Belmont Ave.

Fidelity Federal Savings Bank

Adjustable Rate Note (the "Note") to

and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security

Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's

THIS ADJUSTABLE RATE RIDER is made this 2nd day of October 1997

1997

ADJUSTABLE RATE RIDER

69019816

Rate Rider

Kath Pockets
 (Seal) _____
 Borrower

Address Pockets
 (Seal) _____
 Borrower

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider without further notice or demand on Borrower.

sums prior to the expiration of this period. Lender may invoke any remedies permitted by this Security Instrument mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender shall provide a period of not less than 30 days from the date the notice is delivered or acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or acceleration. If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. Lender releases Borrower in writing.

in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and consent to the loan assumption. Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and consent to the loan assumption. Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and consent to the loan assumption.

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

interest in it is sold or transferred (or if a 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 Security Instrument. However, if its option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transfer as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a 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 Security Instrument. However, if its option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transfer as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

the notice given me and also the title and telephone number of a person who will answer any question I may have regarding monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding monthly payment before the effective date of any change.

The Note Holder will give or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding monthly payment before the effective date of any change.

(F) Notice of Changes
 payment changes again.

(E) Effective Date of Changes
 My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Maximum Rate:
 My interest rate will never be greater than 14.000%, which is called the maximum rate.

(4) My interest rate will never be greater than 14.000%, which is called the maximum rate.

the rate of interest I have been paying for the preceding period.

(3) My interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.000%) from % or less than %.

(2) The interest rate I am required to pay at the first Change Date will not be greater than % or less than %.

(1) There will be no maximum limit on interest rate changes.

(D) Limits on Interest Rate Changes
 (Please check appropriate boxes; if no box is checked, there will be no maximum limit on changes.)

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.