



CONSTRUCTION LOAN MORTGAGE
ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT



THIS MORTGAGE is made this 30th day of September, 1998, by and between Andrew Griffio and Rosemary Griffio, his wife, (an) _____ corporation) (a(n) _____ Partnership), ("Mortgagor") and Citibank, Federal Savings Bank. A Federal Savings and Loan Association, or its successors and assigns ("Mortgagee").

WITNESSETH:

THAT, WHEREAS, Mortgagor has concurrently herewith executed and delivered a construction loan note bearing even date herewith ("Note") in the principal sum of FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$ 550,000.00), made payable to the order of the Mortgagee in and by which the Mortgagor promises to pay (1) any additional advances and escrows, with interest thereon as provided in the Note, made by the Mortgagee to protect the security hereunder, at any time before the release and cancellation of this Mortgage, and (2) the principal sum and interest thereon at the rate and at the times and amounts as provided in the Note, to be applied first to advances and escrows, then to interest, and the balance to principal until the indebtedness is paid in full. All of the principal and interest are made payable at such place as the holders of the Note may, from time to time, in writing designate, and in the absence of such designation, then at the office of CITIBANK, FEDERAL SAVINGS BANK, in Chicago, Illinois.

NOW, THEREFORE, the Mortgagor to secure (a) the payment of all sums payable under the Note and all sums payable in accordance with the terms, provisions and limitations of this Mortgage; (b) the performance of the covenants and agreements herein contained by the Mortgagor to be performed; and (c) the performance of the covenants and agreements of Mortgagor or its beneficiaries contained in a Construction Loan Agreement (Construction Loan Agreement) among Mortgagee, Mortgagor and certain other parties thereto, dated of even date herewith, or contained in any other agreements or covenants executed by the Mortgagor or its beneficiaries relating to the loan secured hereby, and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, REMISE, RELEASE, ALIEN and CONVEY unto the Mortgagee, its successors and assigns, the following described real estate and all of its estate, right, title and interest therein, situate, lying and being in the City of Park Ridge, County of Cook, and State of Illinois, to wit:

(SEE EXHIBIT A ATTACHED HERETO AND MADE A PART HEREOF)

more commonly known as: 1105 South Western, Park Ridge, IL 60066 DEPT-01 RECORDING \$43.00
and having the real estate index number(s): 09-35-321-032-0000 DEPT-10 PENALTY \$40.00
which, with the property hereinafter described, is referred to herein as the "Premises",

TOGETHER with all buildings, improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are Pledged primarily and on a parity with said real estate and not secondarily), and all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, curtain fixtures, partitions, attached floor covering, now or hereafter therein or thereon and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled), and ventilation, including, without limitation, all washing machines, clothes dryers, waste disposal units, attached fans, ducts, automatic dishwashers, and radio and television aerials, it being understood that the enumeration of any specific articles of property shall in no wise exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the real estate and to be appropriated to the use of the real estate, and shall for the purposes of this Mortgage be deemed to be real estate and conveyed and mortgaged hereby.

TO HAVE AND TO HOLD the Premised unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under any statute of limitation and under the Homestead Exemption Laws of

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the State of Illinois, which said rights and benefits the Mortgagor does hereby release and waive.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Disbursement of Loan Proceeds for Construction of Improvements.

The proceeds of the loan hereby secured are in whole or in part intended to finance construction of improvements. Mortgagor further covenants and agrees that:

- (a) The improvements to be erected, altered or remodeled on the Premises shall be completed in accordance with the plans and specifications deposited with Mortgagee;
- (b) There shall be no stoppage of construction for a period longer than thirty (30) days, except for matters beyond the reasonable control of Mortgagor;
- (c) In any event, said construction shall be completed not later than the date set forth in the Construction Loan Agreement;
- (d) Upon default in any of the covenants in (a), (b) or (c), the Mortgagee may (but need not) exercise either or both of the following remedies:
 - (i) Declare the entire principal indebtedness of the Note and interest thereon due and payable; and
 - (ii) Complete the construction, alteration or remodeling of said improvements and enter into the necessary contracts therefor. All moneys so expended shall be additional indebtedness secured by this Mortgage, and any moneys expended in excess of the Note shall be payable on demand, with interest at the Default Rate as set forth in the Note;
- (e) The construction of said improvements is and will be in compliance with all governmental regulations, and restrictions and with all zoning and building laws and ordinances of the municipality in which the Premises are located and with all building restrictions of record, and Mortgagor will furnish satisfactory evidence to Mortgagee of such compliance; and
- (f) The proceeds of the loan secured hereby are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in one or more of (i) the application for loan, (ii) the commitment for loan, and (iii) the Construction Loan Agreement. Said application, commitment and Construction Loan Agreement are hereinafter collectively referred to as "**Loan Agreement**". All advances and indebtedness arising and accruing under the Loan Agreement from time to time, whether or not the total amount thereof may exceed the face amount of the Note, shall be secured hereby to the same extent as though said Loan Agreement were fully incorporated in this Mortgage and the occurrence of any event of default under said Loan Agreement shall constitute a default under this Mortgage entitling Mortgagee to all of the rights and remedies conferred upon the Mortgagee by the terms of this Mortgage (including those set forth in subparagraph (d) of this paragraph 1) or by law, as in the case of any other default.

2. Payment of Principal and Interest.

Mortgagor 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 owing under the Note, the Loan Agreement or this Mortgage, or secured by this Mortgage.

3. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, Etc.

Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste and free from mechanics' liens or other liens or claims for liens not expressly subordinated to the lien hereof; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of erection upon the Premises; (e) comply with all requirements of law, municipal ordinances or restrictions of record with respect to the Premises and the use thereof; (f) not suffer or permit change in the general nature of the occupancy of the Premises, without Mortgagee's written consent; (g) not initiate or acquiesce in zoning reclassification, without Mortgagee's written consent; (h) not suffer or permit any unlawful use of or any nuisance to exist upon the Premises; (i) not diminish or impair the value of the Premises or the security intended to be effected by virtue of this Mortgage by any act or omission to act; (j) appear in and defend

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any proceeding which in the opinion of the Mortgagee affects its security hereunder, and pay all costs, expenses and attorneys' fees incurred or paid by the Mortgagee in any proceeding in which Mortgagee may participate in any capacity by reason of this Mortgage; (k) not suffer or permit, without Mortgagee's written consent, (i) any alterations, additions to, demolition or removal of any of the improvements, apparatus, fixtures or equipment now or hereafter upon the Premises, (ii) a sale, assignment or transfer of any right, title or interest in and to any of the improvements, apparatus, fixtures or equipment which may be found in or upon the Premises, (iii) any change in the nature or character of the operation of the Premises which will increase the intensity of the use thereof, or (iv) a change or alteration of the exterior and interior structural arrangement of any improvements on the Premises, including, without limitation, any change or alteration of any walls, rooms or halls.

4. Sale or Transfer of Premises or Interest Therein.

Mortgagor agrees and understands that it shall constitute an event of default under this Mortgage and the Note entitling the remedies in the Mortgage and Note to be exercised if (a) the Mortgagor, or any beneficiary of the Mortgagor, shall convey title to, or beneficial interest in, or otherwise suffer or permit any equitable or beneficial interest in the Premises to become vested in any person or persons, firm or corporation or other entity other than the Mortgagor or the present beneficiary or beneficiaries, (b) any lien or security interest attaches to the Premises or the beneficial interest in the Premises other than the lien of this Mortgage (excluding taxes and assessments not yet due and payable), (c) any articles of agreement for deed or other installment contract for deed, title or beneficial interest or land contract in the Premises are entered into, or (d) any partnership interest in Mortgagor (if Mortgagor is a partnership) or in any partnership owning all or a portion of the beneficial interest in Mortgagor is conveyed, transferred, or hypothecated, in whole or in part, or (e) any stock in Mortgagor (if Mortgagor is a corporation), or in any corporation owning all or a portion of the beneficial interest in Mortgagor is conveyed, transferred, or hypothecated, in whole or in part.

5. Hazard Insurance.

Mortgagor shall keep all buildings and improvements now existing or hereafter erected on the Premises insured by carriers at all times satisfactory to Mortgagee against loss by fire, hazards included within the term "Extended coverage", rent loss and such other hazards, casualties, liabilities and contingencies as Mortgagee shall require and in such amounts and for such periods as Mortgagee shall require and as more fully detailed in the Loan Agreement. All premiums on insurance policies shall be paid, at Mortgagee's option, in the manner provided under paragraph 6 hereof, or by Mortgagor making payment, when due, directly to the carrier, or in such other manner as Mortgagee may designate in writing.

All insurance policies and renewals thereof shall be in a form acceptable to Mortgagee and shall include a standard mortgage clause in favor of and in form acceptable to Mortgagee, Mortgagee shall have the right to hold the policies and Mortgagor shall promptly furnish to Mortgagee all renewal notices and all receipts of paid premiums. At least thirty (30) days prior to the expiration date of a policy, Mortgagor shall deliver to Mortgagee a renewal policy inform satisfactory to Mortgagee.

In the event of loss, Mortgagor shall give immediate written notice to the insurance carrier and to Mortgagee. Mortgagor hereby authorizes and empowers Mortgagee as attorney-in-fact for Mortgagor 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 Mortgagee's expenses incurred in the collection of such proceeds; provided however, that nothing contained in this paragraph shall require Mortgagee to incur any expense or take any action hereunder. Mortgagor further authorizes Mortgagee, at Mortgagee's option (a) to hold the balance of such proceeds to be used to reimburse Mortgagor for the cost of reconstruction or repair of the Premises or (b) to apply the balance of such proceeds to the payment of the sums secured by this Mortgage, whether or not then due.

If the insurance proceeds are held by Mortgagee to reimburse Mortgagor for the costs of restoration and repair of the Premises, the Premises shall be restored to the equivalent of its original condition or such other condition as Mortgagee may approve in writing. Mortgagee may, at its option, condition disbursement of said proceeds on Mortgagee's approval of such plans and specifications of an architect satisfactory to Mortgagee, contractor's construction estimates, architect's certificates, waivers of liens, sworn statements of mechanics and materialmen and such other evidence of costs, percentage completion of construction, application of payments, and satisfaction of liens as Mortgagee may reasonably require. If the insurance proceeds are applied to the payment of the sums secured by this Mortgage, any such application of proceeds to principal shall not extend or postpone the due dates of the monthly installments referred to in the Note or change the amounts of such installments. If the Premises is sold or Mortgagee acquires title to the Premises, Mortgagee shall have all of the right, title and interest of Mortgagor in and to any insurance policies and unearned premiums thereon and in and to the proceeds resulting from any damage to the Premises prior to such sale or acquisition.

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6. Funds for Taxes, Insurance and Other Charges.

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Subject to applicable law or to a written waiver by Mortgagee, Mortgagor shall pay to Mortgagee on the day monthly installments of principal or interest are payable under the Note (or on another day designated in writing by Mortgagee), until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of (a) the yearly taxes and assessments which may be levied on the Premises; (b) the yearly ground rents, if any; (c) the yearly premium installments for fire and other hazard insurance, rent loss insurance and such other insurance covering the Premises as Mortgagee may require pursuant to paragraph 5 hereof; and (d) the yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Mortgagee on the basis of assessments and bills and reasonable estimates thereof. Any waiver by Mortgagee of a requirement that Mortgagor pay such Funds may be revoked by Mortgagee, in Mortgagee's sole discretion, at any time upon notice in writing to Mortgagor. Mortgagee may require Mortgagor to pay Mortgagee, in advance, such other Funds for other taxes, charges, premiums, assessments and impositions in connection with Mortgagor or the Premises which Mortgagee shall reasonably deem necessary to protect Mortgagee's interest (herein "Other Impositions"). Unless otherwise provided by applicable law, Mortgagee may require Funds for Other Impositions to be paid by Mortgagor in a lump sum or in periodic installments, at Mortgagee's option. Failure of Mortgagor to pay any of the aforesaid monthly deposits after they are due shall be an event of default under this Mortgage, in which event all remedies under this Mortgage may be immediately exercised by the Mortgagee.

The Funds shall be held by Mortgagee and Mortgagee shall apply the Funds to pay said rents, taxes, assessments, insurance premiums and Other Impositions so long as Mortgagor is not in breach of any covenant or agreement in this Mortgage or any of the other Loan Documents. Mortgagee shall make no charge for so holding and applying the Funds, for analyzing said account or for verifying and compiling said assessments and bills, unless Mortgagee pays Mortgagor interest, earnings or profits on the Funds. Mortgagee shall not be required to pay Mortgagor any interest, earnings or profits on the Funds. Mortgagee shall give to Mortgagor, without charge, an annual accounting of the Funds in Mortgagee's normal format showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are hereby pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Mortgagee at the time of the annual accounting shall exceed the amount deemed necessary by Mortgagee to provide for the payment of taxes, assessments, insurance premiums, rents and Other Impositions, as they fall due, such excess shall be at Mortgagee's option, either promptly repaid or credited to Mortgagor on the next monthly installment or installments of Funds due. If at any time the amount of the Funds held by Mortgagee shall be less than the amount deemed necessary by Mortgagee to pay taxes, assessments, insurance premiums, rents and Other Impositions as they fall due, Mortgagor shall pay to Mortgagee any amount necessary as reasonably determined by Mortgagee, to make up the deficiency within ten (10) days after notice from Mortgagee to Mortgagor requesting payment thereof.

Upon Mortgagor's breach of any covenant or agreement in this Mortgage, Mortgagee may apply, in any amount and in any order as Mortgagee shall determine, in Mortgagee's sole discretion, any Funds held by Mortgagee at the time of application (i) to pay 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 Mortgage. Upon payment in full of all sums secured by this Mortgage, Mortgagee shall promptly refund to Mortgagor any Funds held by Mortgagee.

7. Prepayment Privilege.

At such time as the Mortgagor is not in default either under the terms of the Note or under the terms of this Mortgage, the Mortgagor shall have such privilege of making prepayments on the principal of the Note (in addition to the required payments) as may be provided in the Note, and in accordance with the terms and conditions set forth in the Note.

8. Effect of Extensions of Time.

If the payment of said indebtedness or any part thereof by extended or varied or if any part of the security be releases, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation or release.

9. Mortgagee's Performance of Defaulted Acts.

In case of default herein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner deemed expedient by Mortgagee, and may, but need not, make full or partial payments of principal or

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interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorney's fees, and any other moneys advanced by Mortgagee to protect the Premises and the lien hereof, shall be additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the rate of interest then applicable to the indebtedness secured by this Mortgage. Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

10. Acceleration of Indebtedness.

If (a) the Mortgagor shall fail to pay when due any sums secured by this Mortgage in accordance with the terms of the Note; (b) the Mortgagor or its beneficiary shall file a petition in voluntary bankruptcy under the United States Bankruptcy Code or any similar law, state or federal, or an answer admitting insolvency or inability to pay its debts, or fail to obtain a vacation or stay of involuntary proceedings within ten (10) days, as hereinafter provided; (c) the Mortgagor or its beneficiary shall be adjudicated a bankrupt, or a trustee or a receiver shall be appointed for the Mortgagor or its beneficiary of for all of its property or the major part thereof in any involuntary proceeding, or any court shall have taken jurisdiction of the property of the Mortgagor or its beneficiary or the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor or its beneficiary and such trustee or receiver shall not be discharged or such jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within ten (10) days; (d) the Mortgagor or its beneficiary shall make an assignment for the benefit of Creditors, or shall admit in writing its inability to pay its debts generally as they become due, or shall consent to the appointment of a receiver or trustee or liquidator of all of its property or the major part thereof; or (e) default shall be made in the due observance or performance of any other of the covenants, agreements or conditions in the Note, Loan Agreement or herein contained and the same shall continue for three (3) days, then and in every such case the whole of said principal sum hereby secured shall, at once, at the option of the Mortgagee, become immediately due and payable, together with accrued interest thereon, without notice to Mortgagor, with all such unpaid amounts thereafter accruing at the default rate of interest as provided in the Note.

11. Remedies Cumulative.

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

12. Assignment of Rents and Leases.

To further secure the indebtedness secured hereby, Mortgagor hereby absolutely and unconditionally sells, assigns and transfers to Mortgagee all the rents, issues and profits now due and which may hereafter become due by virtue of any lease or other agreement for the occupancy of use of all or any part of the Premises, it being intended by Mortgagor and Mortgagee that this assignment of rents constitutes an absolute assignment and not an assignment for additional security only. Mortgagee hereby authorizes Mortgagee to collect the aforesaid rents, issues and profits and hereby directs each lessee of the Premises to pay such rents to Mortgagee; provided, however, prior to any breach by Mortgagor of any covenant or agreement in this Mortgage, Mortgagor shall collect and receive all such rents, issues and profits of the Premises as trustee for the benefit of Mortgagee and Mortgagor, and shall apply all such rents, issues and profits so collected to the sums secured by this Mortgage.

The Mortgagor hereby covenants that (a) Mortgagor has not executed any prior assignment of said rents; and (b) Mortgagor has not performed, and will not perform any acts, and has not executed, and will not execute any instrument which would prevent Mortgagee from exercising its rights hereunder; and (c) Mortgagor has not collected and will not collect rents of the Premises for more than one installment in advance. Mortgagor further covenants that it will execute and deliver to Mortgagee all future leases upon all or any part of the Premises and all such further assurances and assignments in the Premises as Mortgagee may from time to time request.

13. Observance of Lease Assignment.

In the event the Mortgagor, as additional security for the payment of the indebtedness described in and secured hereby, sells, transfers and assigns to the Mortgagee, its successors and assigns, any interest of the Mortgagor as lessor in any lease or leases, the Mortgagor expressly covenants and agrees that if the lessee or any of the lessees under said lease or leases so assigned, or the Mortgagor, as lessor therein, shall fail to perform and fulfill any term, covenant, condition or provision in said lease or leases, at the times and in the manner in said lease or leases provided, or if Mortgagor shall suffer or permit to occur any breach or default under the provisions of any assignment of any lease or leases of the Premises given as additional security for the payment of the indebtedness secured hereby and such default shall continue for three (3) days, then and in any such event, such breach or default

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shall constitute a default hereunder and at the option of the Mortgagee, and without notice to the Mortgagor, all unpaid indebtedness secured by this Mortgage shall, notwithstanding anything in the Note or in this Mortgage to the contrary, become due and payable as in the case of other defaults.

14. Lender's Possession.

Upon Mortgagor's breach of any covenant or agreement in this Mortgage, and upon demand of Mortgagee, Mortgagor shall surrender and Mortgagee may enter upon and take and maintain full control of the Premises in order to perform all acts necessary and appropriate for the operation and maintenance thereof.

The Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, and the Mortgagor shall and does hereby agree to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof. Should the Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby and the Mortgagor shall reimburse the Mortgagee therefor immediately upon demand.

15. Application of Income Received by Mortgagee.

The Mortgagee in the exercise of the rights and powers hereinabove conferred upon it by paragraph 12 hereof shall have full power to use and apply the rents, issues and profits of the Premises to the payment of or on account of the following in such order as the Mortgagee may determine:

- (a) to the payment of the operating expenses of said property, including cost of management and leasing thereof, established claims for damages, if any, and premiums on insurance hereinabove authorized;
- (b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises;
- (c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of said Premises, and of placing said property in such condition as will, in the judgment of the Mortgagee, make it readily rentable; and
- (d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

16. Appointment of Receiver.

Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and in case of a sale and a deficiency, during the full statutory period of redemption, if any, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents issues and profits, and all other powers which may 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.

17. Uniform Commercial Code Security Agreement.

This Mortgage is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the items specified above as part of the Premises, which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Mortgagor hereby grants Mortgagee a security interest in said items. Mortgagor agrees that Mortgagee may file this Mortgage, or a reproduction hereof, in the real estate records or other appropriate index, as a financing statement for any of the items specified above as part of the Premises. Any reproduction of this Mortgage or of any other security agreement or financing statement shall be sufficient as a financing statement. In addition, Mortgagor agrees to execute and deliver to Mortgagee, upon Mortgagee's request, any financing statements, as well as extensions, renewals and amendments thereof, and reproductions of this Mortgage in such form as Mortgagee may require to perfect a security interest with respect to said items. Mortgagor shall pay all costs of filing such financing statements and any extensions, renewals, amendments and releases thereof, and shall pay all reasonable costs and expenses of any record searches for financing statements Mortgagee may reasonably require. Without the prior written consent of Mortgagee, Mortgagor shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interests in said items, including replacements and additions thereto. Upon Mortgagor's breach of any covenant or agreement

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contained in this Mortgage, including the covenants to pay when due all sums secured by this Mortgage, Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code and, at Mortgagee's option, may also invoke the remedies provided in this Mortgage as to such items. In exercising any of said remedies, Mortgagee may proceed against the items of real property and any items of personal property specified above as part of the Premises separately or together and in any order whatsoever, without in any way affecting the availability of Mortgagee's remedies under the Uniform Commercial Code or of the remedies provided in this Mortgage.

18. Mortgagee's Right of Inspection.

Mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

19. Late Charge.

In the event the Mortgagee shall, from time to time, accept payment of any installment required on the Note and under this Mortgage which is in arrears, Mortgagee may collect a "late charge" as provided for in the Note to cover the extra expense involved in handling delinquent payments; provided, however, that nothing in this paragraph contained shall authorize the Mortgagee to collect or demand any payment which would result in the imposition of interest in excess of the maximum amount allowed by law.

20. Condemnation.

Mortgagor hereby assigns, transfers and sets over the Mortgagee the entire proceeds of any award or any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether due or not, or to require Mortgagor to restore or rebuild, in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of the rebuilding or restoring of building or improvements on said Premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee. In the event Mortgagor is required or authorized, by Mortgagee's election as aforesaid to rebuild or restore, the proceeds of the award shall be paid out in the same manner as is provided in paragraph 6 hereof for the payment of insurance proceeds toward the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoring, Mortgagor shall pay such cost in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any other party entitled thereto. In applying the proceeds of any award on account of the indebtedness secured hereby, Mortgagee shall be entitled to collect, out of the proceeds of the award, a premium on the amount prepaid, at the same rate as though Mortgagor had elected at the time of such application of proceeds (or if Mortgagor then has no such election, at the first succeeding date on which Mortgagor could so elect) to repay the indebtedness in accordance with the terms of the Note secured hereby.

21. Release upon Payment and Discharge of Mortgagor's Obligations.

Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the preparation and execution of such release.

22. 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, postage prepaid, addressed to the Mortgagor at 1105 South Western
Park Ridge, IL 60066, or to the Mortgagee, at its principal office in Chicago, Illinois, to the attention of the office of the manager in charge of residential rehabilitation loans and specifying the loan number, or at such other place within the United States as any party hereto may by notice in writing designate as a place for service of notice shall constitute service of notice hereunder. Any notice given shall be deemed given on the date the same is deposited in the United States mail.

23. 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 hereby secured.

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24. Waiver of Statutory Rights.

Mortgagor shall not and will not apply for or avail itself of any appraisal, 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 or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property and estates 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. THE MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHT OF REDEMPTION FROM SALE UNDER ANY ORDER OR DECREE OF FORECLOSURE, PURSUANT TO RIGHTS HEREIN GRANTED, ON BEHALF OF THE MORTGAGOR, THE TRUST ESTATE, IF ANY, AND ALL PERSONS BENEFICIALLY INTERESTED THEREIN, AND EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN, OR TITLE TO, THE PREMISES DESCRIBED HEREIN SUBSEQUENT TO THE DATE OF THIS MORTGAGE, AND ON BEHALF OF ALL OTHER PERSONS TO THE EXTENT PERMITTED BY THE PROVISIONS OF THE ILLINOIS STATUTES.

25. Mortgagee's Lien for Service Charges and Expenses.

At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures (in addition to any loan proceeds disbursed from time to time) the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or incurred by the Mortgagee in connection with the loan to be secured hereby, all in accordance with the application and loan commitment issued in connection with this transaction.

26. Construction Mortgage.

This Mortgage secures an obligation incurred for rehabilitation/construction on the Premises, and, therefore, constitutes a "construction mortgage" within the meaning of Section 9-313(1)(c) of the Illinois Uniform Commercial Code.

27. Binding on Successors and Assigns.

The lien of this Mortgage and all of the provisions and conditions contained herein shall extend to and be binding upon all successors and assigns of the Mortgagor. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby.

28. Captions.

The captions and headings of various paragraphs of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

IN WITNESS WHEREOF, Mortgagor has executed this Construction Loan Mortgage, Assignment of Rents and Security Agreement on the day and year first above written.

MORTGAGOR:

(Individuals)

Andrew D. Griffo
Andrew Griffo
Rosemary A. Griffo
Rosemary Griffo

(Corporation)

A(n) _____ corporation

By: _____
Title: _____

ATTEST:

Secretary

98941196

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(Partnership)
12iso-P

A(n) _____
 _____ Partnership
 By: _____
 By: _____
 By: _____
 By: _____
 By: _____

 General partner(s), on behalf of the aforesaid Partnership.

STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

I, Leontine L. Jankowski, a Notary Public in and for the County and State aforesaid, do hereby certify that Andrew Griffo personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (he)(she) signed and delivered the said instrument as (his)(her) own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 8th day of Oct, 1998.
 Notary Public Leontine Jankowski

My Commission Expires:



STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

I, Leontine L. Jankowski, a Notary Public in and for the County and State aforesaid, do hereby certify that Rosemary Griffo personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (he)(she) signed and delivered the said instrument as (his)(her) own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 8th day of Oct, 1998.
 Notary Public Leontine L. Jankowski

My Commission Expires:

8-21-99



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, do hereby certify that _____ personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (he)(she) signed and delivered the said instrument as (his)(her) own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under by hand and notarial seal, this _____ day of _____, 19 _____.

Notary Public

My Commission Expires:

STATE OF ILLINOIS)
) SS.
COUNTY OF _____)

I, _____, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY, that _____

_____ being the _____ Partners on behalf of _____ an Illinois _____ partnership known to me to be the person(s) who executed the foregoing instrument, appeared before me and acknowledged that as such _____ Partners(s) executed the same as (his)(her)(their) free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this _____ day of _____, 19 _____.

NOTARY PUBLIC

(Notary Seal)

My Commission Expires: _____

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that _____

of said Corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ and _____ respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth; and the said _____

then and there acknowledged that (he) (she), as custodian of the corporate seal of said Corporation did affix the corporate seal of said Corporation to said instrument as (his) (her) free and voluntary act and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this _____ day of _____, 19 _____.

Notary Public

My Commission Expires:

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EXHIBIT A TO
CONSTRUCTION LOAN MORTGAGE

LOT 23 AND THE SOUTH 1/2 OF LOT 24 IN BLOCK 16 IN HULBERT DEVONSHIRE TERRACE,
A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 41 NORTH,
RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN.

I.D.#09-35-321-032-0000

Property of Cook County Clerk's Office

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CONSTRUCTION LOAN MORTGAGE RIDER

This Construction Loan Mortgage Rider is made effective on the date shown below, and it is incorporated into and is deemed to amend and to supplement the Construction Loan Mortgage given to secure the Construction Loan Note (the "Note") of the same date given by the undersigned (the "Mortgagor") to secure Mortgagor's Note to Citibank, FSB (the "Mortgagee") of the same date.

In addition to the terms and conditions of the Mortgage, Mortgagor and Mortgagee further agree on the addition of the following language to the end of paragraph 5:

Unless Mortgagor provides evidence of the insurance coverage required by this Mortgage, Mortgagee may purchase insurance at Mortgagor's expense to protect Mortgagee's interest in the premises. This insurance may, but need not, protect Mortgagor's interests. The coverage that Mortgagee may purchase may not pay any claim that Mortgagor makes or any claim that is made against Mortgagor in connection with the premises. Mortgagor may later cancel any insurance purchased by Mortgagee, but only after providing Mortgagee with evidence that Mortgagor has obtained insurance as required by this Mortgage. If Mortgagee purchases insurance for the premises, mortgagor will be responsible for the costs of that insurance, including interest and any other charges that Mortgagee may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Mortgagor's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Mortgagor may be able to obtain acting alone.

By signing this Construction Loan Mortgage Rider, the undersigned agrees to the above terms.

Not personally, but as trustee as aforesaid

By: _____

Its: _____

Dated: _____

DeKalb County Clerk's Office

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