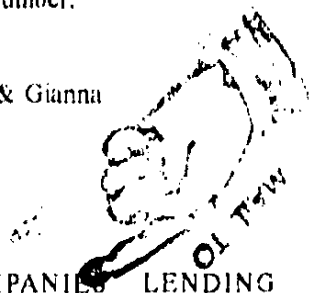


Permanent Index Number:

Prepared by:  
Middleberg Riddle & Gianna  
2323 Bryan Street  
Suite 1600  
Dallas, Texas 75201



Return to:  
UNITED COMPANIES LENDING CORPORATION\*  
246 E. JANATA, #125  
LOMBARD, IL 60148

[Space Above This Line For Recording Data]

Loan No: 036401003490  
Borrower: JOHN PAZ

Data ID: 710

MORTGAGE

THIS MORTGAGE is made this 6th day of January, 1998, between the Mortgagor, JOHN PAZ AND Ramona Paz, his wife as tenants in common (herein "Borrower"), and the Mortgagee, UNITED COMPANIES LENDING CORPORATION\*, A CORPORATION, organized and existing under the laws of the State of LOUISIANA, whose address is 4741 ESSEN LANE, BATON ROUGE, LOUISIANA 70809 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of TWENTY THOUSAND SIX HUNDRED and NO/100----Dollars (U.S. \$ 20,600.00), which indebtedness is evidenced by Borrower's note dated 6th day of January, 1998 and extensions and renewals thereof (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable on February 1, 2008.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of COOK, State of Illinois:

NETCO INC.  
415 N. LaSalle, Ste. 402  
Chicago, IL 60610

EC 153397-1





**12. Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

**13. Governing Law; Severability.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs," "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

**14. Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

**15. Rehabilitation Loan Agreement.** Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

**16. 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 Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

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

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**17. Acceleration; Remedies.** Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 12 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and cost of documentary evidence, abstract, and title reports.

**18. Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgement enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in paragraph 17 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

**19. Assignment of Rents; Appointment of Receiver.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by the court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

**20. Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

**21. Waiver of Homestead.** Borrower hereby waives all right of homestead exemption in the Property.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, and then to the principal of the Note.

4. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearance, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

10. **Borrower Not Released; Forbearance by Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance 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 such right or remedy.

11. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** 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 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.



IN WITNESS WHEREOF, Borrower has executed this Mortgage.

Ramona Paz  
Ramona Paz

John Paz Jr. (Seal)  
JOHN PAZ - Borrower  
Jr.

State of ILLINOIS  
County of Cook

§  
§

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of January, 1999, by  
JOHN PAZ

Leonard Tarello Jr.  
Notary Public  
Leonard Tarello Jr.  
(Printed Name)

My commission expires



Property of Cook County Clerk's Office

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

**REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST**

Notwithstanding the foregoing, this Agreement to mediate or arbitrate shall not apply with respect to either (i) the Lender's right, but not the obligation, to submit and to pursue in a court of law any actions related to the collection of the debt; (ii) foreclosure proceedings, whether pursuant to judicial action, power of sale, or a decree or otherwise, proceedings pursuant to which Lender seeks a deficiency judgment, or any comparable procedures allowed under applicable law pursuant to which a lien holder may acquire title to the Property which is security for this loan and any related personal property (including an assignment of rents or appointment of a receiver), upon a default by the Borrower under the mortgage loan documents; or (iii) an application by or on behalf of the Borrower for relief under the federal bankruptcy laws or any other similar laws of general application for the relief of debtors, through the institution of appropriate proceedings. These proceedings may be necessary as a matter of law.

LOUISIANA for remittance to such out-of-state investors. The laws of and physically located in other states; or (v) repaid by the Borrower on a monthly basis to the Lender in issued by a trust organized under the laws of and physically located in other states; (vi) made to be pooled to back securities investors organized under the laws of and physically located in other states; (vii) made to be sold to one or more either the United States or of another state and physically located in another state; (iii) made to be sold to one or more Borrower resides and the property is located; (ii) made with funds provided by an institution chartered under the laws of organized under the laws of, and with its principal place of business in, a state different than the state in which the of the following conditions involves interstate commerce because the Borrower's loan is being (i) provided by a lender Borrower and Lender agree that the Loan Agreement executed in conjunction with this loan for one or more disclosed in such proceedings cannot be used in subsequent litigation which may result from the dispute.

Borrower and Lender agree that the mediation and arbitration proceedings are confidential. The information The arbitrators shall have no power to vary or modify any of the provisions of the Loan Agreements. The laws applicable to the arbitration proceeding shall be the laws of the state in which the Property is located. nonappealable and judgment may be entered upon it in accordance with applicable law in any court having jurisdiction. This agreement to arbitrate shall be specifically enforceable. The award rendered by the arbitration shall be final, AND LENDER EXPRESSLY WAIVES ANY RIGHT TO CLAIM TO THE FULLEST EXTENT PERMITTED BY LAW. INCLUDE CONSEQUENTIAL, PUNITIVE, EXEMPLARY OR TREBLE DAMAGES AS TO WHICH BORROWER SUCH DAMAGES SHALL BE LIMITED TO ACTUAL AND DIRECT DAMAGES AND SHALL IN NO EVENT BASIS. IF THE APPOINTED ARBITRATOR OR PANEL OF ARBITRATORS SHOULD AWARD ANY DAMAGES, PURPORTED COMMON ISSUES OF LAW OR FACT SHALL BE RESOLVED ON SUCH AN INDIVIDUAL ACTION. IT IS EXPRESSLY ACKNOWLEDGED AND AGREED BY BORROWER AND LENDER THAT ANY SHALL BE CONDUCTED ON AN INDIVIDUAL BASIS, AND NOT AS PART OF A COMMON OR CLASS PROCEEDING INCLUDING A TRIAL BEFORE A JUDGE OR A JUDGE AND JURY. ANY SUCH ARBITRATION with the Commercial Arbitration Rules of the American Arbitration Association then in effect to the extent allowed by applicable law except as set forth below. THE ARBITRATION WILL TAKE THE PLACE OF ANY COURT If for any reason the mediation is not completed within 45 days after the mediator is selected, or if after the mediation, the dispute is still unresolved, such dispute shall be resolved solely and exclusively by arbitration in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect to the extent allowed by If for any reason the mediation is not completed within 45 days after the mediator is selected, or if after the agreement to mediate is specifically enforceable.

responsibility. Agreement to mediate is specifically enforceable. equally between Lender and Borrower, if allowed by applicable law. Attorneys' fees and related expenses are each party's may prescribe other rules for the mediation. Expenses of the mediation including the mediator's fee shall be shared mediation sessions will be private, and all information disclosed during the mediation will be confidential. The mediator dispute, if possible. Legal counsel may, but is not required to, represent Borrower or Lender at the mediation. All Borrower and Lender agree to participate in the mediation in good faith with the intention of resolving the residence but no later than 30 days after the mediator is selected. mediation shall occur at a time and place mutually convenient to all parties within a fifty-mile radius of Borrower's 5 business days of their selection the mediators shall jointly select an independent mediator to mediate the dispute. The Borrower and Lender shall each name a mediator and notify that mediator and the other party of the selection. Within selected as follows: within 5 business days of the notice that either Borrower or Lender have decided to mediate, a lawsuit. If Borrower and Lender cannot agree on the selection of a mediator for a dispute, the mediator shall be Borrower and Lender will use an impartial third party (the mediator) to try to resolve the disputed matters instead of filing with them (collectively the "Loan Agreements") shall be MEDIATED by the Borrower and the Lender. This means to Borrower which is evidenced by the Note, this Security Instrument and all other instruments executed in conjunction controllers, and other matters in question arising out of, or relating to the extension of credit (the "Loan") by Lender

Loan No: 036401003490  
Borrower: JOHN PAZ

Date ID: 710

LEGAL DESCRIPTION

Paste legal description here then photocopy. Attach to the Mortgage and file as one instrument.

01/06/98 11:14

From: NETCO - Chicago

(312) 644-5030

Page 3 of 3

APPENDIX A LOT 16 (EXCEPT THE NORTH 12 FEET THEREOF), LOT 17 (EXCEPT THE SOUTH 12 FEET THEREOF) IN BLOCK 9 IN OAK PARK AVENUE SUBDIVISION, BEING A SUBDIVISION OF THE FOLLOWING BLOCKS AND PARTS OF BLOCKS IN E.F. SHOTWELL'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 6, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TO-WIT: BLOCKS 1 (EXCEPT THE NORTHWEST 1/4 THEREOF AND EXCEPT THE SOUTH 156 FEET OF THE EAST 152 FEET THEREOF) BLOCK 7 (EXCEPT THE NORTH 1/2 AND EXCEPT THE NORTH 30 FEET OF THAT PART OF THE SOUTH 1/2 THEREOF, LYING EAST OF THE EAST LINE OF ALLEY), BLOCKS 8, 9 AND THE NORTH 249.19 FEET OF THE WEST 1/2 OF BLOCK 10 AND ALL OF BLOCK 11, IN COOK COUNTY, ILLINOIS.

tax id # - 19-06-115-029



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