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Cook County Recorder 91.00

MORTGAGE

CTI 7795975-1 4/5



This instrument was prepared by:
John K. Wheeler
Attorney at Law
6301 Cass Avenue, Suite 300
Westmont, IL 60559

CS 9900608 M

THIS INDENTURE made this 24th day of February, 1999, by and between JOHN R. PEARCE, personally, herein referred to as "Mortgagor," and DAMEN NATIONAL BANK, or its successors and assigns, herein referred to as "Mortgagee," WITNESSETH:

THAT, WHEREAS Mortgagor has concurrently herewith executed and delivered a promissory note bearing even date herewith ("Note") in the principal sum of ONE HUNDRED EIGHTY THOUSAND DOLLARS AND NO/100THS (\$180,000.00), 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 said indebtedness is paid in full. All of said principal and interest are made payable at such place as the holders of the Note may, from time-to-time, in writing appoint, and in absence of such appointment, then at the office of DAMEN NATIONAL BANK.

NOW, THEREFORE, the Mortgagor to secure the payment of all sums payable under the Note and all sums payable in accordance with the terms, provisions and limitations of this mortgage, 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, WARRANT, 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 in Cook County, and State of Illinois, to wit:

LOT 11 IN LORAC SUBDIVISION UNIT II, BEING A SUBDIVISION OF THE PART OF THE WEST 1/2 OF SECTION 25, TOWNSHIP 35 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. 32-25-300-033

more commonly known as: 21752 Jeffery Avenue, Sauk Village
Illinois 60411

BOX 333-CTI

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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 (which are pledged primarily and on a parity with said real estate and not secondarily), and all shades, venetian blinds, 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.

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 premises unto the said Mortgagee, its successors and assigns, forever, for the purpose and uses herein set forth, free from all rights and benefits under any statute of limitation, which said rights and benefits the Mortgagor does hereby release and waive.

IT IS FURTHER UNDERSTOOD AND AGREED THAT.

1. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, Etc. Mortgagor shall (a) within a reasonable time repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (b) keep said premises in good condition and repair, without waste, and free from mechanics' liens or other claims for lien 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 said premises; (e) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the premises and the use thereof; (f) make no material alterations in said premises except tenant improvements or as required by law or municipal ordinance; (g) initiate or acquiesce in no zoning

reclassification, without Mortgagee's written consent; (h) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note; (i) not to suffer or permit any unlawful use of or any nuisance to exist upon the premises; (j) not to diminish or impair the value of premises or the security intended to be effected by virtue of this Mortgage by any act or omission to act; (k) appear in and defend any proceeding which in the opinion of the Mortgagee affects its security hereunder, and to pay all reasonable costs, expenses and attorney's fees incurred or paid by the Mortgagee in any proceeding in which Mortgagee may participate in any capacity by reason of this Mortgage; (m) not suffer or permit, without Mortgagee's written consent; (1) any alterations, additions to, demolition or removal of any of the improvements, apparatus, fixtures or equipment now or hereafter upon said property except tenant improvements, (2) 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 except tenant improvements, and (3) a change or alteration of the exterior and interior structural bearing except tenant improvements.

2. Payment of Taxes. Unless waived by Mortgagee in writing, Mortgagor shall deposit, in addition to the monthly installments of principal and interest required by the Note, monthly until the indebtedness hereby secured is paid;

- (a) a sum equal to all Taxes (as hereinafter defined) next due on the Premises, all as estimated by Mortgagee, divided by the whole number of months to elapse before the month prior to the date when such Taxes will become due and payable;
- (b) a sum equal to an installment of the premium or premiums that will become due and payable to renew the insurance as hereinafter required, each installment to be in such an amount that the payment of approximately equal installments will result in the accumulation of a sufficient sum of money to pay renewal premiums for such insurance at least one (1) month prior to the expiration or renewal date or dates of the policy or policies to be renewed.

All such payments (collectively "Tax and Insurance Deposits") shall be held with no obligation to segregate such payments by the Mortgagee without accruing, or without any obligation arising for the payment of, any interest thereon. The aggregate of the monthly Tax and Insurance Deposits, together with monthly payments of interest and/or principal payable on the Note shall be paid in a single payment each month, to be applied to the following item in the order stated: (i) taxes and insurance premiums; (ii) indebtedness hereby secured other than principal and interest on the Note; (iii) interest on the Note; (iv) amortization of the

principal balance of the Note. If the total Tax and Insurance Deposits on hand shall not be sufficient to pay all of the taxes and insurance premiums, together with all penalties and interest thereon, when the same shall become due, then the Mortgagor shall pay to the Mortgagee on demand any amount necessary to make up the deficiency. If the total of such tax and insurance deposits exceeds the amount required to pay the taxes and insurance premiums, such excess shall be credited on subsequent payments to be made for such items.

In the event of default (as hereinafter defined) in any of the provisions contained in this Mortgage, the loan documents or in the Note, the Mortgagee may, at its option, without being required to do so, apply any Tax and Insurance Deposits on hand on any of the indebtedness hereby secured, in such order and manner as the Mortgagee may elect. When the indebtedness hereby secured has been fully paid, then any remaining Tax and Insurance Deposits shall be paid to the Mortgagor. All Tax and Insurance Deposits are hereby pledged as additional security for the indebtedness hereby secured, and shall be held in trust to be irrevocably applied for the purposes for which made as herein provided, and shall not be subject to the direction or control of the Mortgagor.

3. **Insurance.** Mortgagor shall keep all buildings and improvements now or hereafter situated on said premises insured, until the indebtedness secured by this Mortgage is fully paid, or in the case of foreclosure, until the expiration of any period of redemption, against loss or damage by fire and such other hazards as may reasonably be required by Mortgagee, including, without limitation on the generality of the foregoing, war damage insurance whenever in the opinion of Mortgagee such protection is necessary. Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage as Mortgagee may require and if required by Mortgagee, flood and rents (which will assure coverage for loss of rental income for Twelve (12) consecutive months) insurance. All policies of insurance to be furnished hereunder shall be in forms, companies, and amounts satisfactory to Mortgagee, (but in no event less than the amount needed to pay in full the indebtedness secured hereby) with mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without Ten (10) days' prior written notice to the Mortgagee. Mortgagor shall deliver all policies, including additional renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than Ten (10) days prior to the respective dates of expiration.

4. **Mortgagee's Right to Act.** If Mortgagor fails to pay any claim, lien or encumbrance which shall have a prior lien to the lien of this indenture, or to pay, when due, any tax or assessment, or any insurance premium, or to keep the premises in repair, as

aforsaid, or shall commit or permit to waste, or if there be commenced any action or proceeding affecting the premises or the title thereto, then Mortgagee, at its option, may pay such claim, lien, encumbrance, tax, assessment or premium, with right of subrogation thereunder, may procure such abstracts or other evidence of title as it deems necessary, may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any such action or proceeding and retain counsel therein, and take such action therein as Mortgagee deems advisable, and for any of such purposes Mortgagee may advance such sums of money as it deems necessary. Mortgagee shall be the sole judge of the legality, validity, and priority of any such claim, lien, encumbrance, tax, assessment and premium, and of the amount necessary to be paid in satisfaction thereof. Mortgagor will pay to Mortgagee, immediately and without demand, all sums of money advanced by Mortgagee pursuant to this paragraph, together with interest on each such advance at the rate set forth in the Note, and all such sums and interest thereon shall be secured hereby.

5. Adjustment of Losses with Insurer and Application of Proceeds of Insurance. In case of loss, the Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized either (a) to settle, collect, compromise and adjust, in its discretion any claim under such insurance policies, with the consent of the Mortgagor which shall not be unreasonably withheld or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. In either case, Mortgagee is authorized to collect and receive any insurance money. Mortgagor agrees to sign, upon demand by Mortgagee, all receipts, vouchers and releases required of him by the companies. If (a) Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements under the terms of any lease or leases which are or may be prior to the lien of this Mortgage, (b) such damages or destruction does not result in cancellation or termination of such lease, (c) the insurers do not deny liability as to the insureds, and (d) such proceeds are sufficient to restore or replace the damaged or destroyed buildings or improvements in the judgment of Mortgagee, such proceeds, after deducting therefrom any expenses incurred in the collection thereof, shall be used to reimburse Mortgagor for the cost of rebuilding or restoration of buildings and improvements of said premises. In all other cases, such insurance proceeds may, at the option of Mortgagee, either be applied in reduction of the indebtedness secured hereby, whether due or not, or be held by the Mortgagee and used to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on said premises. The buildings and improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. In the event Mortgagor is entitled to reimbursement out of insurance proceeds, such proceeds shall be made available, from time-to-time, upon the Mortgagee being furnished with



satisfactory evidence of the estimated cost of completion thereof and with such architect's certificates, waivers of lien, contractors' sworn statements and other evidence of cost and of payments as the Mortgagee may reasonably require and approve, and if the estimated cost of the work exceeds Ten percent (10%) of the original principal amount of the indebtedness secured hereby, with all plans and specifications for such rebuilding or restoration as the Mortgagee may reasonably require and approve. No payment made prior to the final completion of the work shall exceed Ninety percent (90%) of the value of the work performed, from time-to-time, and at all times the undisbursed balance of said proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. In the case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the buildings or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid to the owner of the equity of redemption if he shall then be entitled to the same or as the Court may direct. In case of the foreclosure of this mortgage, the Court in its decree may provide that the Mortgagee's clause attached to each of said insurance policies may be cancelled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said creditor; and any such foreclosure decree may further provide, that in case of one or more redemptions under said decree, pursuant to the statute in such case made and provided, then and in every such case, each successive redeptonor may cause the preceding loss clause attached to each insurance policy to be cancelled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeptonor. In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

6. **Stamp, Transfer or Revenue Tax.** If, by the laws of the United States of America, or of any state having jurisdiction over the Mortgagor or the premises, any tax is due or becomes due in respect of the issuance of the Note or this Mortgage or the recordation thereof, the Mortgagor covenants and agrees to pay such tax in the manner required by any such law. The Mortgagor further covenants to hold harmless and agrees to indemnify the Mortgagee, its successor or assigns, against any liability incurred by reason of the imposition of any such tax.

7. **Prepayment Privilege.** The Mortgagor reserves the right to prepay the Note secured by this Mortgage in whole or in part, at any time, but the Mortgagee may require payment of not more than three (3) months' advance interest on that part of the aggregate

amount of all prepayments on the Note in one (1) year which exceed twenty percent (20%) of the original principal amount of the loan.

8. **Assumability.** This Mortgage and Note secured thereby may not be assumed.

9. **Effect of Extensions of Time.** If the payment of said indebtedness or any part thereof be extended or varied or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said 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 against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation, or release.

10. **Mortgagee's Performance of Defaulted Acts.** In case of default therein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagor in any form and manner expedient by Mortgagee, and may, but need not, make full or partial payments of principal or 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 said premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized all expenses paid or incurred in connection therewith, including Attorneys' fees, and any other monies advanced by Mortgagee to protect the mortgaged premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable and with interest thereon at the rate of interest then applicable to the indebtedness secured by this Mortgage. Mortgagee shall provide Mortgagor notice of this additional indebtedness as such becomes due and payable. Inaction of the Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor.

11. **Acceleration of Indebtedness in Case of Default.** If (a) default be made and continued for Sixteen (16) days in the due and punctual payment of the Note, or any installment due in accordance with the terms thereof, either of principal or interest; or (b) the Mortgagor shall file a petition in voluntary bankruptcy under the United States Bankruptcy Code or any similar law, state or federal, whether now or hereafter existing, 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; or (c) the Mortgagor shall be adjudicated a bankrupt, or a trustee or a receiver shall be appointed for the Mortgagor or 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 the major part thereof in any involuntary proceeding for the reorganization, dissolution, liquidation or winding up of the Mortgagor, 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; or (d) the Mortgagor 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 hereinbefore or hereinafter contained, required to be kept or performed or observed by the Mortgagor and the Mortgagee gives notice of said default, and the same shall continue for Sixteen (16) days; or (f) default shall be made by Mortgagor under the terms and conditions of the Note and Mortgage for the loan from Mortgagee to Mortgagor in the amount of One Hundred Eighty Thousand Dollars (\$180,000.00) secured by the property commonly known as: 21746 Jeffery Avenue, Sauk Village, Illinois, 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.

12. **Foreclosure; Expense of Litigation.** When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale of all expenditures and expenses which may be paid or incurred or on behalf of Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All expenditures and expenses of the nature of this paragraph mentioned, and such expenses and fees as may be incurred in the protection of said premises and the maintenance of the lien of this mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or said premises, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceedings, whether or not actually commenced, shall be immediately due and payable by Mortgagor, with interest thereof at the rate applicable to the indebtedness secured by this Mortgage and the same shall be secured by this Mortgage.

13. **Application of Proceeds of Foreclosure Sale.** The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note; fourth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

14. **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 said premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not and the Mortgagee 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 said premises during the pendency of such foreclosure suit and in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, 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. The court from time-to-time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; (b) the deficiency in case of a sale and deficiency.

15. **Mortgagee's Right of Possession in Case of Default.** In any case in which under the provisions of this Mortgage the Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale hereunder, forthwith, upon demand of Mortgagee, Mortgagor shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the premises or any part thereto personally, or by its agents or attorneys, as for condition broken, and Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of said premises,

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together with all documents, books, records, papers, and accounts of the Mortgagor or then owner of the premises relating thereto, and may exclude the Mortgagor, its agents or servants, wholly therefrom and may as attorney in fact or agent of the Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues, and profits of the premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges, and powers herein granted at any and all times hereafter, without notice to the Mortgagor, and with full power to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same, to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements to the premises as to it may seem judicious, insure and reinsure the same and all risks incidental to Mortgagee's possession, operation, and management thereof and to receive all of such avails, rents, issues, and profits. 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 and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants, or agreements contained in said leases. Should the Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, 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.

16. **Application of Income Received by Mortgagee.** The Mortgagee in the exercise of the rights and powers hereinabove conferred upon the Assignment of Rents dated this same date shall have full power to use and apply the avails, 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 (which shall include reasonable compensation to



the Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), 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 said 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 available.
- D. To the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

17. **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.

18. **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.

19. **Condemnation.** Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or claim for damages for any of the mortgaged property 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 buildings or improvements on said premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee. If the Mortgagor is obligated to restore or replace the damaged or destroyed buildings or improvements under the terms of any leases which are or may be prior to the lien of this Mortgage and if such taking does not result in cancellation or termination of such lease, the award shall be used to reimburse Mortgagor for the cost of the rebuilding or restoring of buildings or improvements on said premises, provided Mortgagor is not then in default under this Mortgage. In the event Mortgagor is required or authorized, either

by Mortgagee's election as aforesaid, or by virtue of any such lease, to rebuild or restore, the proceeds of the award shall be paid out in the same manner as is provided in Paragraph 8 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 restoration, 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 the 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 in which Mortgagor could so elect) to prepay the indebtedness in accordance with the terms of the Note secured hereby.

20. 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 said release.

21. Giving of Notice. Any notice which either party hereto may desire or be required to give to the other party shall be in writing and the mailing thereof by certified mail addressed to the Mortgagor at 12701 W. Hank Court, Lockport, Illinois 60441, 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 by the Mortgagee shall be deemed given on the date the same is deposited in the United States mail.

22. 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.

23. Waiver of Statutory Rights. Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption of 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 law. 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 mortgaged property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the mortgaged property sold as an entirety. THE MORTGAGOR HEREBY WAIVES ANY AND

ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR DECREE OF FORECLOSURE, PURSUANT TO RIGHTS HEREIN GRANTED, ON BEHALF OF THE MORTGAGOR, THE TRUST ESTATE 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.

24. **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.

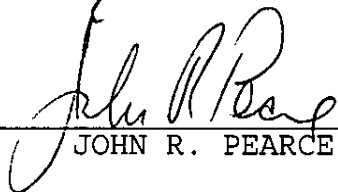
25. **Furnishing of Financial Statements to Mortgagee.** Upon request, Mortgagor shall furnish to Mortgagee, a semi-annual operating statement of income and expense of the mortgaged premises signed and certified by the Mortgagor's beneficiary or beneficiaries.

26. **Cumulative Rights.** Each right, power, and remedy herein conferred upon the Mortgagee is cumulative of every other right or remedy of the Mortgagee, whether herein or by law conferred, and may be enforced concurrently therewith.

27. **Binding on Successors and Assigns.** The lien 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, JOHN R. PEARCE has caused these presents to be signed this 24th day of February, 199~~8~~⁹⁹ 8



JOHN R. PEARCE

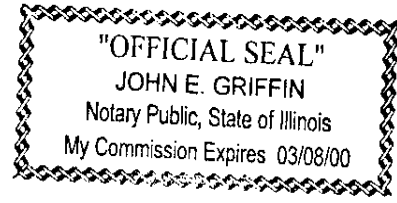
STATE OF ILLINOIS)
)) SS.
COUNTY OF ~~DUPAGE~~)

I, John E. Griffin, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that JOHN R. PEARCE who is 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 has signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 24th day of February, 1999.

John E. Griffin
Notary Public

My Commission Expires:
03/08/00



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