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3891257

NOTE IDENTIFIED

72-47-760D-2 Castro @ Castro

(Space above this line for recording purposes)

REAL ESTATE MORTGAGE AND SECURITY AGREEMENT
To Secure a Loan
From THE BANK OF HIGHWOOD

1. DATE AND PARTIES. The date of this Real Estate Mortgage and Security Agreement (Mortgage) is February 22, 1990, and the parties and their mailing addresses are the following:

MORTGAGOR:

MOY-HO, INC.
an Illinois corporation
7136 N. Milwaukee
Niles, Illinois 60848
Tax I.D. # 36-2947519

7136 N. Milwaukee Ave.
Niles, Ill

BANK:

THE BANK OF HIGHWOOD
an ILLINOIS banking corporation
10 Highwood Avenue
Highwood, Illinois 60040
Tax I.D. # 36-2491080
(as Mortgagee)

3891257

2. OBLIGATIONS DEFINED. The term "Obligations" is defined as and includes the following:

- A. a promissory note, No. 200300259470 (First Note) dated February 22, 1990, and executed by MOY-HO, INC. (Borrower) payable to the order of Bank, which evidences a loan (First Loan) to Borrower in the amount of \$350,000.00, and all extensions, renewals, modifications or substitutions thereof; and also, a second promissory note, No. 300259471, (Second Note) dated February 22, 1990 and executed by Borrower payable to the order of Bank, which evidences a loan (Second Loan) to Borrower in the amount of \$120,000.00, and all extensions, renewals, modifications, or substitutions thereof. The terms "First Note" and "Second Note" shall be collectively referred to as "Note" herein; and the terms "First Loan" and "Second Loan" shall be collectively referred to as "Loan" herein.
B. all future advances by Bank to Borrower, to Mortgagor, to any one of them or to any one of them and others (and all other obligations referred to in Subparagraph D of this paragraph whether or not this Mortgage is specifically referred to in the evidence of indebtedness with regard to such future and additional indebtedness).
C. all additional sums advanced, and expenses incurred, by Bank for the purpose of insuring, preserving or otherwise protecting the Property and its value, and any other sums advanced, and expenses incurred by Bank pursuant to this Mortgage, plus interest at the same rate provided for in the First Note computed on a simple interest method.
D. all other obligations, now existing or hereafter arising, by Bank to Borrower to the extent the taking of the Property (as hereinafter defined) as security therefor is not prohibited by law, including but not limited to liabilities for overdrafts, all advances made by Bank on Borrower's, and/or Mortgagor's, behalf as authorized by this Mortgage and liabilities as guarantor, endorser or surety, of Borrower to Bank, due or to become due, direct or indirect, absolute or contingent, primary or secondary, liquidated or unliquidated, or joint, several, or joint and several.

However, this Mortgage will not secure another debt:

- A. to the extent that this Mortgage is in "household goods" and the other debt to be secured is a "consumer" loan (as those terms are defined in applicable federal regulations governing unfair and deceptive credit practices); or
B. if Bank fails to make any disclosure of the existence of this Mortgage required by law for such other debt.

MAXIMUM OBLIGATION LIMIT. The total principal amount (exclusive of interest, attorneys' fees, paralegal fees, costs and other legal expenses) of the Obligations secured by this Mortgage, not including however any sums advanced for the protection of the Property or Bank's interest therein, shall not exceed the sum of \$350,000.00, provided, however, that nothing contained herein shall constitute a commitment to make additional or future loans or advances in any amounts.

4. CONVEYANCE. In consideration of the Loan and Obligations, and to secure the Obligations (which includes the Note according to its specific terms and the obligations in this Mortgage), Mortgagor hereby bargains, grants, mortgages, sells, conveys and warrants to Bank, as Mortgagee, the

Loan No: 200300259470
MOY-HO, INC.

Note Amount: \$350,000.00
02/22/90 Mortgage
** READ ANY PAGE WHICH FOLLOWS FOR ANY REMAINING PROVISIONS.**

Initials [Signature]
PAGE 1

LEGAL DESCRIPTION AFFECTS PROPERTY ON CT# 73 & 72 AND OTHER PROPERTY
JUL 03 1990

EXHIBIT "A"

This EXHIBIT "A" is referred to in and made a part of that certain Mortgage and Security Agreement (Mortgage) dated February 22, 1990, by and between the following parties:

MORTGAGOR:

MOY-HO, INC.
an Illinois corporation
7136 N. Milwaukee
Niles, Illinois 60648
Tax I.D. # 36-2947519

BANK:

THE BANK OF HIGHWOOD
an ILLINOIS banking corporation
10 Highwood Avenue
Highwood, Illinois 60040
Tax I.D. # 36-2491080
(as Mortgagee)

The properties hereinafter described are those properties referred to in the Mortgage as being described in Exhibit "A":

THIS IS THE LAST PAGE OF A 3 PAGE DOCUMENT. NOTHING FOLLOWS.

PARCEL 1: LOT 2 (EXCEPT THEREFROM THAT PART WHICH LIES NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT ON THE NORTHERLY LINE OF LOT 2 IN THE SUBDIVISION OF LOT 4 AFORESAID, SAID POINT BEING 10 FEET NORMAL TO THE NORTHEASTERLY LINE OF SAID LOT 2 EXTENDED NORTHEASTERLY; THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE TO A POINT ON THE SOUTH LINE OF SAID LOT 2 BEING 6.92 FEET WEST OF THE SOUTHEAST CORNER OF SAID LOT 2), ALL IN THE SUBDIVISION OF THE PART OF LOT 4 IN CIRCUIT COURT PARTITION OF LOT 1 IN ASSESSOR'S DIVISION OF THE NORTH HALF OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF EVERGREEN AVENUE, IN COOK COUNTY, ILLINOIS.

PARCEL 2: LOTS 1 THROUGH 4, (EXCEPT THAT PART OF LOTS 1 AND 2 LYING NORTHEASTERLY OF THE FOLLOWING DESCRIBED LINE: BEGINNING AT A POINT ON THE NORTHERLY LINE OF SAID LOT 1 IN RUESCH'S MILWAUKEE AVENUE SUBDIVISION BEING 3.35 FEET WEST OF THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE THROUGH SAID LOTS 1 AND 2 IN RUESCH'S MILWAUKEE AVENUE SUBDIVISION TO A POINT ON THE NORTHEASTERLY LOT LINE OF SAID LOT 2 IN RUESCH'S MILWAUKEE AVENUE SUBDIVISION, SAID POINT BEING 15 FEET SOUTH OF THE NORTHEAST CORNER OF SAID LOT 2 (AS MEASURED ALONG THE SAID NORTHEASTERLY LOT LINE OF LOT 2) ALL IN RUESCH'S MILWAUKEE AVENUE SUBDIVISION OF PART OF THE NORTHWEST FRACTIONAL QUARTER OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

3891257

following described property (Property) situated in COOK COUNTY, ILLINOIS: 0 3 8 9 4 2 5 7

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF.

such property not constituting the homestead of Borrower, together with all buildings, improvements, fixtures and equipment now or hereafter attached to the Property, including, but not limited to, all heating, air conditioning, ventilation, plumbing, cooling, electrical and lighting fixtures and equipment; all landscaping; all exterior and interior improvements; all easements, issues, rights, appurtenances, rents, royalties, oil and gas rights, privileges, proceeds, profits, other minerals, water, water rights, and water stock, crops, grass and timber at any time growing upon said land, including replacements and additions thereto, all of which shall be deemed to be and remain a part of the Property. All of the foregoing Property shall be collectively hereinafter referred to as the Property. To have and to hold the Property, together with the rights, privileges and appurtenances thereto belonging, unto Bank forever to secure the Obligations. Mortgagor does hereby warrant and defend the Property unto Bank forever, against any claim or claims, of all persons claiming or to claim the Property or any part thereof. Mortgagor further releases and waives all rights under and by virtue of the homestead laws and exemption laws of the state of ILLINOIS.

5. **INTEREST AND REPAYMENT OF THE OBLIGATIONS.** The Note accrues interest from February 22, 1990, on the unpaid principal balance at an annual rate equal to 1 percentage point above Bank's Prime Rate, as adjusted and announced from time to time until the Note matures or the obligation is accelerated. The Prime Rate, plus 1 percentage point, may also be referred to hereafter as the "Contract Rate".

Prime Rate is defined as the Rate published in The Wall Street Journal's Money Rate Section. The effective Contract Rate today is 11%, which is the sum of Bank's Prime Rate (10%) plus 1 percentage point. Bank's Prime Rate today is not necessarily the lowest rate at which Bank lends its funds. The Prime Rate is only an index rate from which interest rates actually charged to customers may be measured. The use of the Prime Rate is for convenience only and does not constitute a commitment by Bank to lend money at a preferred rate of interest. The Prime Rate is a benchmark for pricing certain types of loans. Depending on the circumstances, such as the amount and term of the loan, the creditworthiness of the borrower or any guarantor, the present and nature of collateral and other relationships between a borrower and Bank, loans may be priced at, above or below the Prime Rate. All adjustments to the Contract Rate will be made on each day that the Prime Rate changes. Any increase to the Prime Rate may be carried over to a subsequent adjustment date without resulting in a waiver or forfeiture of such adjustment, provided an adjustment to the Contract Rate is made within one year from the date of such increase. Any change in the Contract Rate will take the form of a different amount due at maturity. The maximum Contract Rate for the Loan and Note shall be 20% per annum and the minimum Contract Rate shall be 5% per annum. After maturity or acceleration, the unpaid balance shall thereafter bear interest at the rate specified in the Note. If the interest accrued and collected exceeds the Maximum Lawful Interest as of the time of collection, such excess shall be applied to reduce the principal amount outstanding, unless otherwise required by applicable law. If or when no principal amount is outstanding, any excess interest shall be refunded to Borrower. Interest shall be computed on the basis of a 360-day year and the actual number of days elapsed.

Principal and accrued interest are due and payable in legal U.S. currency in 59 equal monthly payments of \$4,000.00 on the 22nd day of each month, beginning March 22, 1990, or the day following this day is a declared holiday or Bank non-business day. Unless paid prior to maturity, the last scheduled payment which is estimated to be \$294,352.96 plus all unpaid principal, costs, expenses, advances, and accrued interest shall be due and payable on February 22, 1995, which is the date of maturity. These payment amounts are based upon timely payment of each installment and no change in the Contract Rate. If the Contract Rate changes, the last payment may be a different amount.

6. **LIENS AND ENCUMBRANCES.** Mortgagor warrants and represents that the Property is free and clear of all liens and encumbrances whatsoever. Mortgagor agrees to pay all claims when due that might result, if unpaid, in the foreclosure, execution or imposition of any lien, claim or encumbrance on or against the Property or any part thereof. Mortgagor may in good faith contest any such lien, claim or encumbrance by posting any bond in an amount necessary to prevent such claim from becoming a lien, claim or encumbrance or to prevent its foreclosure or execution.
7. **CORPORATE WARRANTIES AND REPRESENTATIONS.** Mortgagor makes to Bank the following warranties and representations which shall be continuing so long as the Obligations remain outstanding:
- Mortgagor is a corporation which is duly organized and validly existing in the State as represented in the DATE AND PARTIES paragraph above; Mortgagor is in good standing under the laws of all States in which Mortgagor transacts business; Mortgagor has the corporate power and authority to own the Property and to carry on its business as now being conducted; Mortgagor is qualified to do business in every jurisdiction in which the nature of its business or its property makes such qualification necessary; and Mortgagor is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.
 - The execution, delivery and performance of this Agreement by Mortgagor and the borrowing evidenced by the Note: (1) are within the corporate powers of Mortgagor; (2) have been duly authorized by all requisite corporate action; (3) have received all necessary governmental approval; (4) will not violate any provision of law, any order of any court or other agency of government or Mortgagor's Articles of Incorporation or Bylaws; and (5) will not violate any provision of any indenture, agreement or other instrument to which Mortgagor is a party or to which Mortgagor is or any of Mortgagor's property is subject to, including but not limited to any provision prohibiting the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Mortgagor's property or assets. The Note and this Mortgage when executed and delivered by Mortgagor will constitute the legal, valid and binding obligations of Mortgagor, and those of other obligors named therein, if any, in accordance with their respective terms.
 - All other information, reports, papers and data given to Bank with respect to Mortgagor or to others obligated under the terms of this Mortgage are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Bank a true and accurate knowledge of the subject matter.
 - Mortgagor has not changed its name within the last 6 years, unless otherwise disclosed in writing; other than the trade names or fictitious names actually disclosed to Bank prior to execution of this Mortgage, Mortgagor uses no other names; and until the Obligations shall have been paid in full, Mortgagor hereby covenants and agrees to preserve and keep in full force and effect its existing name, corporate existence, rights, franchises and trade names.
8. **EVENTS OF DEFAULT.** Mortgagor shall be in default upon the occurrence of any of the following events, circumstances or conditions (Events of Default). The Events of Default are:
- Failure by any person obligated on the Obligations to make payment when due thereunder; or
 - A default or breach under any of the terms of this Mortgage, the Note, any construction loan agreement or other loan agreement, any security agreement, mortgage, deed to secure debt, deed of trust, trust deed, or any other document or instrument evidencing, guarantying, securing or otherwise relating to the Obligations; or
 - The making or furnishing of any verbal or written representation, statement or warranty to Bank which is or becomes false or incorrect in any material respect by or on behalf of Mortgagor, Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or
 - Failure to obtain or maintain the insurance coverages required by Bank, or insurance as proper for the Collateral;
 - The death, dissolution or insolvency of, the appointment of a receiver by or on the behalf of, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement under any present or future federal or state

insolvency, bankruptcy, reorganization, composition or debtor relief law by or against, Mortgage Borrower, or any co-signer, endorser, surety or guarantor of the Obligations; or

- F. A good faith belief by Bank at any time that Bank is insecure with respect to Borrower, or any cosigner, endorser, surety or guarantor, that the prospect of any payment is impaired or that the Property or Collateral is impaired; or
- G. Failure to pay and provide proof of payment of any tax, assessment, rent, insurance premium or escrow on or before its due date; or
- H. A material adverse change in Mortgageor's business, including ownership, management, and financial conditions, which in Bank's opinion, impairs the Property or Collateral or repayment of the Obligations; or
- I. A transfer of a substantial part of Mortgageor's money or property; or
- J. If all or any part of the Property or any interest therein is sold, leased or transferred by Mortgageor except as permitted in the paragraph below entitled "DUE ON SALE OR ENCUMBRANCE".

9. **REMEDIES ON DEFAULT.** At the option of Bank, all or any part of the principal of, and accrued interest on, the Obligations shall become immediately due and payable without notice or demand, upon the occurrence of an Event of Default or at any time thereafter. In addition, upon the occurrence of any Event of Default, Bank, at its option, may immediately foreclose and may immediately invoke any or all other remedies provided in the Note, Mortgage or Related Documents and to exercise any remedies permitted under the ILLINOIS's Uniform Commercial Code. All rights and remedies are distinct, cumulative and not exclusive, and Bank is entitled to all remedies provided by law or equity, whether or not expressly set forth.

10. **DUE ON SALE OR ENCUMBRANCE.** Bank may, at Bank's option, declare the entire balance with all accrued interest on the Obligations to be immediately due and payable upon the creation of any lien, encumbrance, transfer, sale or contract to transfer or sell, of the property or any portion thereof, by Mortgageor. Lapse of time or the acceptance of payments by Bank after such creation of any lien, encumbrance, transfer, sale or contract to transfer or sell shall not be deemed a waiver or estoppel of Bank's right to accelerate the Note. If Bank exercises such option to accelerate, Bank shall mail, by certified mail or otherwise, Mortgageor notice of acceleration to the address of Mortgageor shown on Bank's records; the notice shall provide for a period of not less than 30 days from the date the notice is mailed within which Mortgageor shall pay the sum declared due. If Mortgageor fails to pay such sums prior to the expiration of such period, Bank may, without further notice or demand on Mortgageor, invoke any remedies permitted on Default. This covenant shall run with the Property and shall remain in effect until the Obligations and this Mortgage are fully paid.

In the preceding paragraph, the term "Property" also includes any interest to all or any part of the Property; the phrase "sells or transfers" means the conveyance of any right, title or interest in the Property, whether voluntary or involuntary, by outright sale, deed, installment contract sale, land contract, contract for deed, leasehold interest with a term greater than three years, lease-option contract or any other method of conveyance of the Property interests; the term "interest" includes, whether legal or equitable, any right, title, interest, lien, claim, encumbrance or proprietary right, choate or inchoate, any of which is superior to the lien created by this Mortgage.

11. **POSSESSION ON FORECLOSURE.** If an action is brought to foreclose this Mortgage for all or any part of the Obligations, Mortgageor agrees that the Bank shall be entitled to immediate possession as Mortgagee in possession of the Property to the extent not prohibited by law, or the court may appoint, and Mortgageor hereby consents to such appointment, a receiver to take possession of the Property and to collect and receive rents and profits arising therefrom. Any moneys so collected shall be used to pay taxes on, provide insurance for, pay costs of needed repairs and for any other expenses relating to the Property or the foreclosure proceedings, sale expenses or as authorized by the court. Any sum remaining after such payments will be applied to the Obligations.

12. **PROPERTY OBLIGATIONS.** Mortgageor shall promptly pay all taxes, assessments, levies, water rents, other rents, insurance premiums and all amounts due on any encumbrances, if any, as they become due. Mortgageor shall provide written proof to Bank of such payment(s).

13. **INSURANCE.** Mortgageor shall insure and keep insured the Property against loss by fire, and other hazard, casualty and loss, with extended coverage including but not limited to the replacement value of all improvements, with an insurance company acceptable to Bank and in an amount acceptable to Bank. Such insurance shall contain the standard "Mortgagee Clause" which shall name and endorse Bank as mortgagee. Such insurance shall also contain a provision under which the insurer shall give Bank at least 10 days notice before the cancellation, termination or material change in coverage.

If an insurer elects to pay a fire or other hazard loss or damage claim rather than to repair, rebuild or replace the Property lost or damaged, Bank shall have the option to apply such insurance proceeds upon the Obligations secured by this Mortgage or to have said Property repaired or rebuilt. Mortgageor shall deliver or cause to deliver evidence of such coverage and copies of all notices and renewals relating thereto. Bank shall be entitled to pursue any claim under the insurance if Mortgageor fails to promptly do so.

Mortgageor shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates. In the event Mortgageor fails to pay such premiums, Bank may, at its option, pay such premiums. Any such payment by Bank shall be repayable upon demand of Bank or if no demand is made, in accordance with the paragraph below entitled "BANK MAY PAY".

14. **WASTE.** Mortgageor shall not alienate or encumber the Property to the prejudice of Bank, or commit, permit or suffer any waste, impairment or deterioration of the Property, and regardless of natural depreciation, shall keep the Property and all its improvements at all times in good condition and repair. The term "waste" is used herein in its traditional sense and further, specifically includes, but is not limited to, hazardous waste. The term "hazardous waste" as used herein, includes, but is not limited to, hazardous and/or toxic waste, substances, pollutants and/or contaminants. Mortgageor shall comply with and not violate any and all laws and regulations regarding the use, ownership and occupancy of the Property. Mortgageor shall perform and abide by all obligations and restrictions under any declarations, covenants and other documents governing the use, ownership and occupancy of the Property.

15. **CONDITION OF PROPERTY.** As to the Property, Mortgageor shall:

- A. keep all buildings occupied and keep all buildings, structures and improvements in good repair.
- B. refrain from the commission or allowance of any acts of waste, removal, demolition, or impairment of the value of the Property or improvements thereon.
- C. not cut or remove, or permit to be cut or removed, any wood or timber from the Property, which cutting or removal would adversely affect the value of the Property.
- D. not permit the Property to become subject to or contaminated by or with waste.
- E. prevent the spread of noxious or damaging weeds, preserve and prevent the erosion of the soil and continuously practice approved methods of farming on the Property if used for agricultural purposes.

To the best of Mortgageor's knowledge, the Property does not contain hazardous and/or toxic waste, substances, pollutants and/or contaminants. Mortgageor makes this affirmative warranty fully intending Bank to rely upon it in extending the Loan to Borrower.

16. **SPECIAL INDEMNIFICATION.** Mortgagor agrees to protect, indemnify, defend and hold Bank harmless to the fullest extent possible by law and not otherwise, from and against all claims, demands, causes of action, suits, losses, damages (including, without limitation, punitive damages, if permitted by law), violations, environmental response and/or clean-up costs, fines, penalties and expenses (including, without limitation, reasonable attorneys' fees, cost and expenses incurred in investigating and defending against the assertion of such liabilities, as such fees, costs and expenses are incurred), of any nature whatsoever, which may be sustained, suffered or incurred by Bank based upon, without limitation: the ownership and/or operation of the Property and all activities relating thereto; any knowing or material misrepresentation or material breach of warranty by Mortgagor; any violations of the Comprehensive Environmental Response, Compensation and Liability Act of 1980 and any other applicable federal, state or local rule, ordinance or statute; the clean-up or removal of hazardous waste or evaluation and investigation of the release or threat of release of hazardous waste; any loss of natural resources including damages to air, surface or ground water, soil and biota; and any private suits or court injunctions.
17. **INSPECTION BY BANK.** Bank or its agents may make or cause to be made reasonable entries upon the Property and inspect the Property provided that Bank shall make reasonable efforts to give Mortgagor prior notice of any such inspection.
18. **PROTECTION OF BANK'S SECURITY.** If Mortgagor fails to perform any covenant, obligation or agreement contained in the Note, this Mortgage or any loan documents or if any action or proceeding is commenced which materially affects Bank's interest in the Property, including, but not limited to, foreclosure, eminent domain, insolvency, housing or environmental code or law enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Bank, at Bank's sole option, may make such appearances, disburse such sums, and take such action as is necessary to protect Bank's interest. Mortgagor hereby assigns to Bank any right Mortgagor may have by reason of any prior encumbrance on the Property or by law or otherwise to cure any default under said prior encumbrance. Without Bank's prior written consent, Mortgagor will not partition or subdivide the Property.
19. **COLLECTION EXPENSES.** In the event of any action by Bank for collection of the Obligations, for protection of the Property or for foreclosure, Mortgagor agrees to pay all fees and expenses incurred in connection therewith, including but not limiting the generality thereof, filing fees, stenographer fees, witness fees, costs of publication, costs of procuring abstracts of title, Torrens certificates, foreclosure minutes, title insurance policies, reasonable attorneys' fees, paralegal fees and costs. All such fees and expenses shall be added to the principal due under the Obligations and shall bear interest at the rate provided for by that obligation as of the date of the payment and such payments shall be part of the lien herein provided and shall be secured by that lien.
20. **CONDEMNATION.** In the event all or any part of the Property (including but not limited to any easement therein) is sought to be taken by private taking or by virtue of the law of eminent domain, Mortgagor will promptly give written notice to Bank of the institution of such proceedings. Mortgagor further agrees to notify Bank of any attempt to purchase or appropriate the Property or any easement therein, by any public authority or by any other person or corporation claiming or having the right of eminent domain or appropriation. Mortgagor further agrees and directs that all condemnation proceeds or purchase money which may be agreed upon or which may be found to be due shall be paid to Bank as a prepayment under the Note. Mortgagor also agrees to notify the Bank of any proceedings instituted for the establishment of any sewer, water, conservation, ditch, drainage, or other district relating to or binding upon the Property or any part thereof. All awards payable for the taking of title to, or possession of, or damage to all or any portion of the Property by reason of any private taking, condemnation, eminent domain, change of grade, or other proceeding shall, at the option of Bank, be paid to Bank. Such awards or compensation are hereby assigned to Bank, and judgment therefor shall be entered in favor of Bank.
- When paid, such awards shall be used, at Bank's option, toward the payment of the Obligations or payment of taxes, assessments, repairs or other items provided for in this Mortgage, whether due or not, all in such order and manner as Bank may determine. Such application or release shall not cure or waive any default. In the event Bank deems it necessary to appear or answer in any condemnation action, hearing or proceeding, Mortgagor shall hold Bank harmless from and pay all legal expenses, including but not limited to reasonable attorneys' fees and paralegal fees, court costs and other expenses.
21. **OTHER PROCEEDINGS.** If any action or proceeding is commenced to which Bank is named or chooses to become a party by reason of the execution of the Note, this Mortgage, any loan documents or the existence of any Obligations or in which Bank deems it necessary to appear or answer in order to protect its interests, Mortgagor agrees to pay and to hold Bank harmless for all liabilities, costs and expenses paid or incurred by Bank in such action or proceedings, including but not limited to reasonable attorneys' fees, paralegal fees, court costs and all other damages and expenses.
22. **WAIVER BY MORTGAGOR.** To the extent not specifically prohibited by law, Mortgagor hereby waives and releases any and all rights and remedies Mortgagor may now have or acquire in the future relating to:
- homestead;
 - exemptions as to the Property;
 - redemption;
 - right of reinstatement;
 - appraisal;
 - marshalling of liens and assets; and
 - statutes of limitations.
- In addition, redemption by Mortgagor after foreclosure sale is expressly waived to the extent not prohibited by law.
23. **PARTIAL FORECLOSURE.** In case of default in the payment of the Obligations or in case of payment by Bank of any tax, insurance premium, cost or expense or the filing, imposition or attachment of any lien, judgment or encumbrance, Bank shall have the right, without declaring the whole indebtedness due and payable, to foreclose against the Property or any part thereof on account of such specific default. This Mortgage shall continue as a lien on any of the property not sold on foreclosure for such unpaid balance of the Obligations.
24. **BANK MAY PAY.** If Mortgagor fails to pay when due any of the items it is obligated to pay or fails to perform when obligated to perform, Bank may, at its option:
- pay, when due, installments of principal, interest or other obligations, in accordance with the terms of any mortgage or assignment of beneficial interest senior to that of Bank's lien interest;
 - pay, when due, installments of any real estate tax imposed on the property; or
 - pay or perform any other obligation relating to the Property which affects, at Bank's sole discretion, the interest of Bank in the Property.

Mortgagor agrees to indemnify Bank and hold Bank harmless for all the amounts so paid and for Bank's costs and expenses, including reasonable attorneys' fees and paralegal fees.

Such payments when made by Bank shall be added to the principal balance of the Obligations and shall bear interest at the rate provided for by the Note as of the date of such payment. Such payments shall be a part of this lien and shall be secured by this Mortgage, having the benefit of the lien and its priority. Mortgagor agrees to pay and to reimburse Bank for all such payments.

25. GENERAL PROVISIONS.

- A. TIME IS OF THE ESSENCE. Time is of the essence in Mortgagor's performance of all duties and obligations imposed by this Mortgage.
- B. NO WAIVER BY BANK. Bank's course of dealing, or Bank's forbearance from, or delay in, the exercise of any of Bank's rights, remedies, privileges or right to insist upon Mortgagor's strict performance of any provisions contained in this Mortgage, or other loan documents, shall not be construed as a waiver by Bank, unless any such waiver is in writing and is signed by Bank. The acceptance by Bank of any sum in payment or partial payment on the Obligations after the balance is due or is accelerated or after foreclosure proceedings are filed shall not constitute a waiver of Bank's right to require full and complete cure of any existing default for which such actions by Bank were taken or its right to require prompt payment when due of all other remaining sums due under the Obligations, nor will it cure or waive any default not completely cured or any other defaults, or operate as a defense to any foreclosure proceedings or deprive Bank of any rights, remedies and privileges due Bank under the Note, this Mortgage, other loan documents, the law or equity.
- C. AMENDMENT. The provisions contained in this Mortgage may not be amended, except through a written amendment which is signed by Mortgagor and Bank.
- D. GOVERNING LAW. This Mortgage shall be governed by the laws of the State of ILLINOIS, provided that such laws are not otherwise preempted by federal laws and regulations.
- E. FORUM AND VENUE. In the event of litigation pertaining to this Mortgage, the exclusive forum, venue and place of jurisdiction shall be in the State of Illinois, unless otherwise designated in writing by Bank.
- F. SUCCESSORS. This Mortgage shall inure to the benefit of and bind the heirs, personal representatives, successors and assigns of the parties.
- G. NUMBER AND GENDER. Whenever used, the singular shall include the plural, the plural the singular, and the use of either gender shall be applicable to both genders.
- H. DEFINITIONS. The terms used in this Mortgage, if not defined herein, shall have their meanings as defined in the other documents executed contemporaneously or in conjunction, with this Mortgage.
- I. PARAGRAPH HEADINGS. The headings at the beginning of each paragraph, and each sub-paragraph, in this Mortgage are for convenience only and shall not be dispositive in interpreting or construing this Mortgage or any part thereof.
- J. IF HELD UNENFORCEABLE. If any provision of this Mortgage shall be held unenforceable or void, then such provision shall be deemed severable from the remaining provisions and shall in no way affect the enforceability of the remaining provisions nor the validity of this Mortgage.
- K. FILING AS FINANCING STATEMENT. Mortgagor agrees and acknowledges that this Mortgage also suffices as a financing statement and as such, may be filed of record as a financing statement for purposes of Article 9 of the Illinois Uniform Commercial Code. This mortgage may be filed in the real estate records as a fixture filing.

26. ACKNOWLEDGEMENT. By the signature(s) below, Mortgagor acknowledges that this Mortgage has been read and agreed to and that a copy of this Mortgage has been received by the Mortgagor.

MORTGAGOR:

MOY-HO, INC.
an Illinois corporation

[Corporate Seal*]

By:

MIU HA MOY
MIU HA MOY, PRESIDENT

Francis Moy
FRANCIS MOY, SECRETARY, ATTESTING

(*Corporate seal may be affixed, but failure to affix shall not affect validity or reliance.)

STATE OF ILLINOIS

SS:

COUNTY OF LAKE

On this 22 day of February, 1990, I, John P. Brennan, Jr., a notary public, certify that MIU HA MOY, PRESIDENT and FRANCIS MOY, SECRETARY of MOY-HO, INC., an Illinois corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the instrument as their free and voluntary acts for the uses and purposes set forth.

My commission expires:

NOTARY PUBLIC SEAL
JOHN P. BRENNAN, JR., Notary Public
Lake County, State of Illinois
My Commission Expires 4/10/93

John P. Brennan, Jr.
NOTARY PUBLIC

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Case No:

Assessor:

Notary:

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