

THIS MORTGAGE is made on December 20, 1993, between (_____) not personally, but as Trustee under a Trust Agreement dated _____, 19____ and known as Trust No. _____ "Paul D. Kott and Beth A. Kott, his wife in joint tenancy" whose address is 1836 Illinois Street, DesPlaines, IL 60018 (the "Mortgagor") and NBD Bank, an Illinois banking corporation whose address is 211 South Wheaton Avenue, Wheaton, Illinois 60187. (the "Mortgagee").

* To be deleted when this Mortgage is not executed by a Land Trust.

The Mortgagor MORTGAGES, CONVEYS AND WARRANTS to the Mortgagee real property and all the buildings, structures and improvements on it described as:
 Land located in the village of Palatine
 County of Cook, State of Illinois:

THE EAST 144 FEET OF LOT 4 IN BLOCK 5 IN ARTHUR T. MC INTOSH AND COMPANY'S CHICAGO AVENUE FARMS, BEING A SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 16, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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("the Premises")

Commonly known as: 144 No. Clyde, Palatine, IL 60067
 Tax Parcel Identification No. 02-16-405-013

The Premises shall also include all of the Mortgagor's right, title and interest in and to the following:

- (1) All easements, rights-of-way, licenses, privileges and hereditaments.
- (2) Land lying in the bed of any road, or the like, opened, proposed or vacated, or any strip or gore, adjoining the Premises.
- (3) All machinery, apparatus, equipment, fittings, fixtures, and articles of personal property of every kind and nature whatsoever located now or in the future in or upon the Premises and used or useable in connection with any present or future operation of the Premises (all of which is called "Equipment"). It is agreed that all Equipment is part of the Premises and appropriated to the use of the real estate and, whether affixed or annexed or not, shall for the purposes of this Mortgage unless the Mortgagee shall otherwise elect, be deemed conclusively to be real estate and mortgaged and warranted to the Mortgagee.
- (4) All mineral, oil, gas and water rights, royalties, water and water stock, if any.
- (5) All awards or payments including interest made as a result of: the exercise of the right of eminent domain; the alteration of the grade of any street, any loss of or damage to any building or other improvement on the Premises, any other injury to or decrease in the value of the Premises, any refund due on account of the payment of real estate taxes, assessments or other charges levied against or imposed upon the Premises, and the reasonable attorneys' and paralegals' fees, costs and disbursements incurred by the Mortgagee in connection with the collection of any such award or payment.
- (6) All of the rents, issues and profits of the Premises under present or future leases, or otherwise.

The Premises are unencumbered except as follows: DEPT-01 RECORDINGS \$29.00
18999 - TRAN 0216 12/23/93 12-12-00
#8446 # - - - - - 03060436 -
COOK COUNTY RECORDER

("Permitted Encumbrances"). If the Premises are encumbered by Permitted Encumbrances, the Mortgagor shall perform all obligations and make all payments as required by the Permitted Encumbrances. The Mortgagor shall provide copies of all writings pertaining to Permitted Encumbrances, and the Mortgagee is authorized to request and receive that information from any other person without the consent or knowledge of the Mortgagor.

This Mortgage secures the indebtedness or obligation evidenced by:

(i) The note(s) dated December 20, 1993 in the principal amount(s) of \$146,500.00 respectively, maturing on September 20, 1994 executed and delivered by Paul D. Kott and Beth A. Kott to the Mortgagee with interest at the per annum rate of Seven and one half percent (7.50 %) on the principal balance remaining from time to time unpaid. Interest after default or maturity of the note, whether by acceleration or otherwise, on the principal balance of the note remaining from time to time unpaid shall be at the per annum rate of Ten and one half percent (10.50 %); and

(ii) the guaranty of the debt of _____ dated _____ executed and delivered by _____ to the Mortgagee; and

(iii) _____

including any extensions, renewals, modifications or replacements without limit as to the number or frequency (the "Debt").

LIMITATION ON AMOUNT SECURED BY MORTGAGE. Notwithstanding anything to the contrary contained in this Mortgage, the amount secured by this Mortgage shall not exceed the principal sum of \$ 146,500.00 at any one time outstanding.

FUTURE ADVANCES AND CROSS-LIEN: The Debt shall also include all other present and future, direct and indirect obligations and liabilities of the Mortgagor, or any one or more of them, with or without others, to the Mortgagee. This shall not apply to any obligation or debt incurred for personal, family or household purposes unless the note or guaranty expressly states that it is secured by this Mortgage.

This Mortgage shall also secure the performance of the promises and agreements contained in this Mortgage.

The Mortgagor promises and agrees as follows:

1. PAYMENT OF DEBT; PERFORMANCE OF OBLIGATIONS. The Mortgagor shall promptly pay when due, whether by acceleration or otherwise, the Debt for which the Mortgagor is liable, and shall promptly perform all obligations to which the Mortgagor has agreed under the terms of this Mortgage and any loan documents evidencing the Debt.

2. TAXES. The Mortgagor shall pay, when due, and before any interest, collection fees or penalties shall accrue, all taxes, assessments, fines, impositions, and other charges which may become a lien prior to this Mortgage. Should the Mortgagor fail to make such payments, the Mortgagee may, at its option and at the expense of the Mortgagor, pay the amounts due for the account of

the Mortgagor. Upon the request of the Mortgagee, the Mortgagor shall immediately furnish to the Mortgagee all notices of amounts due and receipts evidencing payment. The Mortgagor shall promptly notify the Mortgagee of any lien on all or any part of the Premises and shall promptly discharge any unpermitted lien or encumbrance.

3. CHANGE IN TAXES. In the event of the passage of any law or regulation, state, federal or municipal, subsequent to the date of this Mortgage in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting such taxes, the entire principal secured by this Mortgage and all interest accrued shall become due and payable immediately at the option of the Mortgagee.

4. INSURANCE. Until the Debt is fully paid, the Mortgagor shall keep the Premises and the present and future buildings and other improvements on the Premises constantly insured for the benefit of the Mortgagee against fire and such other hazards and risks customarily covered by the standard form of extended coverage endorsement available in the State of Illinois, including risks of vandalism and malicious mischief, and shall further provide flood insurance (if the Premises are situated in an area designated as a flood risk area by the Director of the Federal Emergency Management Agency or as otherwise required by the Flood Disaster Protection Act of 1973 and regulations issued under it),

2900

UNOFFICIAL COPY

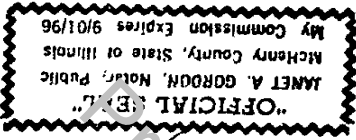
My Commission Expires: _____

Given under my hand and notarial seal, this _____ day of _____, 19____

(association), as Trustee, for the uses and purposes therein set forth. of said (corporation) (association) to said instrument as his own free and voluntary act, and as the free and voluntary act of said (corporation) did also then and there acknowledge that he, as custodian of the corporate seal of said (corporation) (association), affixed the said corporate seal

acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said (corporation) (association) (association) personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ and _____ respectively, appeared before me this day in person and

_____ a _____ of _____ a Notary Public in and for said County, in the State aforesaid, do hereby certify that



County of _____ State of Illinois))) SS))

My Commission Expires: 9-1-96

Given under my hand and notarial seal this 30th day of December, 1993

and voluntary act, for the uses and purposes herein set forth. instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as his/her free

1. _____ a Notary Public in and for said County and State, do hereby certify that _____ personally known to me to be the same person(s) whose name(s) subscribed to the foregoing

County of _____ State of Illinois))) SS))

By: _____ and known as Trust No. _____

Not personally, but as Trustee under a Trust Agreement dated _____, 19____

Witness the hand and seal of Mortgagee the day and year set forth above. Beth A. Kott Paul A. Kott

23. WAIVER OF RIGHT OF REDEMPTION, MORTGAGOR HEREBY waives any and all rights of redemption from sale under any order or judgment of foreclosure of this mortgage and any rights of reinstatement pursuant to the laws of the State of Illinois regarding foreclosure of mortgages. EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF THE MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE, IN THE EVENT THE PREMISES ARE AGRICULTURAL PROPERTY AND MORTGAGOR IS AN

22. WAIVER OF HOMESTEAD RIGHT. Mortgagor does hereby expressly waive and release all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois. Mortgagor does hereby expressly waive and release any and all rights in respect to marshalling of assets which secure the Debt or to require the Mortgagee to pursue its remedies against any other such assets.

21. MISCELLANEOUS. If any provision of this Mortgage is in conflict with any statute or rule of law or is otherwise unenforceable for any reason whatsoever, then the provision shall be deemed null and void to the extent of such conflict or unenforceability and shall be deemed severable from but shall not invalidate any other provisions of this Mortgage. No waiver by the Mortgagee of any right or other provisions of this Mortgage shall be deemed a waiver of any right or remedy granted or failure to insist on strict performance by the Mortgagee shall not affect or act as a waiver of any right or remedy of the Mortgagee, nor affect the subsequent exercise of the same right or remedy by the Mortgagee for any subsequent default by the Mortgagee, and all rights and remedies of the Mortgagee are cumulative. These promises and agreements shall bind and these rights shall be to the benefit of the parties and their respective successors and assigns. If there is more than one Mortgagee, the obligations under this Mortgage shall be joint and several. This Mortgage shall be governed by Illinois law except to the extent it is preempted by Federal law or regulations.

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the presence, disposal, release or threatened release of any Hazardous Materials on, over, under, from or affecting the Premises or the soil, water, vegetation, buildings, personal property, persons or animals; (b) any personal injury (including wrongful death) or property damage (real or personal) arising out of or related to such Hazardous Materials on the Premises; (c) any lawsuit brought or threatened, settlement reached or government order relating to such Hazardous Materials with respect to the Premises, and/or (d) any violation of laws, orders, regulations, requirements or demands of government authorities, or any policies or requirements of the Mortgagee, which are based upon or in any way related to such Hazardous Materials used on the Premises. The indemnity obligations under this paragraph are specifically limited as follows:

(i) The Mortgagor shall have no indemnity obligation with respect to Hazardous Materials that are first introduced to the Premises or any part of the Premises subsequent to the date that the Mortgagor's interest in and possession of that part of the Premises to which such Hazardous Materials have been so introduced shall have fully terminated by foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure;

(ii) The Mortgagor shall have no indemnity obligation with respect to any Hazardous Materials introduced to the Premises or any part of the Premises by the Mortgagee, its successors or assigns.

The Mortgagee agrees that in the event this Mortgage is foreclosed or the Mortgagee tenders a deed in lieu of foreclosure, the Mortgagor shall deliver the Premises to the Mortgagee free of any and all Hazardous Materials which are then required to be removed (whether over time or immediately) pursuant to applicable federal, state and local laws, ordinances, rules or regulations affecting the Premises.

For purposes of this Mortgage, "Hazardous Materials", means any materials or substance: (i) which is or becomes defined as a "hazardous substance", "pollutant" or "contaminant" pursuant to the Comprehensive Environmental Response, Compensation and Liability Act (42 USC Section 9601 et seq) and amendments thereto and regulations promulgated thereunder; (ii) containing gasoline, oil, diesel fuel or other petroleum products; (iii) which is or becomes defined as a "hazardous waste" pursuant to the Federal Resource Conservation and Recovery Act (42 USC Section 6901 et seq) and amendments thereto and regulations promulgated thereunder; (iv) containing polychlorinated biphenyls (PCBs); (v) containing asbestos; (vi) which is radioactive; (vii) which is biologically hazardous or (viii) the presence of which requires investigation or remediation under any federal, state or local statute, regulation, ordinance or policy; or (ix) which is or becomes defined as a "hazardous waste", "hazardous substance", "pollutant" or "contaminant" under any federal, state or local statute, regulation or ordinance; or (x) any toxic, explosive, corrosive or otherwise hazardous substance, material or waste which is or becomes regulated by any federal, state or local governmental authority, or (xi) which causes a nuisance upon or waste to the Premises.

"Governmental Regulation(s)" means any law, regulation, rule, policy, ordinance or similar requirement of the United States, any state, any county, city or other agency or subdivision of the United States or any state.

The provisions of this section shall be in addition to any and all other obligations and liabilities the Mortgagor may have to the Mortgagee under the Debt, any loan document, and in common law, and shall survive (a) the repayment of all sum due for the Debt, (b) the satisfaction of all of the other obligations of the Mortgagor in this Mortgage and under any loan document, (c) the discharge of this Mortgage, and (d) the foreclosure of this Mortgage or acceptance of a deed in lieu of foreclosure. Notwithstanding anything to the contrary contained in this Mortgage, it is the intention of the Mortgagor and the Mortgagee that the indemnity provisions of this section shall only apply to an action commenced against any owner or operator of the Premises in which any interest of the Mortgagee is threatened or any claim is made against the Mortgagee for the payment of money.

17. **EVENTS OF DEFAULT/ACCELERATION:** Upon the occurrence of any of the following, the Mortgagee shall be entitled to exercise its remedies under this Mortgage or as otherwise provided by law: (1) The Mortgagor or, if other than the Mortgagor, any principal obligor of the Debt ("Principal Obligor") fails to pay when due any amount payable under the note(s), the guaranty, or any other agreement evidencing the Debt; (2) the Mortgagor or Principal Obligor (a) fails to observe or perform any other term of the note(s), the guaranty, or any other agreement evidencing the Debt or (b) makes any materially incorrect or misleading representation in any financial statement or other information delivered to the Mortgagee; (3) the Mortgagor or Principal Obligor defaults under the terms of this Mortgage, any loan agreement, mortgage, security agreement, or other document executed as part of the Debt transaction or any guaranty of the Debt becomes unenforceable in whole or in part, or any guarantor fails to promptly perform under such a guaranty; (4) the Mortgagor fails to pay when due any amount payable under any note or agreement evidencing debt to the Mortgagee or defaults under the terms of any agreement or instrument relating to or securing any debt for borrowed money owing to the Mortgagee; (5) a "reportable event" (as defined in the Employee Retirement Income Security Act of 1974 as amended) occurs that would permit the Pension Benefit Guaranty Corporation to terminate any employee benefit plan of the Mortgagor or Principal Obligor or any affiliate of the Mortgagor or Principal Obligor; (6) the Mortgagor or Principal Obligor becomes insolvent or unable to pay its debts as they become due; (7) the Mortgagor or Principal Obligor (a) makes an assignment for the benefit of creditors, or (b) consents to the appointment of a custodian, receiver, or trustee for itself or for a substantial part of its assets, or (c) commences any proceeding under any bankruptcy, reorganization, liquidation, insolvency or similar laws of any jurisdiction; (8) a custodian, receiver, or trustee is appointed for the Mortgagor or Principal Obligor or for a substantial part of its assets without the consent of the party against which the appointment is made and is not removed within 60 days after such appointment; (9) proceedings are commenced against the Mortgagor or Principal Obligor under any bankruptcy, reorganization, liquidation, or similar laws of any jurisdiction, and such proceedings remain undismissed for 60 days after commencement; or the Mortgagor or Principal Obligor consents to the commencement of such proceedings; (10) any judgment is entered against the Mortgagor or Principal Obligor, or any attachment, levy, or garnishment is issued against any property of the Mortgagor or Principal Obligor; or (11) any proceedings are instituted for the foreclosure or collection of any mortgage, judgment or lien affecting the Premises; (12) the Mortgagor sells, transfers or hypothecates any part of the Premises except as provided in this Mortgage without the prior written consent of the Mortgagee; (13) the Mortgagor or Principal Obligor dies; (14) The Mortgagor or Principal Obligor, without the Mortgagee's written consent, (a) is dissolved, (b) merges or consolidates with any third party, (c) sells a material part of its assets or business outside the ordinary course of its business, or (d) agrees to do any of the foregoing; (15) there is a substantial change in the existing or prospective

financial condition of the Mortgagor or Principal Obligor which the Mortgagee in good faith determines to be materially adverse.

18. **REMEDIES UPON DEFAULT:** Upon the occurrence of any of the events of default set forth in this Mortgage, at the sole option of Mortgagee, the note and/or any other liabilities shall become immediately due and payable and Mortgagor shall pay all expenses of Mortgagee including attorneys' and paralegals' fees and all expenses incurred in connection with this Mortgage and all expenses incurred in the enforcement of Mortgagee's rights in the Premises and other costs incurred in connection with the disposition of the Premises. When the indebtedness secured hereby shall become due whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien of this Mortgage. In any suit to foreclose the lien of this Mortgage, there shall be allowed and included as additional indebtedness in the judgment of foreclosure all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' and paralegals' fees, appraisers' fees, outlays for documentary and expert evidence, stenographer's charges, publication costs and costs of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, tax and lien searches, and similar data and assurances with respect to title as Mortgagee may deem to be reasonably necessary either to prosecute the foreclosure suit or to evidence to bidders at any foreclosure sale. All of the foregoing items, which may be expended after entry of the foreclosure judgment, may be estimated by Mortgagee. All expenditures and expenses mentioned in this paragraph, when incurred or paid by Mortgagee shall become additional indebtedness secured hereby and shall be immediately due and payable, with interest thereon at the highest rate permitted under any of the instruments evidencing any of the Debt. This paragraph shall also apply to any expenditures or expenses incurred or paid by Mortgagee or on behalf of Mortgagee in connection with (a) any proceeding, including without limitation, probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness secured hereby; or (b) any preparation for the commencement of any suit for the foreclosure of this Mortgage after accrual of the right to foreclose whether or not actually commenced or preparation for the commencement of any suit to collect upon or enforce the provisions of the note or any instrument which secures the note after default, whether or not actually commenced; or (c) any preparation for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced. The proceeds of any foreclosure sale 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 the items that are above mentioned; second, all other items which under the terms of this Mortgage constitute indebtedness secured by this Mortgage additional to that evidenced by the note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the note and the liabilities (first to interest and then to principal); fourth, any surplus to Mortgagor or Mortgagor's heirs, legal representatives, successors or assigns, as their rights may appear. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such suit is filed may grant the Mortgagee the right to possess the Premises pursuant to Chapter 110, Sections 15-1701 through 15-1703 of the Illinois Revised Statutes and/or appoint a receiver of the Premises. Such grant and/or appointment may be made either before or after entry of judgment of foreclosure, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for the grant and/or without regard to the then value of the Premises or whether the Premises shall be then occupied as a homestead or not. Mortgagee may be appointed as the receiver. The Mortgagee in possession and/or receiver shall have all powers conferred by law including but not limited to the power to collect the rents, issues and profits of the Premises during the pendency of the foreclosure suit and, in case of an entry of judgment of foreclosure, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further time when Mortgagor, except for the intervention of Mortgagee in possession of receiver, would be entitled to collect the rents, issues and profits. The Mortgagee in possession or receiver shall also have all other powers which may be necessary or usual for the protection, possession, control, management and operation of the Premises. The court in which the foreclosure suit is filed may from time to time authorize the Mortgagee in possession or receiver to apply the net income in its hands in payment in whole or in part of the indebtedness secured hereby, or secured by any judgment foreclosing this Mortgage, or any tax, special assessment or other lien or encumbrance which may be or will become superior to the lien hereof or of the judgment, and the deficiency judgment against Mortgagor or any guarantor of the note in case of a forfeiture sale and deficiency. No action for the enforcement of the lien or any provision of this Mortgage shall be subject to any defense which would not be available and available to the party interposing the same in an action at law upon the note.

19. **REPRESENTATIONS.** If the Mortgagor is a corporation, it represents that it is a corporation duly organized, existing and in good standing under the laws of its state of incorporation, that it is duly qualified and in good standing under the laws of Illinois, and that the execution and delivery of this Mortgage and the performance of the obligations it imposes are within its corporate powers, have been duly authorized by all necessary action of its board of directors, and do not contravene the terms of its articles of incorporation or by-laws. If the Mortgagor is a general or limited partnership, it represents that it is duly organized and existing and that the execution and delivery of this Mortgage and the performance of the obligations it imposes do not conflict with any provision of its partnership agreement and have been duly authorized by all necessary action of its partners. Each Mortgagor represents that the execution and delivery of this Mortgage and the performance of the obligations it imposes do not violate any law and do not conflict with any agreement by which it is bound, and that no consent or approval of any governmental authority or any third party is required for the execution or delivery of this Mortgage or the performance of the obligations it imposes and that this Mortgage is a valid and binding agreement, enforceable in accordance with its terms. Each Mortgagor further represents that it shall provide all balance sheets, profit and loss statements, and other financial statements, as requested by Mortgagee. Any such statements that are furnished to the Mortgagee are accurate and fairly reflect the financial condition of the organizations and persons to which they apply on their effective dates, including contingent liabilities of every type, which financial condition has not changed materially and adversely since those dates.

20. **NOTICES.** Notice from one party to another relating to this Mortgage shall be deemed effective if made in writing (including telecommunications) and delivered to the recipient's address, telex number or telecopier number set forth above by any of the following means: (a) hand delivery, (b) registered or certified mail, postage prepaid, with return receipt requested, (c) first class or express mail, postage prepaid, (d) Federal Express, Purolator Courier or like overnight courier service or (e)

and such other appropriate insurance as the Mortgagee may require from time to time. All insurance policies and renewals must be acceptable to Mortgagee, must provide for payment to the Mortgagee in the event of loss, must require 30 days notice to the Mortgagee in the event of nonrenewal or cancellation, and must be delivered to the Mortgagee within thirty (30) days prior to their respective effective dates. Should the Mortgagee fail to insure or fail to pay the premiums on any insurance or fail to deliver the policies or certificates or renewals to the Mortgagee, then the Mortgagee at its option may have the insurance written or renewed and pay the premiums for the account of the Mortgagee. In the event of loss or damage, the proceeds of the insurance shall be paid to the Mortgagee alone. No loss or compromise shall itself reduce the Debt. The Mortgagee is authorized to adjust and receive for any proceeds in the name of the Mortgagee and the Mortgagee and to endorse the Mortgagee's name upon any check in payment of proceeds. The proceeds shall be applied first toward reimbursement of all costs and expenses of the Mortgagee in collecting the proceeds and then toward payment of the Debt or any portion of it, whether or not then due or payable, or the Mortgagee at its option may apply the proceeds, or any part to the repair or rebuilding of the Premises, provided that Mortgagee is not then or at any time during the course of restoration for application of the proceeds and has complied with all requirements for application of the proceeds as restoration of the Premises as Mortgagee, in its sole discretion may establish.

5. RESERVES FOR TAXES AND INSURANCE. Mortgagee shall, if requested by Mortgagee, pay to Mortgagee, at the time of and in addition to the monthly installments of principal and/or interest due under the Debt a sum equal to one-twelfth (1/12) of the amount estimated by Mortgagee to be sufficient to enable Mortgagee to pay at least thirty (30) days before they become due and payable, all taxes, assessments and other similar charges levied against the Premises, and (b) the amount of the annual premiums on any policies of insurance required to be carried by Mortgagee. This page shall apply the sums to pay the tax and insurance items. These sums may be commingled with the general funds of Mortgagee, and no interest shall be payable thereon until these sums are deemed to be held in trust for the benefit of Mortgagee. Upon notice at any time, the Mortgagee will, within ten (10) days, deposit such additional sums as may be required for the payment of increased taxes, assessments, charges or premiums. In the event of foreclosure of this Mortgage, any of the monies then remaining on deposit with the Mortgagee or its agent shall be applied against the Debt prior to the commencement of foreclosure proceedings. The obligation of the Mortgagee to pay taxes, assessments, charges or insurance premiums is not affected or modified by the arrangements set out in this paragraph. Any default by the Mortgagee in the performance of the provisions of this paragraph shall constitute a default under this Mortgage.

6. WASTE. The Mortgagee shall keep the Premises in good repair, shall not commit or permit waste on the Premises nor do any other act causing the Premises to become less valuable. Non-payment of taxes and cancellation of insurance shall constitute or permit waste on the Premises. Should the Mortgagee fail to effect the necessary repairs, the Mortgagee may at its option and at the expense of the Mortgagee, make the repairs for the account of the Mortgagee. The Mortgagee shall use reasonable care to maintain the Premises in conformance with all applicable laws, ordinances and regulations. The Mortgagee or its authorized agent shall have the right to enter upon and inspect the Premises at all reasonable times.

7. ALTERATIONS, REMOVAL, IMPROVEMENT, FIXTURES. No building, structure, improvement, fixture or personal property constituting any part of the Premises shall be removed, demolted or substantially altered without the prior written consent of the Mortgagee.

8. PAYMENT OF OTHER OBLIGATIONS. The Mortgagee shall also pay all other obligations which may be charged against the Premises for any present or future repairs or improvements made on the Premises, or for any other goods, services, or utilities furnished to the Premises and shall not permit any lien or charge of any kind securing the payment of borrowed funds (including the deferred purchase price for any property) to accrue and remain outstanding against the Premises.

9. ASSIGNMENT OF LEASES AND RENTS. Further, Mortgagee does hereby pledge and assign to Mortgagee, all leases, written or verbal, rents, issues and profits of the Premises, including without limitation, all rents, issues, profits, revenues, royalties, bonuses, rights and benefits due, payable or accruing, and all deposits of money as advance rent or for security, under any and all present and future leases of the Premises, together with the right, but not the obligation, to collect, receive, demand, sue for and recover the same when due or payable. Mortgagee by acceptance of this Mortgagee agrees, as a personal covenant applicable to Mortgagee only, and not as a limitation of condition hereof and not available to anyone other than Mortgagee, that until a default shall occur or an event shall occur, which under the terms hereof shall give to Mortgagee the right to foreclose this Mortgagee, Mortgagee may collect, receive and enjoy such assets. Upon the request of Mortgagee, Mortgagee shall deliver to Mortgagee all original leases of all or any portion of the Premises, together with assignments of such leases from Mortgagee to Mortgagee, which assignments shall be in form and substance satisfactory to Mortgagee; Mortgagee shall not, without Mortgagee's prior written consent, procure, permit or accept any assignment, discharge or compromise of any rent or release any tenant from any obligation, at any time while the indebtedness secured hereby remains unpaid.

10. ASSIGNMENT OF INTEREST AS TENANT OR PURCHASER. If the Mortgagee's interest in the Premises is that of a tenant or a purchaser, the Mortgagee also assigns, mortgages and warrants to the Mortgagee, as additional security for the Debt, all of the Mortgagee's right, title and interest in and to any leases, land contracts or other agreements by which the Mortgagee is leasing or purchasing any part or all of the Premises, including all modifications, renewals and extensions of the Mortgagee's right, title or interest in any purchase options contained in any lease or other agreement. The Mortgagee agrees to pay each installment of rent, principal and interest required to be paid by it under the lease, land contract or other agreement when each installment becomes due and payable whether by acceleration or otherwise. The Mortgagee further agrees to pay and perform all of its other obligations under the lease, land contract or other agreement.

If the Mortgagee defaults in the payment of any installment of rent, principal, interest or in the payment or performance of any other obligation under the lease, land contract or other agreement, the Mortgagee shall have the right, but not the obligation, to pay the installment and to pay or perform the other obligations on behalf of and at the expense of the Mortgagee. On receipt by the Mortgagee from the landlord or seller under the lease, land contract or other agreement of any written notice of default by the Mortgagee, the Mortgagee

Subject to the limitations set forth below, the Mortgagee shall defend, indemnify and hold harmless the Mortgagee, its employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs or expenses, including, without limitation, attorneys' fees, paralegals and consultants' fees, investigation and laboratory fees, court costs and litigation expenses, known or unknown, incurred or to be incurred, in connection with or in any way related to (a) or (b).

11. SECURITY AGREEMENT. This Mortgage also constitutes a security agreement within the meaning of the Illinois Uniform Commercial Code (UCC) and Mortgagee grants to Mortgagee a security interest in any equipment and other personal property included within the definition of Premises. Accordingly, Mortgagee shall have all of the rights and remedies available to a secured party under the UCC. Upon the occurrence of an event of default under this Mortgage, the Mortgagee shall have in addition to the remedies provided by this Mortgage, the right to use any method of disposition or collateral authorized by the UCC with respect to any portion of the Premises subject to the UCC.

12. REIMBURSEMENT OF ADVANCES. If Mortgagee fails to perform any of its obligations under this Mortgage, or if any action or proceeding is commenced against the Mortgagee, then Mortgagee at its sole option may make bankruptcy or probate proceedings, then Mortgagee at its sole option may make limited to a lien priority dispute, eminent domain, code enforcement, insolvency, or other action or proceeding in the Premises (including but not limited to a lien priority dispute, eminent domain, code enforcement, insolvency, bankruptcy or probate proceedings), then Mortgagee at its sole option may make appearances, disburse sums and take any action it deems necessary to protect its interest (including but not limited to disbursement of reasonable attorneys' fees and payments) and may upon the Premises to make repairs. Any amounts disbursed shall become additional Debt, shall be immediately due and payable upon notice from the Mortgagee to the Mortgagee, and shall bear interest at the highest rate permitted under any of the instruments evidencing any of the Debt.

13. DEED ON TRANSFER. Notwithstanding any other provisions of this Mortgage, no sale, lease, mortgage, trust deed, grant by Mortgagee of an encumbrance of any kind, conveyance, transfer of occupancy or possession, contract to sell, or transfer of the Premises, or any part thereof, or sale or transfer of ownership of any beneficial interest or power of direction in a land trust which holds title to the Premises, shall be made without the prior written consent of Mortgagee.

14. NO ADDITIONAL LIEN. Mortgagee covenants not to execute any mortgage, security agreement, assignment of leases and rentals or other agreement granting a lien against the interest of Mortgagee in the Premises without the prior written consent of Mortgagee, and then only when the document granting that lien expressly provides that it shall be subject to the lien of this Mortgage for the full amount secured by this Mortgage and shall also be subject and subordinate to any then existing or future leases affecting the Premises.

15. EMINENT DOMAIN. Notwithstanding any taking under the power of eminent domain, alteration of the grade of any road, alley, or the like, or other injury or damage to or decrease in value of the Premises by any public or quasi-public authority or corporation, the Mortgagee shall continue to pay the Debt in accordance with the terms of the underlying loan documents until any award or payment shall have been actually received by Mortgagee. By executing this Mortgage, the Mortgagee assigns the entire proceeds of any award or payment and any interest to the Mortgagee. The proceeds shall be applied first toward reimbursement of all costs and expenses of the Mortgagee, including reasonable attorneys' fees and paralegals' fees of the Mortgagee in collecting the proceeds and then toward payment of the Debt whether or not then due or payable, or the Mortgagee at its option may apply the proceeds, or any part to the restoration, restoration or rebuilding of the Premises, or any part to the alteration, removal, improvement, fixture or personal property constituting any part of the Premises shall be removed, demolted or substantially altered without the prior written consent of the Mortgagee.

UNOFFICIAL COPY

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MORTGAGE RIDER

THIS RIDER is incorporated into a certain Mortgage of even date herewith given by the undersigned encumbering the real property commonly known as 144 No. Clyde, Palatine, IL 60067, Illinois. The following additional provisions are hereby incorporated into the Mortgage:

1. Loan Agreement. This Mortgage secures an obligation incurred for the construction of improvements on the land mortgaged hereby and constitutes a "construction mortgage" within the meaning of Section 9-313 (Ill. Rev. Stat. ch. 26, para. 9-313) of the Illinois Uniform Commercial Code. The indebtedness secured hereby is to be disbursed by Mortgagee to Mortgagor in accordance with the terms and provisions of that certain Residential Construction Loan Agreement of even date herewith by and between Mortgagor and Mortgagee (the "Loan Agreement"). This Mortgage is given to secure all advances and indebtedness arising and accruing under the Loan Agreement from time to time and the due, prompt and complete performance of each and every covenant, condition and agreement contained in the Loan Agreement. The terms and provisions of the Loan Agreement are fully incorporated herein by reference, and the occurrence of any event of default under the Loan Agreement shall constitute a default under this Mortgage, entitling Mortgagee to all of the rights and remedies conferred upon the Mortgagee by the terms of this Mortgage at law or in equity, as in the case of any other default. In the event of a conflict between the terms and provisions of this Mortgage and the terms and provisions of the Loan Agreement, the terms and provisions of the Loan Agreement shall prevail.

2. Fixture Filing. This instrument is effective and shall remain effective as a financing statement for the purpose of Section 9-402 of the Illinois Uniform Commercial Code (Ill. Rev. Stat. ch. 26, para. 9-402) with respect to all goods which are or are to become fixtures on the real estate hereby secured. This instrument shall constitute a fixture filing and shall be filed as such in the real estate records of the county in which the real estate is located. The mailing addresses of the Mortgagor and Mortgagee are set forth on the face of this instrument. A photographic or other reproduction of this instrument or any financing statement relating to this instrument shall be sufficient as a financing statement.

IN WITNESS WHEREOF, Mortgagor has executed this Rider as of this 20th day of December, 1993.

Given under my hand and notarial seal this
20th Day of December 1993

C. Kott

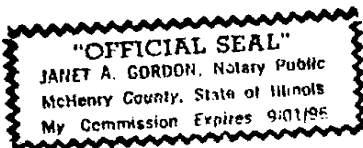
01000136

Janet A. Gordon

Notary Public

My Commission Expires: 9-1-96

Beth A. Kott



not personally, but as Trustee under
a Trust Agreement dated _____
19____ and known as Trust No. _____

By: _____
Its: _____

UNOFFICIAL COPY

STATE OF ILLINOIS

NOTICE OF CONVICTION

NOTICE IS HEREBY GIVEN THAT the undersigned, Clerk of the Court, do hereby certify that the following named person has been convicted of the following offense:

Property of Cook County Clerk's Office

03060136

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this _____ day of _____, 20__.

CLERK OF THE COURT

NOTICE: This document is a copy of a document filed with the Court. It is not a certified copy and should not be used for legal purposes.

FILED