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Eugene "Gene" Moore Fee: \$40.00
Cook County Recorder of Deeds
Date: 06/10/2003 02:35 PM Pg: 1 of 9

MORTGAGE

THIS MORTGAGE made this 4th day of April, 2003 between DAVID AND VALENTINA SCHACHT, whose address is 312 Beverly Lane, Mount Prospect, Illinois 60056 (hereinafter referred to as Mortgagor) and THE VILLAGE OF MOUNT PROSPECT, a municipal corporation, whose address is 100 S. Emerson Street, Mount Prospect, Illinois 60056 (hereinafter referred to as "Mortgagee");

WHEREAS, Mortgagor is indebted to Mortgagee in principal sum of FIVE THOUSAND FOUR HUNDRED AND THIRTY (\$5420.00) DOLLARS, which indebtedness is evidenced by Promissory Note dated April 4th, 2003, hereinafter referred to as the "Note", which provided for payments of the indebtedness as set forth therein.

NOW THEREFORE, the Mortgagor, to secure the payment of the Note with interest thereon, if any, the payment of all other sums with interest thereon advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of the Mortgagor herein contained, does hereby mortgage, grant and convey to Mortgagee the following described real estate located in the Village of Mount Prospect, County of Cook, State of Illinois to wit:

LOT 11 IN HATLEN HEIGHTS UNIT NO. 4, A SUBDIVISION OF PART OF THE NORTHEAST ¼ OF SECTION 10, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS, ON OCTOBER 17, 1956 AS DOCUMENT NO. 1702082.

P.I.N.: 08-10-208-014-0000

Which real estate has the address of 312 Beverly Lane, Mount Prospect, Illinois and which, with the property herein described, is referred to herein as the "Premises".

TOGETHER with all improvements, tenements, easements, fixtures and appurtenances thereon belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all fixtures, apparatus, equipment or articles now or hereafter therein or thereon used to supply heat, gas air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration (whether single units or centrally controlled) and ventilation, including (without restricting the foregoing): all fixtures, apparatus, equipment and articles, other than such as constitute trade fixtures used in the operation of any business conducted upon the Premises as distinguished from fixtures which relate to the use, occupancy and enjoyment of the Premises, it being understood that enumeration of any specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned. All or 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 be for the purposes of this Mortgage to be deemed to be real state and conveyed and mortgaged hereby.

Mortgagor covenants that Mortgagor is lawfully seized of the real estate hereby conveyed and has the right to mortgage, grant and convey the Premised; that the property is not subject to homestead rights of any person, that the Premises is unencumbered and that Mortgagor will warrant and defend generally the title to the Premises against all claims and demands, subject to any declarations, easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Mortgagor's interest in the Premises.

MAIL TO
RECORDER'S BOX 324 (PHO/EMPH)

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IT IS FURTHER UNDERSTOOD THAT:

1. Mortgagor shall promptly pay when due the principal of any interest, if any, on the indebtedness evidenced by the Note, and the principal of any interest on any future advances allowed under and secured by this Mortgage.

2. In addition, the Mortgagor shall:

(a) Promptly repair, restore or rebuild any improvement now or hereafter on the property which may become damaged or destroyed.

(b) Pay immediately when due and payable all general taxes, special taxes, special assessments, water charges, sewer service charges, condominium association assessments and other taxes and charges against the property including those heretofore due, and to furnish the Mortgagee, upon request, with the original or duplicate receipts therefore, and all such items extended against said property shall be conclusively deemed valid for the purpose of this requirement.

(c) Keep the improvements now existing or hereafter erected on the property insured against loss or damage by fire, lightning, wind storm or such other hazards, as the Mortgagee may reasonably require to be insured against under policies providing for payment by the insurance companies of monies sufficient either to pay the cost of replacement or repairing same or to pay in full the indebtedness secured hereby, in such companies through such agents or brokers and in such form as shall be satisfactory to the Mortgagee, until said indebtedness is fully paid, or in the case of foreclosure, until expiration of the period of redemption; such insurance policies, including additional and renewal policies shall be delivered to and kept by the Mortgagee and shall contain a clause satisfactory to the Mortgagee making them payable to the Mortgagee, as its interest may appear, and in case of loss under such policies the Mortgagee is authorized to adjust, collect and compromise, in its discretion, all claims thereunder and Mortgagor agrees to sign, upon demand, all receipts, vouchers and releases required of it by the insurance companies, application by the Mortgagee of any of the proceeds of such insurance to the indebtedness hereby secured shall not excuse the Mortgagor from making all monthly payments until the indebtedness is paid in full. In the event of a loss, Mortgagor shall give prompt notice to the insurance carrier and Mortgagee. Mortgagee may make proof of loss if not made and promptly delivered at least 10 days before such insurance shall expire. All policies shall provide further that Mortgagee shall receive 10 days notice prior to cancellation. So long as this Mortgage is not in default, such insurance proceeds, after deducting therefrom any expenses incurred in the collection thereof, shall be made available by the Mortgagee for the rebuilding or restoration of the Premises.

(d) Complete within a reasonable time any buildings or improvements now or at any time in process of erection upon said property.

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(e) Subject to the provisions hereof, restore and rebuild any buildings or improvements now or at any time upon said property and destroyed by fire or other casualty so as to be of at least equal value or substantially the same character as prior to such damage or destruction. In any case, where the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed upon the disbursing party being furnished with satisfactory evidence of the estimated cost of completion thereof and with architects certificates, waivers of lien, contractors and subcontractors sworn statements and other evidence cost and payment so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in place work and that said work is free and clear of mechanics lien claims. No payment 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 such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work free and clear of liens. If the cost of rebuilding, repairing or restoring the buildings and improvements can reasonably exceed the sum of \$50,000.00, then the Mortgagee shall approve plans and specifications of such work before such work shall be commenced. Any surplus which remains out of said insurance proceeds after payment of such costs of building or restoring shall at the option of the Mortgagee be applied on accounts of indebtedness secured hereby or be paid to any party entitled thereto without interest.

(f) Keep said Premises in good condition and repair without waste and free and free from any mechanics or other lien claims of lien not expressly subordinated to the lien hereof.

(g) Not to suffer or permit any unlawful use of or any nuisance to exist on said Premises nor to diminish nor impair its value by any act or omission to act.

(h) Comply with all requirements of law or municipal ordinances with respect to the Premises and the use thereof.

3. Any sale by conveyance or transfer of any right, title or interest in the Premises or any portion thereof or any sale, transfer or assignment of all or any part of the beneficial interest in any trust holding title to the Premises without the prior written approval of the Mortgagee shall, at the option of the Mortgagee, constitute a default hereunder on account of which the holder of the Note secured hereby may declare the entire indebtedness evidenced by said Note to be immediately due and payable and foreclose this Mortgage immediately or at any time such default occurs.

4. In the case of a failure to perform any of the covenants herein, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the Premises, including but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, the Mortgagee may do on the Mortgagor's behalf everything so covenanted; the Mortgagee may also do any act it may deem necessary to protect the lien hereof; and the Mortgagor will repay upon demand any monies paid or disbursed, including reasonable attorneys fees and expenses, by the Mortgagee, for any of the above purposes and such monies together with interest thereon at the rate set forth in the Note secured hereby shall become so much additional indebtedness hereby secured and may be included in any decree foreclosing this Mortgage and be paid out of the rents or proceeds of sale of said Premises if not otherwise paid. It shall not be obligatory upon the Mortgagee to inquire into the validity of any lien, encumbrance or claim in advancing monies as above authorized, but nothing herein contained shall be construed as requiring the Mortgagee to advance any monies for any purpose nor to any act hereunder; and the Mortgagee shall not incur any personal liability because of anything it may do or to do hereunder nor shall any acts of Mortgagee act as a waiver of Mortgagee's right to accelerate the maturity of the indebtedness secured by this Mortgage or to proceed to foreclose its Mortgage.

5. It is the intent hereof to secure payment of the Note whether the entire amount shall have been advanced to the Mortgagor at the date hereof or at a later date, or having

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been advanced, shall have been repaid in part and further advances made at a later date, which advances shall in no event operate to make the principal sum of the indebtedness greater than the original principal amount plus any amount or amounts that may be added to the mortgage indebtedness under the terms of this Mortgage for the purpose of protecting the security.

6. Time is of the essence hereof, and if default be made in performance of any covenant herein contained in the Note or obligation or any extension or renewal thereof, or if proceedings be instituted to enforce any other lien or charge upon any of the Premises, or upon the filing of a proceeding in bankruptcy by or against the Mortgagor, or if the Mortgagor shall make an assignment for the benefit of its creditors or if its property be placed under control of or in custody of any court or officer of the government or if the Mortgagor abandons the Premises, or fails to pay when due any share or assessment (whether for insurance premiums, maintenance, taxes, capital improvement), then and in any of said events, the Mortgagee is hereby created or the priority of said lien or any right of the Mortgagee hereunder, to declare, without notice all sums secured hereby immediately proceed to foreclose this Mortgage, and in any foreclosure a sale may be made of the Premises as a single parcel without the offering of the several parts separately. Mortgagor shall not be in default of any payment specified herein or in the Note unless at least fifteen (15) days shall have passed from the due date of said payment.

7. Upon the commencement of any foreclosure proceeding hereunder, the court in which such bill is filed may at any time, after the sale, appoint either the Mortgagee as "Mortgagee in Possession" or a receiver, with power to manage and rent and to collect the rents, issues and profits of said Premises during the pendency of such foreclosure suit and the statutory period of redemption and such rents, issues and profits, when collected, may be applied before as well as after the foreclosure sale, towards the payment of the indebtedness, costs, axes, insurance and other items including the expenses of such receivership or on any deficiency decree whether there be a decree therefore in personam or not, and if a receiver shall be appointed he shall remain in possession until the expiration of the full period allowed by statute for redemption, whether there be redemption or not, and until the issuance of a deed in case of sale, but if no deed be issued, until the expiration of the statutory period during which it may be issued and no lease of said Premises shall be nullified by the appointment or entry in possession of a receiver but he may elect to terminate any lease junior to the lien hereof; and upon foreclosure of said Premises, there shall be allowed and included as an additional indebtedness in the decree of sale all expenditures and expenses together with interest thereon at the rate of three percent (3%) above the Interest Rate as defined in the Note, which may be paid or incurred by or in behalf of the Mortgagee for attorneys fees, Mortgagee's fees, appraiser's fees, court costs and costs (which may be estimated as to and include items to be expended after the entry of the decree) and of procuring all such data with respect to title as Mortgagee may reasonable deem necessary either to prosecute such suit or to evidence to bidders at any sale held pursuant to such de decree the true title to or value of said premises; all of which aforesaid amounts together with interest as herein provided shall be immediately due and payable by the Mortgagor in connection with (a) any proceeding, including probate or bankruptcy proceedings, to which either party hereto shall be a party by reason of this Mortgage or the Note hereby secured; or (b) preparations for the accrual of the right to foreclosure, whether or not actually commenced; or (c) preparations for the defense of or intervention in any suit or proceeding which might affect the premises or the security hereof. In the event of a foreclosure sale of said Premises there shall first be paid out of the proceeds thereof all of the aforesaid items, then the entire indebtedness whether due and payable by the terms hereof or not and the interest due thereon up to the time of such sale, and the overplus, if any shall be paid to the Mortgagor, and the purchaser shall not be obliged to see to the application of the purchase money.

8. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release in any manner the liability of the original Mortgagor and Mortgagor's successor in interest. Mortgagee shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sum

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secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagor's successors in interest.

9. Any forbearance by Mortgagee in exercising any right or remedy hereunder or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxed or other liens or charges by Mortgagee shall not be a waiver of Mortgagee's right to accelerate the indebtedness secured by this Mortgage.

10. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity and may be exercised concurrently, independently or successively.

11. The covenants contained herein shall bind and the rights hereunder shall inure to, the respective successors and assigns of Mortgagee and Mortgagor subject to the provisions of paragraph 5 hereof. All covenants and agreements of Mortgagor shall be binding upon the beneficiaries of Mortgagor and any other party claiming any interest in the Premises under Mortgagor.

12. Except to the extent any notice shall be required under applicable law to be given in another manner, any notice to Mortgagor shall be given by mailing such notice by certified mail addressed to Mortgagor at or at such other address as Mortgagor may designate by notice to Mortgagee as provided herein and any notice to Mortgagee shall be given by certified mail, return receipt requested, to Mortgagee's address stated herein or to such other address as Mortgagee may designate by notice to Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagee when given in the manner designated herein.

13. Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage without charge to Mortgagor. Mortgagor shall pay all costs or recordation of any documentation necessary to release this Mortgage.

14. Mortgagor assigns to Mortgagee any authorizes the Mortgagee to for and collect any award for condemnation of all or any part of the Premises. The Mortgagee may, in their discretion, apply any such award to amounts hereunder, or for restoration of the Premises.

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

16. Mortgagor will at all times deliver to the Mortgagee duplicate originals or certified copies of all leases, agreements and documents relating to the Premises and shall permit access by the Mortgagee to its books and records, insurance policies and other papers for examination and making copies and extracts thereof. The Mortgagee, its agents and designees shall have the right to inspect the Premises at all reasonable time and access thereto shall be permitted for that purpose.

17. Mortgagee in making any payment hereby authorized: (a) relating to taxes and assessments, may do so accordingly to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim therefore; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount for any claim for lien which may be asserted.

18. No construction shall be commenced upon the land hereinbefore described or upon any adjoining land at any time owned or controlled by Mortgagor or by other business entities related to Mortgagor, unless the plans and specifications for such construction shall have

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been submitted to and approved in writing by Mortgagor to the end that such construction shall not, in the reasonable judgment of the Mortgagee, entail prejudice to the loan evidenced by the Note and this Mortgage.

19. The Mortgagor will pay all utility charges incurred in connection with the Premises and all improvements thereon and maintain all utility services now or hereafter available for use at the Premises.

20. If the Premises are now or hereafter located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968 (the Act), the Mortgagor will keep the Premises up to the maximum limit of coverage available under the Act.

21. This Mortgage shall be governed by the laws of the State of Illinois. In the event one or more of the provisions contained in this Mortgage shall be prohibited or invalid under applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.


22. In the event of a deficiency upon a sale of the Premises pledged hereunder by Mortgagor, then the Mortgagor shall forthwith pay such deficiency including all expenses and fees which may be incurred by the holder of the Note secured by this Mortgage in enforcing any of the terms and provisions of this Mortgage.

23. All provisions hereof shall inure to and bind the respective heirs, executors, administrators, successors, vendees and assigns of the parties hereto, and the word "Mortgagor" shall include all persons claiming under or through Mortgagor and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have excluded this Note or this Mortgage. Whenever used, the singular number shall include the plural, the singular and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, this Mortgage is executed as of the day and year first above written.



 David Schacht



 Valentina Schacht

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT DAVID AND VALENTINA SCHACHT, 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, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 4th day of April, 2003.

Kimberly A. Dewis Commission expires 2/20/07
Notary Public



This instrument was prepared by:
Phillip Brigham
20 N. Wacker Drive, Suite 1660
Chicago, IL 60606-2903

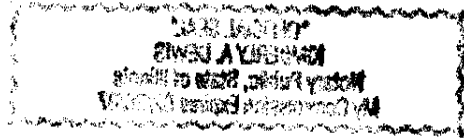
MAIL TO RECORDER'S BOX NUMBER 324 (PAID)

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EXHIBIT A PROMISSORY NOTE

Amount: \$5,430.00

Date: April 4th, 2003

FOR VALUE RECEIVED, the Undersigned, hereinafter referred to as "Owners", promise to pay to the Village of Mount Prospect, Illinois the principal sum of FIVE THOUSAND FOUR HUNDRED AND THIRTY (\$5430.00) DOLLARS without interest thereon; said principal sum to be paid in full at such time as there is a transfer of title or any beneficial interest in certain real estate commonly known as 312 Beverly Lane, Mount Prospect, Illinois, whether by sale, mortgage, assignment, transfer of beneficial interest, owner, or at the expiration of twenty years from the date of this Note, whichever occurs first. In the event that title or any interest in the said real estate is transferred by sale, mortgage or assignment within three (3) years of the date of this Note, an additional ten percent (10%) of the principal amount will be paid by the undersigned to the Village of Mount Prospect. Said principal amount or any part thereof may be prepaid at any time.

The payment of the principal sum herein is to be made at such banking association or trust company as the Village of Mount Prospect may designate from time to time in writing, and in the absence of such designation said payment shall be made at the Office of the Village Clerk, Village Hall, 100 South Emerson Street, Mount Prospect, Illinois

The principal sum of this Note constitutes a deferred payment loan under the Housing Rehabilitation Loan Program of the Village of Mount Prospect, Illinois, entered into pursuant to the terms and conditions of a certain Loan Agreement of even date herewith, between the undersigned as Owners and the Village of Mount Prospect.

The payment of this Note is secured by a Mortgage, bearing even date herewith, to the Village of Mount Prospect on the real estate commonly described above, situated in the Village of Mount Prospect, County of Cook, and State of Illinois, and it is agreed that in the case of a default on this Note, or in the performance of the terms or conditions of the Loan Agreement or in the performance of terms and conditions contained in said Mortgage, that at the election of the Village of Mount Prospect, the principal sum shall, at once become due and payable at the place of payment aforesaid. The undersigned do herein waive the presentment of this Note for payment, or any requirements for notice of dishonor, protest, or notice of protest regarding the terms hereof.

This Note is executed by DAVID SCHACT AND VALENTINA SCHACT and is payable only out of the property specifically described in said Mortgage securing the payment hereof, by the enforcement of the provisions contained in said Mortgage. No personal liability shall be enforceable against the promisor or any person interested, beneficiary or otherwise, in said property specifically described in said Mortgage given to secure the payment hereof, or in the property or funds at any time subject to said trust agreement, because or in respect of this Note, or the making, issue or transfer thereof, all such liability, if any, being expressly waived by each taker and holder thereof, but nothing contained shall modify or discharge the personal

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liability expressly assumed by the guarantor hereof, if any, and each original and successive holder of this Note accepts the same upon the express condition that no duty shall rest upon the undersigned to sequester the rents, issues and profits arising from the property described in said Mortgage, or the proceeds arising from the sale or other disposition thereof, but that in case of default in the payment of this Note or of any installment hereof, the sole remedy of the holder hereof shall be by foreclosure of said Mortgage given to secure the indebtedness evidenced by this Note, in accordance with the terms and provisions of said Mortgage and Rehabilitation Loan Agreement set forth or by action to enforce the personal liability of the guarantor, if any, of the payment hereof, or both.

If this Note is signed by more than one person, all obligations and authorizations hereunder shall be joint and several, and the term "Owners" herein shall include therein all persons signing this Note.



DAVID SCHACT



VALENTINA SCHACT

This Instrument prepared by:

Phillip Brigham
Klein, Thorpe and Jenkins, Ltd.
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