

UNOFFICIAL COPY

-88-580133

LM USA Loan No. 535909

MORTGAGE DEED (WITH SECURITY AGREEMENT AND ASSIGNMENT OF RENTS AND LEASES)

By this agreement dated Dec-5, 1988, the undersigned, Haverford at Schaumburg Limited Partnership, an Illinois Limited Partnership ("Mortgagor," whether one or more), whose address is c/o Kimball Hill, Inc. 5999 New Wilke Road, Suite 504; Rolling Meadows, Illinois, 60008, to secure the indebtedness and obligations hereinafter described, does hereby GRANT, BARGAIN, SELL, ASSIGN, and CONVEY, unto LOMAS MORTGAGE USA, INC., a Connecticut corporation ("Mortgagee"), the following described land (the "Land") located in Cook County, Illinois:

Legal Description Set Forth on Exhibit A attached hereto and made a part hereof;

TOGETHER with the following, whether now owned or hereafter acquired by Mortgagor: (a) all improvements now or hereafter attached to or placed, erected, constructed or developed on the Land (the "Improvements"); (b) all equipment, fixtures, furnishings, inventory and articles of personal property (the "Personal Property") now or hereafter attached to or use in or about the Improvements or which are necessary or useful for the complete and comfortable use and occupancy of the Improvements for the purposes for which they were or are to be constructed or developed, or which Personal Property is or may be used in or related to the planning, development, financing or operation of the Improvements, and all renewals of or, replacements or substitutions for any of the foregoing whether or not the same are or shall be attached to the Land or Improvements; (c) all building materials and equipment now or hereafter delivered to and intended to be installed in or on the Land or the Improvements; (d) all plans and specifications for the Improvements; (e) all contracts relating to the Land, the Improvements or the Personal Property; (f) all permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Land, the Improvements and the Personal Property; (g) all proceeds arising from or by virtue of the sale, lease or other disposition of the Land, the Improvements or the Personal Property; (h) all proceeds (including premium refunds) of each policy of insurance relating to the Land, the Improvements or the Personal Property; (i) all proceeds from the taking of any of the Land, the Improvements, the Personal Property or any rights appurtenant thereto by right of eminent domain or by private or other purchase in lieu thereof; (j) all right, title and interest of Mortgagor in and to all streets, roads, public places, easements and rights-of-way, existing or proposed, public or private, adjacent to or used in connection with, belonging or pertaining to the Land; (k) all of the leases, rents, royalties, bonuses, issues, profits, revenues or other benefits of the Land, the Improvements or the Personal Property, including without limitation, cash or securities deposited pursuant to leases to secure performance by the lessees of their obligations thereunder; (l) all rights, hereditaments and appurtenances pertaining to the foregoing; and (m) other interests of every kind and character that Mortgagor now has or at any time hereafter acquires in and to the Land, Improvements and Personal Property described herein and all property described herein and all property that is used or useful in connection therewith, including rights of ingress and egress and all reversionary rights or interests of Mortgagor with respect to such property. The above-described property is collectively referred to herein as the "Mortgaged Property."

TO HAVE AND TO HOLD the Mortgaged Property, together with the rights, privileges and appurtenances thereto belonging, unto the Mortgagee and his substitutes or successors, forever, and Mortgagor hereby binds itself and its heirs, executors, administrators, personal representatives, successors and assigns to warrant and forever defend the Mortgaged Property unto the Mortgagee, and its successors and assigns, against the claim or claims of all persons claiming or to claim the same or any part thereof

ARTICLE 1

INDEBTEDNESS

This Mortgage is given to secure the following:

1.1 Note: Payment of the indebtedness evidenced by the promissory Note (the "Note"), dated of even date herewith, in the stated principal amount of EIGHT HUNDRED THREE THOUSAND NINE HUNDRED FORTY TWO AND NO/100 DOLLARS (\$803,942.00), executed by Mortgagor, payable to the order of Mortgagee, whose address is 2001 Bryan Tower, Suite 3700, Dallas, Texas 75201 and P. O. Box 650096, Dallas, Texas 75265, and bearing interest and being payable as set forth therein, and all modifications, increases, and renewals thereof made from time to time.

5118718

-88-580133

UNOFFICIAL COPY

COOK COUNTY CLERK
JANUARY 1991

STATE OF ILLINOIS
COUNTY OF COOK

IN SENATE

January 15, 1991

REPORT OF THE

COMMISSIONERS OF THE

STATE OF ILLINOIS

ON THE

REVENUE

AND FINANCE

COMMISSION

FOR THE YEAR

ENDING DECEMBER 31, 1990

Property of Cook County Clerk's Office

REPORT OF THE

COMMISSIONERS OF THE

STATE OF ILLINOIS

ON THE

REVENUE

AND FINANCE

COMMISSION

FOR THE YEAR

ENDING DECEMBER 31, 1990

2.5 Right to Re-let: Mortgagor hereby authorizes and directs the tenants under the Leases to pay rents to Mortgagee upon written demand by Mortgagee without further consent of Mortgagor, and the

Mortgagor immediately without demand and shall be secured hereby. Mortgagee shall bear interest at the maximum lawful rate and shall be payable by tenants for security deposits or for rental payments more than one (1) month in advance and not delivered to Mortgagee. All amounts indemnified against hereunder, including reasonable attorneys' fees, incurred by Mortgagee from any claims under the Leases, including, without limitation, claims by Mortgagee shall not be liable for any injury or damage to person or property in or about the Mortgaged Property. Mortgagor hereby indemnifies and holds Mortgagee harmless from all liability, damage or obligation for any deposits delivered to Mortgagor by any lessee and not delivered to Mortgagee, incur any expenses, or perform any obligation or liability under the Leases, or assume any proceeding relating to any of the Leases or to the Mortgaged Property, take any action hereunder, except not, prior to entry upon and taking possession of the Mortgaged Property by Mortgagee, be deemed to constitute Mortgagee in possession, nor obligate Mortgagee to appear in or defend any

2.4 Mortgagee in Possession: Indemnification: Mortgagee's acceptance of this assignment shall (it shall not enter into any lease of the Mortgaged Property.

2.3 Leasing. Mortgagor covenants and agrees that without the prior written consent of Mortgagee, Mortgagor shall have the right, without joint order of Mortgagee, to enforce the Leases, unless Mortgagee directs otherwise. Mortgagee all guarantees of tenants' performance under the Leases, prior to an event of default, thereon, upon any part of the Mortgaged Property (the "Leases"). Mortgagor hereby further assigns to Mortgagee all existing and future Leases, and any and all extensions, renewals, modifications, and replacements

2.2 Assignment of Leases: Mortgagor hereby assigns to Mortgagee all existing and future Leases, including subleases thereof, and any and all extensions, renewals, modifications, and replacements thereof, upon any part of the Mortgaged Property (the "Leases"). Mortgagor hereby further assigns to Mortgagee all guarantees of tenants' performance under the Leases, prior to an event of default, the account of Mortgagor. collected first to the payment of the indebtedness in such manner as Mortgagee elects and thereafter to all rents as trustee for the benefit of Mortgagee and Mortgagor shall apply the funds so the indebtedness. Prior to an event of default, Mortgagor shall have a license to collect and receive are hereby absolutely and unconditionally assigned to Mortgagee to be applied by Mortgagee in payment of or any subtenants or occupants of any part of the Mortgaged Property (hereinafter called the "Rents") property, together with any and all rights that Mortgagor may have against any tenant under such leases covering loss of rents resulting from unavailability caused by damage to any part of the Mortgaged revenue, income, and other benefits derived from the Mortgaged Property or arising from the use or 2.1 Assignment of Rents, Profits, etc.: All of the rents, royalties, bonuses, issues, profits,

ASSIGNMENT OF RENTS AND LEASES

ARTICLE 2

The obligations above described are hereinafter collectively called the "Indebtedness." This Mortgage, the Loan Agreement, and any other instrument given to evidence or further secure the Indebtedness are hereinafter collectively called the "Loan Instruments." All payments on the Indebtedness shall be payable at the address of Mortgagee as set forth above, and unless otherwise provided in any instrument evidencing the Indebtedness, shall bear interest at the rate set forth in the Note, but not in excess of the highest rate permitted by applicable law, from the date of accrual of the Indebtedness until paid.

1.4 Other Indebtedness: Payment of all other indebtedness, of whatever kind or character, now owing or which may hereafter become owing by Mortgagor to Mortgagee, whether such indebtedness is evidenced by note, open account, overdraft, endorsement, surety agreement, guaranty, or otherwise.

1.3 Mortgage: Payment of all sums advanced by Mortgagee to or for the benefit of Mortgagor contemplated hereby and performance of all obligations and covenants herein contained.

1.2 Loan Agreement: Performance of all obligations of Mortgagor under any loan agreement, tri-party financing agreement or any other agreements (collectively, the "Loan Agreement") between Mortgagor and Mortgagee pertaining to the use of the proceeds of the Note.

1.1 I, the undersigned, do hereby certify that the foregoing is a true and correct copy of the original instrument as the same appears in the public records of the County of ... State of ...

93-560103

4.4 Insurance: Mortgagor shall, at its sole cost and expense, obtain and maintain title insurance, public liability insurance, and builder's risk and casualty insurance in such forms and amounts as are required by the Loan Agreement, or otherwise required by Mortgagor. Mortgagor shall deliver the policies of insurance or certificates thereof in form and substance satisfactory to Mortgagee promptly as issued; and, if Mortgagor fails to do so, Mortgagee, at its option, may procure

4.3 Organization, Power and Existence: Mortgagor (a) is duly organized, validly existing under applicable state laws and in the laws of the state of its formation and in good standing under the laws of the state of its formation and the laws of the State of Illinois, (b) has complied with all conditions prerequisite to its lawfully doing business in the state where the land is situated, and (c) has all requisite power and all governmental certificates of authority, licenses, permits, qualifications, and documentation to own, lease and operate its properties and to carry on its business, as now being, and as proposed to be, conducted. All Loan Instruments are within Mortgagor's powers, have been duly authorized by all requisite action and are not in contravention of law or the powers of Mortgagor's organizational documents. Mortgagor will preserve and keep in full force and effect its existence, rights, franchises, and trade names.

4.2 Title to Mortgaged Property and Lien of this Mortgage: Mortgagor has good and indefeasible title to the land and the improvements, and good and marketable title to the personal property, free and clear of any liens, charges, encumbrances, security interests, and adverse claims whatsoever, except as otherwise provided herein. If the interest of Mortgagee in the Mortgaged Property or any part thereof, shall be endangered or shall be attacked, directly or indirectly, Mortgagor hereby authorizes Mortgagee, at Mortgagor's expense, to take all necessary and proper steps for the defense of such interest, including the employment of counsel, the prosecution or defense of litigation, and the compromise or discharge of claims made against such interest.

4.1 Payment and Performance: Mortgagor shall make all payments on the indebtedness when due and shall punctually and properly perform all of Mortgagor's covenants, obligations and liabilities under the Loan Instruments.

Mortgagor does hereby covenant, warrant and represent to and agree with Mortgagee as follows:

REPRESENTATIONS, WARRANTIES, COVENANTS AND AGREEMENTS OF MORTGAGOR

ARTICLE 4

3.3 Fixtures: Some of the items of the Mortgaged Property described herein are goods that are or are to become fixtures related to the land, and it is intended that, as to those goods, this Mortgage shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Mortgaged Property is situated within the purview of Section 9.402(b) of the Code. Information concerning the security interest created by this instrument may be obtained from Mortgagor, as secured party, at the address of Mortgagee stated above. The mailing address of the Mortgagor, as debtor, is as stated above.

3.2 Notice of Changes: Mortgagor shall give advance notice in writing to Mortgagee of any proposed change in Mortgagor's name, identity, or structure and will execute and deliver to Mortgagee, prior to or concurrently with the occurrence of any such change, all additional financing statements that Mortgagee may require to establish and maintain the validity and priority of Mortgagee's security interest with respect to any of the Mortgaged Property described or referred to herein.

3.1 Security Interest: This Mortgage shall be a security agreement between Mortgagor, as the debtor, and Mortgagee, as the secured party, covering the Mortgaged Property constituting personal property or fixtures governed by the Illinois Uniform Commercial Code (hereinafter called the "Code"). In addition to Mortgagee's other rights hereunder, Mortgagee shall have all rights of a secured party under the Code. Mortgagor shall execute and deliver to Mortgagee all financing statements that may be required by Mortgagee to establish and maintain the validity and priority of Mortgagee's security interest and Mortgagor shall bear all costs thereof, including all Uniform Commercial Code searches reasonably required by Mortgagee. If Mortgagee should dispose of any of the Mortgaged Property pursuant to the Code, then (10) days' written notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice; provided, however, Mortgagee may dispose of such property in accordance with the foreclosure procedures of this Mortgage in lieu of proceeding under the Code.

SECURITY AGREEMENT

ARTICLE 3

Tenants may rely upon any written statement delivered by Mortgagee to the tenants. Any such payment to Mortgagee shall constitute payment to Mortgagor under the leases.

80-550193

UNOFFICIAL COPY

6.10 Severability: If any provision of this Mortgage is held to be illegal, invalid, or unenforceable under present or future laws effective while this Mortgage is in effect, the legality, validity and enforceability of the remaining provisions of this Mortgage shall not be affected thereby, and in lieu of each such illegal, invalid or unenforceable provision there shall be added automatically as a part of this Mortgage a provision which is legal, valid and enforceable and as similar in terms to such illegal, invalid or unenforceable provision as may be possible. If any of the indebtedness should be unsecured, the unsecured portion of the indebtedness shall be completely paid prior to the payment of

6.9 Mortgagee's Consent: Except as otherwise provided herein, in any instance hereunder where Mortgagee's approval or consent is required or the exercise of Mortgagee's judgment is required, the granting or denial of such approval or consent and the exercise of such judgment shall be within the sole discretion of Mortgagee, and Mortgagee shall not, for any reason or to any extent, be required to grant such approval or consent or exercise such judgment in any particular manner regardless of the reasonableness of either the request or Mortgagee's judgment.

6.8 Successors and Assigns: Use of Terms: The covenants, conditions and obligations contained herein, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, personal representatives, successors, and assigns of the parties hereto. Wherever used, the singular number shall include the plural and the plural the singular, and the use of any gender shall be applicable to all genders. The term "Mortgagor" shall include in their individual capacities and jointly all parties hereinabove named a Mortgagor. The term "Mortgagee" shall include any lawful owner, holder, pledgee, or assignee of any of the indebtedness. The duties, covenants, conditions, obligations, and warranties of Mortgagor in this Mortgage shall be joint and several obligations of Mortgagor and each Mortgagor, if more than one, and Mortgagor's heirs, executors, administrators, personal representatives, successors, and assigns. Each party who executes this Mortgage and each subsequent owner of the mortgaged Property, or any part thereof (other than Mortgagee), covenants and agrees that it will perform, or cause to be performed, each term and covenant of this Mortgage.

6.7 Limitation on Interest: All agreements between Mortgagor and Mortgagee, whether now existing or hereafter arising and whether written or oral, are hereby limited in accordance with the Note and the other Loan Instruments, so that in no contingency, whether by reason of acceleration of the maturity of any of the indebtedness or otherwise, shall the interest contracted for, charged or received by Mortgagor exceed the maximum amount permissible under applicable law.

6.6 No Waiver: No waiver or default on the part of Mortgagor or breach of any of the provisions of this Mortgage or of any other instrument executed in connection with the indebtedness shall be considered a waiver of any other rights and powers herein granted shall be construed as a waiver of such exercising or enforcing the rights and powers herein granted shall be construed as a waiver of such rights and powers, and likewise no exercise or enforcement of any rights or powers hereunder shall be held to exhaust such rights and powers, and every such right and power may be exercised from time to time. Acceptance by Mortgagee of partial payments shall not constitute a waiver of the default by failure to make full payments.

6.5 Waiver of Marshalling, Redemption and Certain Rights: To the extent that Mortgagor may lawfully do so, Mortgagor hereby expressly waives any right pertaining to the marshalling of assets, any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage Deed (for itself and on behalf of each and every person and entity, except decree or judgment creditors of the Mortgagor, acquiring any interest in or title to the mortgaged Property subsequent to the date hereof), the exemption of homestead, the administration of estates of decedents, or other matter to defeat, reduce or affect the right of Mortgagee to sell the mortgaged Property for the collection of the indebtedness (without any prior or different resort for collection), or the right of Mortgagee to the payment of the indebtedness out of the proceeds of sale of the mortgaged Property in preference to every other person and claimant.

6.4 Partial Release of Lien, Extension, etc.: Any part of the mortgaged Property may be released by Mortgagee without affecting the lien, security interest and assignment hereof against the remainder. The lien, security interest and other rights granted hereby shall not affect or be affected by any other security taken for the indebtedness. The taking of additional security, or the extension or renewal of the indebtedness or any part thereof, shall not release or impair the lien, security interest and other rights granted hereby, or affect the liability of any endorser or guarantor or improve the right of any permitted junior lienholder; and this Mortgage, as well as any instrument given to secure any renewal or extension of the indebtedness, or any part thereof, shall be and remain a first and prior lien, except as otherwise provided herein, on all of the mortgaged Property not expressly released until the indebtedness is paid.

6.3 Release of Lien: If Mortgagor shall perform each of the covenants and agreements herein contained, then this conveyance shall become null and void and shall be released at Mortgagor's written request and expense; otherwise, it shall remain in full force and effect. No release or modification of this conveyance, or of the lien, security interest or assignment created and evidenced hereby, shall be valid unless executed by Mortgagee.

83-560133

UNOFFICIAL COPY

7.5 Transfer of the Mortgaged Property: Title to all or any part of the Mortgaged Property (other than obsolete or worn Personal Property replaced by adequate substitutes of equal or greater value than the replaced items when new) shall become vested in any party other than Mortgagor, whether by operation of law or otherwise.

7.4 Bankruptcy or Insolvency: If the owner of the Mortgaged Property or any of the Special Guarantors as such term is defined in Section 1 of the Loan Agreement: (a) does not pay its debts as they become due or admits in writing its inability to pay its debts or makes a general assignment for the benefit of creditors; or (b) commences any case, proceeding or other action seeking reorganization, arrangement, adjustment, liquidation, dissolution or composition of it or its debts under any law relating to bankruptcy, insolvency, reorganization or relief of debtors; or (c) has a trustee, receiver, custodian or other similar official appointed for or take possession of all or any part of the Mortgaged Property or any other of its property or has any court take jurisdiction of any other of its property which remains undivided for a period of sixty (60) days.

7.3 False Representation: If any statement, representation or warranty in the Loan Instruments, any financial statement or any other writing delivered to Mortgagor in connection with the indebtedness is false, misleading or erroneous in any material respect.

7.2 Non-Performance of Covenants: If any of the covenants in the Loan Instruments are not fully and timely performed.

7.1 Failure to Pay Indebtedness: If any of the indebtedness is not paid when due, whether by acceleration or otherwise.

The occurrence of any one of the following shall be a default hereunder ("Event of Default"):

EVENTS OF DEFAULT

ARTICLE 7

6.18 Maximum Indebtedness. Notwithstanding anything to the contrary herein contained, in no event shall the indebtedness hereby secured exceed the sum of EIGHT HUNDRED THREE THOUSAND NINE HUNDRED FORTY TWO AND NO/100 DOLLARS (\$803,942.00).

6.17 Business Loan. Mortgagor hereby represents, warrants, and covenants that the indebtedness consists and qualifies as a "business loan" within the meaning, purview, and intent of Chapter 17, §6404(1)(c) of the Illinois Revised Statutes.

6.16 Entire Agreement. The Loan Instruments constitute the entire understanding and agreement between Mortgagor and Mortgagor with respect to the transactions arising in connection with the indebtedness and supersede all prior written or oral understandings and agreements between Mortgagor and Mortgagor in connection therewith.

6.15 Construction Mortgage: This Mortgage constitutes a "construction mortgage" as defined in Section 9-313(1)(c) of the Code and secures an obligation incurred for the construction of the improvements, including the acquisition cost of the land.

6.14 Headings: The Article, Paragraph and Subparagraph headings hereof are inserted for convenience of reference only and shall not alter, define, or be used in construing the text of such Articles, Paragraphs or Subparagraphs.

6.13 No Homestead: With respect to each Mortgagor who is an individual, no part of the Mortgaged Property constitutes any part of his business or residential homestead.

6.12 No Partnership: Nothing contained in the Loan Instruments is intended to create any partnership, joint venture or association between Mortgagor and Mortgagor, or in any way make Mortgagor a co-principal with Mortgagor with reference to the Mortgaged Property, and any inferences to the contrary are hereby expressly negated.

6.11 Modification or Termination: The Loan Instruments may only be modified or terminated by a written instrument or instruments executed by the party against which enforcement of the modification or termination is asserted. Any alleged modification or termination which is not so documented shall not be effective as to any party.

the secured portion of such indebtedness, and all payments made on account of the indebtedness shall be considered to have been paid on and applied first to the complete payment of the unsecured portion of the indebtedness.

88-506183

8.3 Receiver. Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the Court in which such complaint is filed may appoint a receiver of the Mortgaged Property. Such appointment may be made either before or after sale, without regard to solvency or insolvency of the Mortgagor at the time of application for such receiver, and without regard to the then value of the

8.2 Enforcement of Lien. When the indebtedness on any part thereof, shall become due, whether by acceleration or otherwise, or upon the occurrence of an event of Default, Mortgagor shall have the right (a) to foreclose the lien hereof for such indebtedness, or (b) to take such other action to protect and enforce Mortgagor's rights hereunder and the lien hereof, as Mortgagor deems advisable, including but not limited to the right, if permitted by applicable law, to sell the Mortgaged Property or any part thereof at public auction, in such manner, at such time and place, upon such terms and conditions, and upon such public notice (consisting of at least an advertisement in a newspaper of general circulation in the county or city in which the Mortgaged Property is located for not less than once a week for two successive weeks, or such period as the applicable law may then require) and in case of default of any purchaser, resale with postponement of sale or resale, and upon such public notice thereof, as Mortgagor may determine, and upon judicial approval if then required by law, convey the Mortgaged Property in fee simple and without liability of any purchaser to see to the application of purchase money. In any suit to foreclose the lien hereof, or in the event of any public auction sale, there shall be allowed and included as additional indebtedness in the decree of sale or otherwise, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagor for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title, as Mortgagor may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales, the true conditions of the title to or the value of the Mortgaged Property. All expenditures and expenses of the nature mentioned in this Paragraph, and such other expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagor in any litigation, proceedings or sale affecting this Mortgage, the Note or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, shall be so much additional indebtedness and shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest lawful rate per annum or the default rate specified in this Note until paid.

(iv) require Mortgagor to transfer all security deposits and records thereof to Mortgagor, together with all original counterparts of the Leases.

(iii) apply the Rent so collected to the operation and management of the Mortgaged Property, including the payment of reasonable management, brokerage and attorneys' fees, and/or to the indebtedness; and

(ii) make, modify, enforce, cancel, terminate or accept surrender of any Leases, evict tenants, adjust the rents, maintain, decorate, repair, refurbish, clean, and make space ready for renting, and otherwise do anything Mortgagor deems advisable in connection with the Mortgaged Property;

(i) terminate the license granted to Mortgagor to collect the Rents, collect and sue for the Rent, in Mortgagor's own name, give receipts and releases therefor, and after deducting all expenses of collection, including reasonable attorneys' fees, apply the net proceeds thereof to any indebtedness as Mortgagor may elect;

b) Enforcement of Assignment of Rents and Leases: Mortgagor may to the extent permitted by applicable law:

(a) Acceleration: Mortgagor may declare the indebtedness immediately due and payable, without notice, whereupon the same shall become immediately due and payable. Mortgagor hereby waives notice of intent to accelerate and notice of acceleration.

8.1 Exercise of Specific Remedies: If an Event of Default shall occur, Mortgagor may exercise any one or more of the following remedies, without notice:

REMEDIES
ARTICLE 8

7.7 Foreclosure of Other Liens: If the holder of any lien, security interest or assignment on the Mortgaged Property institutes foreclosure or other proceedings for the enforcement of its remedies thereunder.

7.6 Abandonment: If Mortgagor abandons any of the Mortgaged Property.

88-580133

8.11 Remedies Cumulative, Concurrent and Nonexclusive: Mortgagee shall have all rights, remedies and recourses granted in the Loan Instruments and available at law or equity (including, without limitation, those granted by the Code and applicable to the Mortgaged Property, or any portion thereof) and same (a) shall be cumulative and concurrent, (b) may be pursued separately, successively or

8.10 Other: Mortgagee may exercise any and all other rights, remedies and recourses granted under the Loan Instruments now or hereafter existing in equity or at law for the protection and preservation of the Mortgaged Property.

8.9 Reimbursement of Expenditure: If Mortgagee shall expend any money chargeable to Mortgagee or subject to reimbursement by Mortgagee under the terms of the Loan Instruments, Mortgagee will repay the same to Mortgagee immediately at the place where the Note is payable, together with interest thereon at the highest rate permitted by applicable law from and after the date of each such expenditure by Mortgagee.

8.8 Mortgagee's Right to Perform: Upon Mortgagee's failure to make any payment or perform any act required by the Loan Instruments, then at any time thereafter, and without notice to or demand upon Mortgagee and without waiving or releasing any other right, remedy or recourse, Mortgagee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Mortgagee, and shall have the right to enter the Mortgaged Property for such purpose and to take all such action thereon as it may deem necessary or appropriate.

8.7 Entry on Mortgaged Property: Upon occurrence of an event of default hereunder, Mortgagee may, if and to the extent permitted by applicable law, enter, into and upon and take possession of all or any part of the Mortgaged Property, and may exclude Mortgagee, and all persons claiming under Mortgagee, and its or their agents or servants, wholly or partly therefrom; and, holding the same, Mortgagee may use, administer, manage, operate, and control the Mortgaged Property and may exercise all rights and powers of Mortgagee in the name, place and stead of Mortgagee, or otherwise, as the Mortgagee shall deem best; and in the exercise of any of the foregoing rights and powers Mortgagee shall not be liable to Mortgagee for any loss or damage thereby sustained unless due solely to the willful misconduct or gross negligence of Mortgagee. The taking of possession under this paragraph shall not prevent concurrent or later proceedings for the foreclosure sale of the Mortgaged Property as provided elsewhere herein.

8.6 Law Suits: Mortgagee may proceed by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement herein contained or in aid of the execution of any power herein granted, or for any foreclosure hereunder or for the sale of the Mortgaged Property under the judgment or decree of any court or courts of competent jurisdiction.

8.5 Tenancy at Will: In the event of a foreclosure sale hereunder, if at the time of such sale Mortgagee occupies the portion of the Mortgaged Property so sold or any part thereof, Mortgagee shall immediately become the tenant of the purchaser at such sale, which tenancy shall be a tenancy from day to day, terminable at the will of either tenant or landlord, at a reasonable rental per day based upon the value of the portion of the Mortgaged Property so occupied, such rental to be due and payable daily to the purchaser. An action of forcible detainer shall lie if the tenant holds over after a demand in writing for possession of such Mortgaged Property.

8.4 Proceeds of Foreclosure Sale: The proceeds of any foreclosure or public auction sale of the Mortgaged Property shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings or public auction; second, all other items which under the terms hereof, constitute indebtedness additional to that evidenced by the Note, with interest on such items as herein provided; third, to interest remaining unpaid upon the Note; fourth, to the principal remaining unpaid upon the Note; and lastly, any overplus to Mortgagee, and its successors or assigns, as their rights may appear.

(a) The indebtedness or the indebtedness secured by a decree foreclosing this Mortgage, or any tax, special assessment, or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to the foreclosure sale; or

(b) The deficiency in case of a sale and deficiency.

88-560133

ATTENTION: RONALD T. COWAN
OAKBROOK TERRACE, IL. 60181
17W55 BUTTERFIELD ROAD
LOMAS MANAGEMENT



This document prepared By (and after recording should be returned to):

BY: [Signature]
PARTNERSHIP
HAWERFORD AT SCHAUMBURG LIMITED
PARTNERSHIP, A ILLINOIS LIMITED

DATED AND DELIVERED by the Mortgagor as of the date first set forth above.

9.4 Mortgagor's Right to Remove Hazardous Materials. Mortgagor shall have the right but not the obligation, without in any way limiting Mortgagor's other rights and remedies under this deed of trust, to enter onto the mortgaged property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact of, or otherwise deal with, any hazardous materials or hazardous materials contamination on the mortgaged property following receipt of any notice from any person or entity asserting the existence of any hazardous materials or hazardous materials contamination pertaining to the mortgaged property. All reasonable costs and expenses paid or incurred by Mortgagor in the exercise of any such rights shall be secured by this deed of trust and shall be payable by Mortgagor to Mortgagee upon demand.

9.3 Indemnification. Mortgagor shall defend, indemnify and hold harmless Mortgagee and the Trustee from any and all liabilities (including direct liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorneys' fees and remedial costs), suits, costs of any settlement or judgment and claims of any kind whatsoever which may now or in the future (whether before or after the release of this deed of trust) be paid, incurred or suffered by or asserted against, Mortgagee or Trustee by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence of, or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the mortgaged property of any hazardous materials or any hazardous materials contamination or which arise out of or result from the environmental condition of the mortgaged property or the applicability of any governmental requirement relating to hazardous materials, regardless of whether or not caused by or within the control of Mortgagee or Trustee. The representations, covenants and warranties contained in this Article 9 shall survive the release of this deed of trust.

9.2 Mortgagor's Covenants. Mortgagor agrees to (a) give notice to the Mortgagee immediately upon Mortgagee's acquiring knowledge of the presence of any hazardous materials on the mortgaged property or of any hazardous materials contamination with a full description thereof; (b) promptly comply with any governmental requirement relating to the removal, treatment or disposal of such hazardous materials or hazardous materials contamination and provide the Mortgagee with satisfactory evidence of such compliance; and (c) provide the Mortgagee, within thirty (30) days after demand by the Mortgagee, with a bond, letter of credit or similar financial assurance evidencing to the Mortgagee's satisfaction that the necessary funds are available to pay the cost of removing, treating and disposing of such hazardous materials or hazardous materials contamination and discharging any assessments which may be established on the mortgaged property as a result thereof.

9.1 Mortgagor's Warranties. Mortgagor hereby represents and warrants that no hazardous waste (as defined in 42 U.S.C. §6901, et seq.) or hazardous substance (as defined in 42 U.S.C. §9601, et seq.) or other prohibited materials (together "hazardous materials") are now located on the mortgaged property and that neither Mortgagor or any other person has ever caused or permitted any hazardous materials to be placed, held, located or disposed of on, under or at the mortgaged property or any part thereof. No part of the mortgaged property has ever been used as a manufacturing, storage or dump site for hazardous materials, nor is any part of the mortgaged property affected by any hazardous materials ("hazardous materials contamination"). To the best of the Mortgagor's knowledge and belief, no property adjoining the mortgaged property has ever been used as a manufacturing, storage or dump site for hazardous materials, nor is any other property adjoining the mortgage property affected by hazardous materials contamination.

HAZARDOUS MATERIALS

ARTICLE 9

any other right, remedy or recourse, and (d) are intended to be, and shall be, nonexclusive. or failure to exercise any of same shall in no event be construed as a waiver or release thereof or of concurrently against Mortgagor or others obligated for the indebtedness, or any part thereof or against any one or more of them, or against the mortgaged property, at the sole discretion of Mortgagee, (c) may be exercised as often as occasion therefor shall arise, it being agreed by Mortgagor that the exercise

83-580133

UNOFFICIAL COPY

88-560133

My Commission Expires: 12-9-89

Notary Public In and for
COOK COUNTY, ILL.

Maxine D. Parsons

Given under my hand and notarial seal this 5TH day
Dec. 19 88.

I, Maxine D. Parsons a notary public, in and for said
County, in the State aforesaid, DO HEREBY CERTIFY that David R.
Hill, Jr., President of Kimball Hill, Inc., the Sole General
 Partnership of Haverford at Schaumburg Limited Partnership, an Illinois
 Limited Partnership, personally known to me to be the same person whose name
 is subscribed to the foregoing instrument as such President, appeared before
 me this day in person and acknowledged that he signed and delivered said
 instrument as his own free and voluntary act and as the free and voluntary
 act of said Corporation, and as the free and voluntary act of said limited
 partnership for the use and purposes set forth.

STATE OF ILLINOIS)
)
) COUNTY OF COOK)
)
) SS.)

UNOFFICIAL COPY

EXHIBIT A

TO LOAN AGREEMENT, DATED December 5th, 1988,
BETWEEN HAVERFORD AT SCHAUMBURG LIMITED PARTNERSHIP, AS BORROWER,
AND LOMAS MORTGAGE USA, INC., AS LENDER

PROPERTY LEGAL DESCRIPTION

LOTS 3, 3, 6 AND 7 IN HAVERFORD AT SCHAUMBURG, BEING A
SUBDIVISION IN THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION
24, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD
PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office

DEPT-01 888.00
THALL FROM TIME 18/10/88 00 00:00
WILSON H. BY [unclear] TO [unclear] BY [unclear]
COOK COUNTY RECORDS

88-580133

22 mail

88580133