



UNOFFICIAL COPY

Mortgage

91278273

THIS MORTGAGE is made on April 5, 1991, between

not personally, but as Trustee under a Trust Agreement dated 19 and known as First No. 91278273, Roland K. Kaeser and Sharon L. Kaeser, his wife whose address is 93 Hills Drive, Barrington Hills, IL (the "Mortgagor") and NBD Woodfield Bank (Bank Name)

a State (national/state) banking corporation (association/corporation) whose address is 600 N. Meacham Road, Schaumburg, IL 60196 (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 Barrington Hills County of Cook State of Illinois:

See legal description attached as

Exhibit "A"

DEPT-01 RECORDING \$27.00
T#5555 TRAN 1949 06/10/91 14:50:00
#9728 # E *-91-278273
COOK COUNTY RECORDER

("the Premises")

Commonly known as: 93 Hills Drive, Barrington Hills, IL 60010

Tax Parcel Identification No. 01-10-400-009

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 lile, opened, proposed or vacated, or any strip or gore, adjoining the Premises;
- (3) All machinery, apparatus, equipment, fittings, fixture, 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.

The Premises are unencumbered except as follows: first mortgage in the amount of \$58,200.00 dated April 27, 1987 between the Mortgagor and First Federal Savings and Loan Association of Des Plaines, Des Plaines, IL

("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: See Exhibit "B" attached and made a part hereof

~~(i) The note(s) dated _____ in the principal amount(s) of _____ respectively, maturing on _____ executed and delivered by _____ to the Mortgagee with interest at the per annum rate of _____ percent (_____%) _____ 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 _____ percent (_____%) _____; and~~

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

~~(iii) _____~~

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

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Property of Cook County Clerk's Office

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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 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 herein 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 appoint a receiver of the Premises. The receiver's 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 receiver and 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. Such receiver shall have 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 times when Mortgagor, except for the intervention of the receiver, would be entitled to collect the rents, issues and profits. Such receiver shall also have all other powers which may be necessary or are 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 receiver to apply the net income in the receiver's 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 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 foreclosure sale and deficiency. No action for the enforcement of the lien or of any provision of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action which would not be good 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, 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) telecopy, telex or other wire transmission with request for assurance of receipt in a manner typical with respect to communication of that type. Notice made in accordance with this paragraph shall be deemed delivered upon receipt if delivered by hand or wire transmission, 3 business days after mailing if mailed by registered or certified mail or one business day after mailing or deposit with an overnight courier service if delivered by express mail or overnight courier. This notice provision shall be inapplicable to any judicial or non-judicial proceeding where Illinois law governs the manner and timing of notices in foreclosure or receivership proceedings.

21. 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.

22. 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, ON MORTGAGOR'S OWN BEHALF AND ON BEHALF OF EACH AND 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 IS AGRICULTURAL PROPERTY AND MORTGAGOR IS AN ILLINOIS CORPORATION, A FOREIGN CORPORATION LICENSED TO DO BUSINESS IN THE STATE OF ILLINOIS OR A CORPORATE TRUSTEE OF AN EXPRESS TRUST, MORTGAGOR HEREBY WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OF JUDGMENT OF FORECLOSURE OF THIS MORTGAGE AND ANY RIGHTS OF REINSTATEMENT PURSUANT TO THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, ON MORTGAGOR'S OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF 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 IS RESIDENTIAL PROPERTY AS DEFINED UNDER THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, BUT PRIOR TO THE FILING OF A COMPLAINT FOR FORECLOSURE, THE PREMISES CEASES TO QUALIFY AS RESIDENTIAL PROPERTY, 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, ON MORTGAGOR'S OWN BEHALF AND ON BEHALF OF EACH AND 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.

23. WAIVER OF JURY TRIAL. The Mortgagee and the Mortgagor after consulting or having had the opportunity to consult with counsel, knowingly, voluntarily and intentionally waive any right either of them may have to a trial by jury in any litigation based upon or arising out of this Mortgage or any related instrument or agreement or any of the transactions contemplated by this Mortgage or any course of conduct, dealing, statements, whether oral or written or actions of either of them. Neither the Mortgagee nor the Mortgagor shall seek to consolidate, by counterclaim or otherwise, any such action in which a jury trial has been waived with any other action in which a jury trial cannot be or has not been waived. These provisions shall not be deemed to have been modified in any respect or relinquished by either the Mortgagee or the Mortgagor except by a written instrument executed by both of them.

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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 previously 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, all 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 the Premises 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.** 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, until the Debt is fully paid, 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), 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. Should the Mortgagor 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 Mortgagor. In the event of loss or damage, the proceeds of the insurance shall be paid to the Mortgagee alone. No loss or damage shall itself reduce the Debt. The Mortgagee is authorized to adjust and compromise a loss without the consent of the Mortgagor, to collect, receive and receipt for any proceeds in the name of the Mortgagee and the Mortgagor and to endorse the Mortgagor'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 Mortgagor is not then or at any time during the course of restoration of the Premises in default under this Mortgage and has complied with all requirements for application of the proceeds to restoration of the Premises as Mortgagee, in its sole discretion may establish.

5. **RESERVES FOR TAXES AND INSURANCE.** Mortgagor 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 (a) 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 Mortgagor. Mortgagee 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 on them nor shall these sums be deemed to be held in trust for the benefit of Mortgagor. Upon notice at any time, the Mortgagor will, within ten (10) days, deposit such additional sum 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 moneys 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 Mortgagor 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 Mortgagor in the performance of the provisions of this paragraph shall constitute a default under this Mortgage.

6. **WASTE.** The Mortgagor 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 each constitute waste. Should the Mortgagor fail to effect the necessary repairs, the Mortgagee may at its option and at the expense of the Mortgagor make the repairs for the account of the Mortgagor. The Mortgagor shall use and 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.** No building, structure, improvement, fixture or personal property constituting any part of the Premises shall be removed, demolished or substantially altered without the prior written consent of the Mortgagee.

8. **PAYMENT OF OTHER OBLIGATIONS.** The Mortgagor shall also pay all other obligations which may become liens or charges 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 repayment 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, Mortgagor 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 Mortgage agrees, as a personal covenant applicable to Mortgagor only, and not as a limitation or condition hereof and not available to anyone other than Mortgagor, 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 Mortgage, Mortgagor may collect, receive and enjoy such avails. Upon the request of Mortgagee, Mortgagor shall deliver to Mortgagee all original leases of all or any portion of the Premises, together with assignments of such leases from Mortgagor to Mortgagee, which assignments shall be in form and substance satisfactory to Mortgagee; Mortgagor shall not, without Mortgagee's prior written consent, procure, permit or accept any prepayment, discharge or compromise of any rent or release any tenant from any obligation, at any time while the indebtedness secured hereby remains unpaid.

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or any policies or requirements of the Mortgagee which are based upon or in any way related to such Hazardous Materials used in 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 the Premises or any part of the Premises 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 Mortgagor tenders a deed in lieu of foreclosure, the Mortgagee 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" includes, without limitation, any flammable explosives, radioactive materials, hazardous materials, hazardous wastes, hazardous or toxic substances or related materials defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended (42 U.S.C. Section 9601, et. seq.), the Hazardous Materials Transportation Act, as amended (49 U.S.C. Section 1801, et. seq.), the Resource Conservation and Recovery Act, as amended (42 U.S.C. Section 6901, et. seq.) and in the regulations adopted and publications promulgated pursuant thereto, or any other federal, state or local governmental law, ordinance, rule or regulation.

The provisions of this paragraph 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 sums 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 paragraph 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) 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 occurs; (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; or the Mortgagor or Principal Obligor consents to 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, (11) any proceedings are instituted for the foreclosure or collection of any mortgage, judgment or lien affecting the Premises; (12) if 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 Bank'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 a rate equivalent to the post maturity interest rate set forth in the note. 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,

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10. **ASSIGNMENT OF INTEREST AS TENANT OR PURCHASER.** If the Mortgagor's interest in the Premises is that of a tenant or a purchaser, the Mortgagor also assigns, mortgages and warrants to the Mortgagee, as additional security for the Debt, all of the Mortgagor's right, title and interest in and to any leases, land contracts or other agreements by which the Mortgagor is leasing or purchasing any part or all of the property, including all modifications, renewals and extensions and all of the Mortgagor's right, title or interest in any purchase options contained in any lease or other agreement. The Mortgagor 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 Mortgagor further agrees to pay and perform all of its other obligations under the lease, land contract or other agreement.

If the Mortgagor 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 or installments and to pay or perform the other obligations on behalf of and at the expense of the Mortgagor. 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 Mortgagor, the Mortgagee may rely on the notice as cause to take any action it deems necessary or reasonable to cure a default even if the Mortgagor questions or denies the existence or nature of the default.

11. **SECURITY AGREEMENT.** This Mortgage also constitutes a security agreement within the meaning of the Illinois Uniform Commercial Code ("UCC") and Mortgagor 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, any method of disposition of collateral authorized by the UCC with respect to any portion of the Premises subject to the UCC.

12. **REIMBURSEMENT OF ADVANCES.** If Mortgagor fails to perform any of its obligations under this Mortgage, or if any action or proceeding is commenced which materially affects Mortgagee's interest 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 action as it deems necessary to protect its interest (including but not limited to disbursement of reasonable attorneys' and paralegals' fees and entry 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 Mortgagor, and shall bear interest at the highest rate payable on the Debt.

13. **DUE ON TRANSFER.** Notwithstanding any other provisions of this Mortgage, no sale, lease, mortgage, trust deed, grant by Mortgagor 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.** Mortgagor 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, together with interest, 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 Mortgagor 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 Mortgagor 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' 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 alteration, restoration or rebuilding of the Premises.

16. **HAZARDOUS WASTE.** The Mortgagor represents and warrants to the Mortgagee that (a) the Mortgagor has not used Hazardous Materials (as defined below), on, from or affecting the Premises in any manner which violates federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and, to the best of the Mortgagor's knowledge, no prior owner of the Premises or any existing or prior tenant, or occupant has used Hazardous Materials on, from or affecting the Premises in any manner which violates federal, state or local law, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials; (b) the Mortgagor has never received any notice of any violations (and is not aware of any existing violations) of federal, state or local laws, ordinances, rules, regulations or policies governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials at the Premises and, to the best of the Mortgagor's knowledge, there have been no actions commenced or threatened by any party for noncompliance which affects the Premises; (c) Mortgagor shall keep or cause the Premises to be kept free of Hazardous Materials except to the extent that such Hazardous Materials are stored and/or used in compliance with all applicable federal, state and local laws and regulations; and, without limiting the foregoing, Mortgagor shall not cause or permit the Premises to be used to generate, manufacture, refine, transport, treat, store, handle, dispose of, transfer, produce, or process Hazardous Materials, except in compliance with all applicable federal, state and local laws and regulations, nor shall Mortgagor cause or permit, as a result of any intentional or unintentional act or omission on the part of Mortgagor or any tenant, subtenant or occupant, a release, spill, leak or emission of Hazardous Materials onto the Premises or onto any other contiguous property; (d) the Mortgagor shall conduct and complete all investigations, including a comprehensive environmental audit, studies, sampling, and testing, and all remedial, removal and other actions necessary to clean up and remove all Hazardous Materials on, under, from or affecting the Premises as required by all applicable federal, state and local laws, ordinances, rules, regulations and policies, to the satisfaction of the Mortgagee, and in accordance with the orders and directives of all federal, state and local governmental authorities; and (e) the Mortgagor represents and warrants that there are no underground storage tanks on the Premises or as reasonably can be ascertainable on property adjacent to, or in close proximity to the Premises. If the Mortgagor fails to conduct an environmental audit required by the Mortgagee, then the Mortgagee may at its option and at the expense of the Mortgagor, conduct such audit.

Subject to the limitations set forth below, the Mortgagor 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', paralegals' and consultants' fees, investigation and laboratory fees, court costs and litigation expenses, known or unknown, contingent or otherwise, arising out of or in any way related to (a) 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.

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Exhibit "A"

That part of Lot 27 in Resubdivision of Hills and Dales, a Subdivision of part of Section 10, Township 42 North, Range 9 East of the Third Principal Meridian, described as follows:

Beginning at a point on the Easterly line of said Lot 27 (being also the Northwestern right of way line of the Elgin, Joliet and Eastern Railroad) at a point 977.96 feet Southwesterly from the Northeastly corner of said Lot 27 for a point of beginning, thence Westerly along a line forming an angle of 116 degrees 04 minutes from the Northeastly to North Westerly with the last described line a distance of 315.75 feet to a point on the Easterly line of Hills Road in said Subdivision lying 141.28 feet Northerly from a point of curvature of a curve having a radius of 544.30 feet; thence Southwesterly along said Easterly line of Hills Road on a straight line forming an angle of 108 degrees 50 minutes from Easterly to South and Southwesterly with the last described course a distance of 141.28 feet; thence Southwesterly along said Southeasterly line of Hills Road along a curve to the right having a radius of 544.30 feet a distance of 154.75 feet; thence Southwesterly along said Southeasterly line of Road on a straight line tangent to the last described curve a distance of 6.0 feet; thence Southwesterly along the said Southeasterly line of road on a curve to the right having a radius of 639.70 feet a distance of 320.77 feet; thence Southwesterly along said Southeasterly line of road on a straight line tangent to the last said curve, a distance of 64.35 feet; thence Southwesterly along said Southeasterly line of Hills Road on a curve to the right having a radius of 259.20 feet, a distance of 83.85 feet to the most Westerly line of said Lot 27; thence Southerly along the said most Westerly line of Lot 27 a distance of 10.36 feet to a point on the South line of said Lot 27 lying 573.3 feet Westerly from the Southeasterly corner of said Lot 27; thence Easterly on the said South line of Lot 27 a distance of 573.3 feet to the said Southeasterly corner of Lot 27 on the Northwestern right of way line of said Elgin, Joliet and Eastern railroad; thence Northeastly along said Northwestern right of way line of Railroad a distance of 550.24 feet to the point of beginning, all in Township of Barrington, in Cook County, Illinois.

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Exhibit "B"

Attached to Mortgage dated April 5, 1991

- (i) The revolving note dated April 5, 1991 in the maximum principal amount of \$50,000.00 maturing December 15, 1991 executed and delivered by Roland K. Kaeser to the Mortgagee, with interest at the per annum rate of one percent (1%) over the announced prime rate of the Mortgagee, changing from time to time, on the principal balances remaining from time to time unpaid. Interest after default or maturity of the revolving 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 four percent (4%) over the announced prime rate of the Mortgagee, changing from time to time; and
- (ii) The guaranty of the debt of Geneva Securities, Inc. ("Debtor") dated April 5, 1991, which is attached as Exhibit "C" hereto, executed and delivered by the Mortgagor to the Mortgagee, guarantying the notes of the Debtor dated April 5, 1991 and July 27, 1990 in the amounts of \$50,000.00 and \$13,336.00 respectively maturing December 15, 1991 and July 5, 1991 respectively and the Irrevocable Standby Letter of Credit of Debtor dated May 23, 1989 in the amount of \$50,000.00 executed and delivered by the Debtor to the Mortgagee. Interest on the notes shall be at the per annum rate of one percent (1%) over the announced prime rate of the Mortgagee, changing from time to time, on the principal balances remaining from time to time unpaid. Interest after default, or maturity of the notes, whether by acceleration or otherwise on the principal balances of the notes from time to time unpaid shall be at the per annum rate of four percent (4%) over the announced prime rate of the Mortgagee, changing from time to time. The fee on the Irrevocable Standby Letter of Credit shall be two percent (2%) of the face value per annum, payable annually in advance; and

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- (iii) The guaranty of the debt of Geneva Real Estate Corporation ("Debtor") dated April 5, 1991, which is attached as Exhibit "D" hereto, executed and delivered by the Mortgagor to the Mortgagee, guarantying the notes of the Debtor dated April 5, 1991 and April 26, 1989 in the amounts of \$50,000.00 and \$11,000.00, respectively; maturing December 15, 1991 and May 5, 1992, respectively. Interest on the notes shall be at the per annum rate of one percent (1%) over the announced prime rate of the Mortgagee, changing from time to time, on the principal balances remaining from time to time unpaid. Interest after default, or maturity of the notes, whether by acceleration or otherwise on the principal balances of the notes from time to time unpaid shall be at the per annum rate of four percent (4%) over the announced prime rate of the Mortgagee, changing from time to time; and
- (iv) Including any extensions, renewals, modifications or replacements of any of the foregoing referred to in paragraph (i) or (ii) without limit as to the number or frequency (hereinafter collectively referred to as the "Debt").

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Guaranty

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The undersigned hereby request NBD Woodfield Bank, (hereinafter, together with its successors and assigns, called the "Bank"), to grant financial accommodations, to extend credit or permit credit to remain outstanding to Geneva Securities, Inc.

(the "Borrower") as the Borrower may desire and as the Bank in its sole discretion may extend or permit from time to time, whether to the Borrower alone or to the Borrower and others, and in consideration of any financial accommodation or credit granted or continued, the undersigned hereby unconditionally, irrevocably and absolutely guarantee(s), as a principal obligor and not as a surety, the full and prompt payment when due, whether by acceleration or otherwise, and at all times thereafter, of all obligations of the Borrower to the Bank, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due, including future advances (all such obligations being hereinafter collectively called the "Liabilities"), and the undersigned further agree(s) to pay all expenses (including attorneys' fees and legal expenses) paid or incurred by the Bank in endeavoring to collect the Liabilities, or any part thereof, and in enforcing this Guaranty.

The undersigned jointly and severally guarantee that the Liabilities will be paid strictly in accordance with the terms of any loan documents covering the Liabilities, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Bank with respect thereto. The liability of the undersigned under this Guaranty shall be absolute and unconditional irrespective of:

- (a) any novation or discharge of the Borrower's obligations for the Liabilities;
- (b) any failure on the part of the Bank to protect any collateral given by the Borrower to secure the Liabilities or failure by the Bank to notify the undersigned of any seizure or impairment of any such collateral;
- (c) any lack of validity or enforceability of any of the loan documents covering the Liabilities or any other agreement or instrument relating thereto;
- (d) any change in the time, manner or place of, or in any other term of, including the increase of, all or any of the Liabilities, or any other amendment or waiver of or any consent to departure from any of the loan documents;
- (e) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Liabilities; or
- (f) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Borrower or any of the undersigned in respect of this Guaranty, including, but without limitation, any defense of waiver, estoppel, laches, and statutes of limitation.

WJH
(Initials of Guarantor)

The right of recovery against the undersigned under this Guaranty is:

WJH
(Initials of Bank Officer)

(b) is limited to the amount of One Hundred Twenty Thousand and 00/100 Dollars 120,000.00 plus interest on such amount plus all expenses (including attorneys' fees and legal expenses) paid or incurred by the Bank in endeavoring to collect the Liabilities, or any part thereof, and in enforcing this Guaranty.

(Strike (a) or (b), whichever is inapplicable) (If neither (a) nor (b) is stricken, then (a) applies)

Credit may be granted or continued from time to time by the Bank to the Borrower without notice or authorization from the undersigned regardless of the Borrower's financial or other condition at any time of such grant or continuation. The Bank shall have no obligation to disclose or discuss with the undersigned its assessment of the financial condition of the Borrower.

The undersigned will assume the full responsibility of keeping themselves informed of the financial condition of the Borrower and of any circumstances bearing upon the risk of non-payment of the Liabilities which diligent inquiry would reveal, and agrees that the Bank shall have no duty to make available to the undersigned any information known to it regarding such condition or other such circumstances.

Each of the undersigned agree that, in the event of the death, incompetency, dissolution or insolvency of the Borrower or such undersigned, or the inability of the Borrower or such undersigned to pay debts as they mature, or an assignment by the Borrower or such undersigned for the benefit of creditors, or the institution of any proceeding by or against the Borrower or such undersigned alleging that the Borrower or such undersigned is insolvent or unable to pay debts as they mature, and if such event shall occur at a time when any of the Liabilities may not then be due and payable, such undersigned will pay to the Bank forthwith the full amount which would be payable hereunder by such undersigned if all Liabilities were then due and payable.

To secure all obligations of each of the undersigned hereunder, the Bank shall have a lien upon and security interest in (and may, without demand or notice of any kind, at any time and from time to time when any amount shall be due and payable by such undersigned hereunder, appropriate and apply toward the payment of such amount, in such order of application as the Bank may elect) any and all balances, credits, deposits, accounts or monies of or in the name of such undersigned now or hereafter with the Bank and any and all property of every kind or description of or in the name of such undersigned now or hereafter, for any reason or purpose whatsoever, in the possession or control of, or in transit to, the Bank or any agent or bailee for the Bank.

This Guaranty is also secured by Second mortgage on property commonly known as 93 Hills Drive, Barrington Hills, IL

The Bank may also from time to time without demand or notice to the undersigned (or any of them) obtain a security interest in any other property to secure the Liabilities, or any part thereof.

This Guaranty shall in all respects be a continuing, absolute and unconditional Guaranty, and shall remain in full force and effect (notwithstanding, without limitation, the death, incompetency or dissolution of any of the undersigned or that at any time or from time to time all Liabilities may have been paid in full), until revocation in writing from the undersigned is actually received by an officer of the Bank at the Bank's principal office. Such revocation shall only be effective with respect to those of the undersigned as give notice (and the continuing liability of other parties hereto shall not be affected) and

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only with respect to Liabilities incurred or incurred by the Borrower or acquired by the Bank after the date on which such notice is so received, but this Guaranty shall remain in force and effect as to all Liabilities existing on the date of receipt of such notice and to all renewals and extensions thereof until the full payment of such Liabilities to the Bank and no such notice of revocation or discontinuance shall affect or impair any of the agreements and obligations of such undersigned hereunder with respect to any and all Liabilities existing prior to the time of actual receipt of such notice by the Bank, any and all Liabilities created or acquired thereafter pursuant to any of the foregoing, and any and all expenses paid or incurred by the Bank in endeavoring to collect any of the foregoing and in enforcing this Guaranty against such undersigned; and all of the agreements and obligations of such undersigned under this Guaranty shall, notwithstanding any such notice of termination, remain fully in effect until all such Liabilities (including any extension or renewals of any thereof) and all such interest and expenses shall have been paid in full. Any such notice of termination by or on behalf of any of the undersigned shall not affect or impair the obligations hereunder of any other of the undersigned.

If any bankruptcy, insolvency or other debtor relief proceedings of any nature shall be instituted by or against any of the undersigned, then to the fullest extent permitted by law, this Guaranty shall be fully enforceable against all the undersigned by or against whom such proceedings have not been instituted (the "unaffected Guarantors"), and none of the unaffected Guarantors shall seek or permit or suffer to be obtained any injunction, stay or other similar relief in such proceedings or other forum to preclude, delay or otherwise impair the enforcement of this Guaranty against any or all the unaffected Guarantors. The undersigned further agrees that, if at any time all or any part of any payment theretofore applied by the Bank to any of the Liabilities is or must be rescinded or returned by the Bank for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower), such Liabilities shall, for the purposes of this Guaranty, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Bank, and this Guaranty shall continue to be effective or be reinstated, as the case may be, as to such Liabilities, all as though such application by the Bank had not been made.

The undersigned hereby waives(s), to the fullest extent permitted by law, (a) any defense arising as a result of the Bank's election, in any proceedings instituted under the Bankruptcy Code, of the application of Section 111(b)(2) of the Bankruptcy Code; and (b) any defense based on any borrowing or grant of a security interest under section 364 of the Bankruptcy Code.

The Bank may, from time to time, whether before or after any discontinuance of this Guaranty, at its sole discretion, and without notice to the undersigned (or any of them), take any or all of the following actions: (a) retain or obtain a security interest in any property to secure any of the Liabilities or any obligation hereunder, (b) retain or obtain the primary or secondary obligation of any obligor or obligor(s), in addition to the undersigned, with respect to any of the Liabilities, (c) extend or renew for one or more periods (whether or not longer than the original period), alter or exchange any of the Liabilities, or release or compromise any obligation of any of the undersigned hereunder or any obligation of any nature of any other obligor with respect to any of the Liabilities, (d) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the Liabilities or any obligation hereunder, or extend or renew for one or more periods (whether or not longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property, and (e) resort to the undersigned (or any of them) for payment of any of the Liabilities, whether or not the Bank shall have resorted to any property securing any of the Liabilities or any obligation hereunder or shall have proceeded against any other of the undersigned or any other obligor primarily or secondarily obligated with respect to any of the Liabilities.

Any amounts received by the Bank from whatsoever source on account of the Liabilities may be applied by it toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time elect; and, notwithstanding any payments made by or for the account of the undersigned pursuant to this Guaranty, the undersigned shall not be subrogated to any rights of the Bank until such time as this Guaranty shall have been discontinued as to all of the undersigned as the Bank shall have received payment of the full amount of all Liabilities and of all obligations of the undersigned hereunder.

The Bank may, at its election exercise any right or remedy it may have against the Borrower or against any security held by the Bank, including, without limitation, the right to foreclose upon any such security by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, without affecting or impairing in any way the liability of the undersigned hereunder, except to the extent the indebtedness has been paid. The undersigned also waives(s) any defense arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of the undersigned against the Borrower or against any such security, whether resulting from such election by the Bank or otherwise.

The undersigned waives(s) any defense arising by reason of any disability or other defense of the Borrower or by reason of the cessation from any cause whatsoever (including without limitation, any intervention or omission by the Bank) of the liability, either in whole or in part, of the Borrower to the Bank for the indebtedness. The undersigned understands that if all or any part of the liability of the Borrower to the Bank for the indebtedness is secured by real property, the undersigned shall be liable for the full amount of its liability hereunder notwithstanding foreclosure on such real property by trustee sale or any other reason impairing the undersigned's right to proceed against the Borrower.

The undersigned hereby waives(s), to the fullest extent permitted by law, all rights and benefits under Section 1 of Chapter 132 of the Illinois Revised Statutes, providing for a discharge of the undersigned to the extent that if required the Bank may not within a reasonable time commence an action and prosecute the same to final judgment and the enforcement thereof against the Borrower.

The undersigned hereby expressly waives(s):

- (a) notice of acceptance by the Bank of this Guaranty;
- (b) notice of the existence or creation or non-payment of all or any of the Liabilities;
- (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever; and
- (d) all diligence in collection or protection of or realization upon the Liabilities or any thereof, any obligation hereunder, or any security for or Guaranty of any of the foregoing.

The creation or existence from time to time of Liabilities in excess of the amount to which the right or recovery under this Guaranty is limited is hereby authorized, without notice to the undersigned (or any of them), and shall in no way affect or impair the rights of the Bank and the obligation of the undersigned under this Guaranty.

The Bank may, from time to time, whether before or after any discontinuance of this Guaranty, without notice to the undersigned (or any of them), assign or transfer any or all of the Liabilities or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Liabilities shall be and remain Liabilities for the purposes of the Guaranty, and each and every immediate and successive assignee or transferee in the Liabilities, shall be entitled to the benefits of the Guaranty to the same extent as if such assignee or transferee were the Bank; provided, however, that, unless the Bank shall otherwise consent in writing, the Bank shall have an unimpaired right, prior and superior to that of any such assignee or transferee, to enforce this Guaranty, for the benefit of the Bank, as to those of the Liabilities which the Bank has not assigned or transferred.

No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Guaranty be binding upon the Bank except as expressly set forth in a writing duly signed and delivered on behalf of the Bank. No action of the Bank permitted hereunder shall in any way affect or impair the rights of the Bank and the obligation to the undersigned under this Guaranty. For the purposes of this Guaranty, Liabilities shall include all obligations of the Borrower to the Bank, notwithstanding any right or power of the Borrower or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense shall affect or impair the obligations of the undersigned hereunder.

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Property of Cook County Clerk's Office

Address

Address

Address

Barrington Hills, IL 60010

Address

93 Hills Drive

SIGNED AND DELIVERED this

5th

day of

April

1991

Roland K. Kaesgl

(a) is valid, binding and enforceable in accordance with its provisions, and no conditions exist to the legal effectiveness of this Guaranty;

(b) contains the entire agreement between the undersigned and the Bank;

(c) is the final expression of their intentions; and

(d) supersedes all negotiations, representations, warranties, commitments, offers, contracts of any kind or nature, whether oral or written) to or contemporaneous with the execution hereof. No prior or contemporaneous representations, warranties, understandings, offers or agreements of any kind or nature, whether oral or written, have been made to the Bank or relied upon by the undersigned in connection with the execution hereof.

The undersigned and each of them (if more than one) specifically acknowledge and agree that the relationship hereby created with the Bank is and has been conducted on an open arm's-length business basis in which no fiduciary relationship exists, and that the undersigned, and each of them (if more than one) has not relied and is not relying on any fiduciary relationship in the execution and delivery of this Guaranty.

This Guaranty:

It is agreed that the undersigned's liability is independent of any other guaranties at any time in effect with respect to all or any part of the Liabilities, and that the undersigned's liability hereunder may be enforced regardless of the existence of any such other guaranties.

THE BANK AND THE UNDERSIGNED, AND EACH OF THEM, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY, THE RIGHT EITHER OR ANY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT OR COURSE OF DEALING, IN WHICH THE BANK AND THE UNDERSIGNED, OR ANY ONE OF THEM, ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK MAKING THE LOAN OR EXTENSION OF CREDIT TO THE DEBTOR.

Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

This Guaranty has been delivered at Schaumburg, Illinois, and shall be construed in accordance with and governed by the laws of the State of Illinois. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

This Guaranty shall be binding upon the undersigned, and upon the heirs, legal representatives, successors and assigns of the undersigned; and to the extent that the Borrower or any of the undersigned is either a partnership or a corporation, to such partnership or corporation. If more than one party shall execute this Guaranty, the term "undersigned" as used herein shall mean all parties executing this Guaranty and each of them, and all such parties shall be jointly and severally obligated hereunder.



Guaranty

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The undersigned hereby request NBD Woodfield Bank, (hereinafter, together with its successors and assigns, called the "Bank"), to grant financial accommodations, to extend credit or permit credit to remain outstanding to
Geneva Real Estate Corporation

(the "Borrower") as the Borrower may desire and as the Bank in its sole discretion may extend or permit from time to time, whether to the Borrower alone or to the Borrower and others, and in consideration of any financial accommodation or credit granted or continued, the undersigned hereby unconditionally, irrevocably and absolutely guarantees(s), as a principal obligor and not as a surety, the full and prompt payment when due, whether by acceleration or otherwise, and at all times thereafter, of all obligations of the Borrower to the Bank, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due, including future advances (all such obligations being hereinafter collectively called the "Liabilities"), and the undersigned further agrees(s) to pay all expenses (including attorneys' fees and legal expenses) paid or incurred by the Bank in endeavoring to collect the Liabilities, or any part thereof, and in enforcing this Guaranty.

The undersigned jointly and severally guarantee that the Liabilities will be paid strictly in accordance with the terms of any loan documents covering the Liabilities, regardless of any law, regulation or order now or hereafter in effect in any jurisdiction affecting any of such terms or the rights of the Bank with respect thereto. The liability of the undersigned under this Guaranty shall be absolute and unconditional irrespective of:

- (a) any novation or discharge of the Borrower's obligations for the Liabilities;
- (b) any failure of the part of the Bank to protect any collateral given by the Borrower to secure the Liabilities or failure by the Bank to notify the undersigned of any seizure or impairment of any such collateral;
- (c) any lack of validity or enforceability of any of the loan documents covering the Liabilities or any other agreement or instrument relating thereto;
- (d) any change in the time, manner or place of, or in any other term of, including the increase of, all or any of the Liabilities, or any other amendment or waiver of or any consent to departure from any of the loan documents;
- (e) any exchange, release or non-perfection of any collateral, or any release or amendment or waiver of or consent to departure from any other guaranty, for all or any of the Liabilities; or
- (f) any other circumstance which might otherwise constitute a defense available to, or a discharge of, the Borrower or any of the undersigned in respect of this Guaranty, including, but without limitation, any defense of waiver, estoppel, laches, and statutes of limitation.

(Initials of Guarantor)

The right of recovery against the undersigned under this Guaranty is:

~~(a) unlimited to the amount of the Liabilities, or~~

(Initials of Bank Officer)

(b) is limited to the amount of

Sixty One Thousand and 00/100-----Dollars (\$61,000.00)
plus interest on such amount plus all expenses (including attorneys' fees and legal expenses) paid or incurred by the Bank in endeavoring to collect the Liabilities, or any part thereof, and in enforcing this Guaranty.

(Strike (a) or (b), whichever is inapplicable) (If neither (a) nor (b) is stricken, then (a) applies)

Credit may be granted or continued from time to time by the Bank to the Borrower without notice to or authorization from the undersigned regardless of the Borrower's financial or other condition at any time of such grant or continuation. The Bank shall have no obligation to disclose or discuss with the undersigned its assessment of the financial condition of the Borrower.

The undersigned will assume the full responsibility of keeping themselves informed of the financial condition of the Borrower and of any circumstances bearing upon the risk of non-payment of the Liabilities which diligent inquiry would reveal, and agrees(s) that the Bank shall have no duty to make available to the undersigned any information known to it regarding such condition or other such circumstances.

Each of the undersigned agree that, in the event of the death, incompetency, dissolution or insolvency of the Borrower, or such undersigned, or the inability of the Borrower or such undersigned to pay debts as they mature, or an assignment by the Borrower or such undersigned for the benefit of creditors, or the institution of any proceeding by or against the Borrower or such undersigned alleging that the Borrower or such undersigned is insolvent or unable to pay debts as they mature, and if such event shall occur at a time when any of the Liabilities may not then be due and payable, such undersigned will pay to the Bank forthwith the full amount which would be payable hereunder by such undersigned if all Liabilities were then due and payable.

To secure all obligations of each of the undersigned hereunder, the Bank shall have a lien upon and security interest in (and may, without demand or notice of any kind, at any time and from time to time when any amount shall be due and payable by such undersigned hereunder, appropriate and apply toward the payment of such amount, in such order of application as the Bank may elect) any and all balances, credits, deposits, accounts or monies of or in the name of such undersigned now or hereafter with the Bank and any and all property of every kind or description of or in the name of such undersigned now or hereafter, for any reason or purpose whatsoever, in the possession or control of, or in transit to, the Bank or any agent or bailee for the Bank.

This Guaranty is also secured by

Second mortgage on property commonly known as 93 Hills Drive,
Barrington Hills, IL

The Bank may also from time to time without demand or notice to the undersigned (or any of them) obtain a security interest in any other property to secure the Liabilities, or any part thereof.

This Guaranty shall in all respects be a continuing, absolute and unconditional Guaranty, and shall remain in full force and effect (notwithstanding, without limitation, the death, incompetency or dissolution of any of the undersigned or that at any time or from time to time all Liabilities may have been paid in full), until revocation in writing from the undersigned is actually received by an officer of the Bank at the Bank's principal office. Such revocation shall only be effective with respect to those of the undersigned as give notice (and the continuing liability of other parties hereto shall not be affected) and

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only with respect to liabilities incurred or contracted by the Borrower or acquired by the Bank after the date on which such notice is so received, but this Guaranty shall remain in force and effect as to all liabilities existing on the date of receipt of such notice and to all renewals and extensions thereof until the full payment of such liabilities to the Bank and no such notice of revocation or discontinuance shall affect or impair any of the agreements and obligations of such payment of such liabilities with respect to any and all liabilities created or incurred prior to the time of actual receipt of such notice by the Bank, any and all liabilities created or acquired thereafter pursuant to any of the foregoing, and any and all expenses paid or incurred by the Bank in endeavoring to collect any of the foregoing and in enforcing this Guaranty against such underpayments; and all of the agreements and obligations of such underpayments under this Guaranty shall, notwithstanding any such notice of termination, remain fully in effect until all such liabilities (including any extension or renewals of any thereof) and all such interest and expenses shall have been paid in full. Any such notice of termination by or on behalf of any of the undersigned shall not affect or impair the obligations hereunder of any other of the undersigned.

If any bankruptcy, insolvency or other debtor relief proceedings of any nature shall be instituted by or against any of the undersigned, then to the fullest extent permitted by law, this Guaranty shall be fully enforceable against all the undersigned by or against whom such proceedings have not been instituted (the "unaffected Guarantors"), and none of the unaffected Guarantors shall seek or permit or suffer to be obtained any injunction, stay or other similar relief in such proceedings or other forum to preclude, delay or otherwise impair the enforcement of this Guaranty against any or all the unaffected Guarantors. The undersigned further agrees that, if at any time all or any part of any payment (hereinafter referred to as "payments") is made to any of the undersigned, the undersigned or returned by the Bank for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower), such payments shall, for the purposes of this Guaranty, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Bank, and this Guaranty shall continue to be effective or be reinstated, as the case may be, as to such liabilities, all as though such application by the Bank had not been made.

The undersigned hereby waives, to the fullest extent permitted by law, (a) any defense arising as a result of the Bank's election, in any proceedings instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code; and (b) any defense based on any borrowing or grant of a security interest under section 364 of the Bankruptcy Code.

The Bank may, from time to time, whether before or after any discontinuance of this Guaranty, at its sole discretion, and without notice to the undersigned (or any of them), take any or all of the following actions: (a) retain or obtain a security interest in any property to secure any of the liabilities or any obligation hereunder, (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to the undersigned, with respect to any of the liabilities, (c) extend or renew for one or more periods (whether or not longer than the original period), alter or exchange any of the liabilities, or release or compromise any obligation of any of the undersigned hereunder or any nature of any other obligor with respect to any of the liabilities, (d) release its security interest, in or surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the liabilities or any obligation hereunder, or extend or renew for one or more periods (whether or not longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property; and (e) resort to the undersigned (or any of them) for payment of any of the liabilities, whether or not the Bank shall have resorted to any property securing any of the liabilities or any obligation hereunder or shall have proceeded against any other obligor primarily or secondarily obligated with respect to any of the liabilities.

Any amounts received by the Bank from whatsoever source on account of the liabilities may be applied by it toward the payment of such of the liabilities, and in such order of application, as the Bank may from time to time elect; and, notwithstanding any payments made by or for the account of the undersigned pursuant to this Guaranty, the undersigned shall not be subrogated to any rights of the Bank until such time as this Guaranty shall have been discontinued as to all of the undersigned as the Bank shall have received payment of the full amount of all liabilities and of all obligations of the undersigned hereunder.

The Bank may, at its election exercise any right or remedy it may have against the Borrower or against any security held by the Bank, including, without limitation, the right to foreclose upon any such security by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, without affecting or impairing in any way the liability of the undersigned hereunder, except to the extent the indebtedness has been paid. The undersigned also waives (a) any defense arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of the undersigned against the Borrower or against any such security, whether resulting from such election by the Bank or otherwise, (b) any defense arising by reason of any disability or other defect of the Borrower or by reason of the cessation from any cause whatsoever (including without limitation, any intervention or omission by the Bank) of the liability of the Borrower in whole or in part, of the Bank for the indebtedness. The undersigned understands that if all or any part of the liability of the Borrower to the Bank for the indebtedness is secured by real property, the undersigned shall be liable for the full amount of its liability hereunder notwithstanding foreclosure on such real property by trustee sale or any other reason impairing the undersigned's right to proceed against the Borrower.

The undersigned hereby waives, to the fullest extent permitted by law, all rights and benefits under Section 1 of Chapter 132 of the Illinois Revised Statutes, providing for a discharge of the undersigned to the extent that it required the Bank may not within a reasonable time commence an action and prosecute the same to final judgment and the enforcement thereof against the Borrower.

The undersigned hereby expressly waives:

- (a) notice of acceptance by the Bank of this Guaranty;
- (b) notice of the existence or creation or non-payment of all or any of the liabilities;
- (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever; and
- (d) all diligence in collection or protection of or realization upon the liabilities or any thereof, any obligation hereunder, or any security for or Guaranty of any of the foregoing.

The creation or existence from time to time of liabilities in excess of the amount to which the right of recovery under this Guaranty is limited is hereby authorized, without notice to the undersigned (or any of them), and shall in no way affect or impair the rights of the Bank and the obligation of the undersigned under this Guaranty.

The Bank may, from time to time, whether before or after any discontinuance of this Guaranty, without notice to the undersigned (or any of them), assign or transfer any or all of the liabilities or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such liabilities shall be and remain liabilities for the purposes of the Guaranty, and each and every immediate and successive assignment or transfer in the liabilities, shall be entitled to the benefits of the Guaranty to the same extent as if such assignment or transfer were the Bank; provided, however, that, unless the Bank shall otherwise consent in writing, the Bank shall have an unimpaired right, prior and superior to that of any such assignee or transferee, to enforce this Guaranty, for the benefit of the Bank, as to those of the liabilities which the Bank has not assigned or transferred.

No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Guaranty be binding upon the Bank except as expressly set forth in a writing duly signed and delivered on behalf of the Bank. No action of the Bank permitted hereunder shall in any way affect or impair the rights of the Bank and the obligation to the undersigned under this Guaranty. For the purposes of this Guaranty, liabilities shall include all obligations of the Borrower to the Bank, notwithstanding any right or power of (Guaranty) or assign or assign any claim or defense to the undersigned as to the liability of the undersigned hereunder, and no such claim or defense shall affect or impair the obligations of the undersigned hereunder.

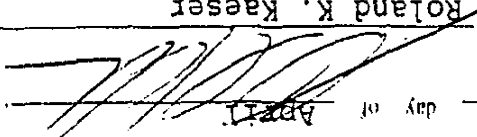
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Property of Cook County Clerk's Office

SIGNED AND DELIVERED this 5th day of April 1991


Roland K. Kaeser

Address 93 Hills Drive
Barrington Hills, IL 60010

Address _____

Address _____

Address _____

Address _____

(a) is valid, binding and enforceable in accordance with its provisions, and no conditions exist to the legal effectiveness of this Guaranty;

(b) contains the entire agreement between the undersigned and the Bank;

(c) is the final expression of their intentions; and

(d) supersedes all negotiations, representations, warranties, commitments, offers, contracts (of any kind or nature, whether oral or written) or contemporaneous representations, warranties, understandings, offers or agreements of any kind or nature, whether oral or written, have been made by the Bank or relied upon by the undersigned in connection with the execution hereof.

The undersigned and each of them (if more than one) specifically acknowledge and agree that the relationship hereby created with the Bank is and has been conducted on an open arm's-length business basis in which no fiduciary relationship exists, and that the undersigned, and each of them (if more than one) has not relied and is not relying on any fiduciary relationship in the execution and delivery of this Guaranty.

This Guaranty:

It is agreed that the undersigned's liability hereunder may be enforced regardless of the existence of any other guaranties at any time in effect with respect to all or any part of the Liabilities, and that the undersigned's liability is independent of any other guaranties at any time in effect with respect to all or any part of the Liabilities.

THE BANK AND THE UNDERSIGNED, AND EACH OF THEM, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY, THE RIGHT EITHER OR ANY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT OR COURSE OF DEALING, IN WHICH THE BANK AND THE UNDERSIGNED, OR ANY ONE OF THEM, ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK MAKING THE LOAN OR EXTENSION OF CREDIT TO THE DEBTOR.

This Guaranty has been delivered at Schaumburg, Illinois, and shall be construed in accordance with and governed by the laws of the State of Illinois. Wherever possible, each provision of this Guaranty shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Guaranty shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Guaranty.

THE BANK AND THE UNDERSIGNED, AND EACH OF THEM, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY, THE RIGHT EITHER OR ANY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREON, ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS GUARANTY AND ANY AGREEMENT CONTEMPLATED TO BE EXECUTED IN CONNECTION HERewith OR ANY COURSE OF CONDUCT OR COURSE OF DEALING, IN WHICH THE BANK AND THE UNDERSIGNED, OR ANY ONE OF THEM, ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE BANK MAKING THE LOAN OR EXTENSION OF CREDIT TO THE DEBTOR.

It is agreed that the undersigned's liability hereunder may be enforced regardless of the existence of any other guaranties at any time in effect with respect to all or any part of the Liabilities, and that the undersigned's liability is independent of any other guaranties at any time in effect with respect to all or any part of the Liabilities.

This Guaranty:

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ADDENDUM NO. 1
to Mortgage dated April 5, 1991

This Mortgage is given to secure a "Revolving Credit" loan as defined in Illinois Revised Statutes, ch. 17, Section 6405 and secures not only the indebtedness from the Mortgagor to the Mortgagee existing on the date hereof but all such future advances, whether such advances are obligatory or to be made at the option of the Mortgagee, or otherwise, as are made within twenty years from the date of this Mortgage, to the same extent as if such future advances were made on the date of the execution of the Mortgage, although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed a maximum principal amount of \$218,000.00, plus \$25,000.00 additional advances, plus interest thereon, and any disbursements made by Mortgagee for the payment of taxes, special assessments, or insurance on the above-described real estate, with interest on such disbursements.

Deputy Cook County Clerk's Office

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NBD Woodfire Bank
600 N. Meacham Road
Schaumburg, IL 60196