RECORDATION REQUESTED BY:

Suburban Bank of Barrington 333 N. Northwest Hwy. Barrington, IL 60010

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WHEN RECORDED MAIL TO:

Suburban Bank of Barrington 333 N. Northwest Hwy. Barrington. IL. 60010 COOK COUNTY, ILLINOIS

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CONSTRUCTION MORTGAGE

THIS MORTGAGE IS DATED MAY 19, 1994, between Nell E. Kelley and Diane B. Kelley, Husband and Wille, whose address is 3525 Charlemagne, Hoffman Estates, IL. 60195 (referred to below as "Grantor"); and Suburban Bank of Barrington, whose address is 333 N. Northwest Hwy., Barrington, IL. 60010 (referred to below as "Lender").

GRANT OF MORTGAGE. For valuable constrictation, Grantor mortgages, warrante, and conveys to Lander all of Grantor's right, title, and interest in and to the following described real property. Location with all existing or subsequently erected or affixed buildings, improvements and fixtures; all essements, rights of way, and appurenances; all water water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalbes, and profits rolating it the 13al property, including without limitation all minerals, oil, gas, geothermal and similar matters, located in Cook County, State of histories (title "Real Property"):

Lot Seven in East Cheviot Hills of invarious, being a Subdivision in the Northeast Quarter of Section 18, Township 42 North, Range 10 East of the Third Principal Meridian, According to the Plat thereof Recorded December 8, 1992, as Document Number 92922892, in Cook County, lilinois.

The Real Property or its address is commonly known as 560 Regails, inverness, it. 60010. The Real Property tax identification number is 02-18-212-007-0000

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property and all Rents from the Property. In addition, Grantor grants to Lender a Uniform Commercial Code security interest in the Personal Property and Rents.

DEFINITIONS. The following words shall have the following meanings when used in the Aorigage. Terms not otherwise defined in this Morigage shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

Grantor. The word "Grantor" means Nell E. Kelley and Diane B. Kelley. The Grantor is the mortgager under this Mortgage.

Quaranter. The word "Guaranter" means and includes without limitation, each and all of the guaranters, sureties, and accommodation parties in connection with the indebtedness.

Improvements. The word "improvements" means and includes without limitation all existing and litture improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions, replacements and other construction on the Real Property.

Indebtedness. The word "indebtedness" means all principal and interest payable under the Note and any excents expended or advanced, by Lender to discharge obligations of Grantor or expanses incurred by Lender to enforce obligations of Grantor units while Mortgage, together with interest on such amounts as provided in this Mortgage. In addition to the Note, the word "Indebtedness" it chiuse all obligations, debts and itabilities, plus interest thereon, of Grantor to Lender, or any one or more of them, as well as all claims by Lender against Grantor, or any one or more of them, whether now existing or hereafter arising, whether related or unrelated to the purpose of the Note, whe are voluntary or otherwise, whether obligated as quarantor or otherwise, and whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations, and whether such indebtedness may be or hereafter may become otherwise unenforceable. This Mortgage secures, in addition to the amounts specified in the Note, future advances in the amount of \$895,000.00, together with all interest thereon, which future advances Lender is obligated to make so long as Grantor compiles with all the terms and conditions of the Note or other loan agreement; however, in no event shall such tuture advances (excluding interest) exceed in the aggregate \$695,000.00. The lien of this Mortgage shall not exceed at any one time \$1,000,000.00.

Lender. The word "Lender" means Suburban Bank of Barrington, its successors and assigns. The Lender is the mortgages under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Gramor and Lender, and includes without limitation all assignments and security interest provisions relating to the Personal Property and Rents.

Note. The word "Note" means the promissory note or credit agreement dated May 19, 1994, in the original principal amount of \$695,000.00 from Grantor to Lender, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the promissory note or agreement. The interest rate on the Note is a variable interest rate based upon an index. The index currently is 6.750% per annum. The interest rate to be applied to the unpaid principal balance of this Mortgage shall be at a rate of 1.000 percentage point(s) over the Index, subject however to the following minimum and maximum rates, resulting in an initial rate of 7.750% per annum. NOTICE: Under no circumstances shall the interest rate on this Mortgage be less than 7.000 percentage from the lasser of 18.000% per annum or the maximum rate allowed by the lasser of 18.000% per annum or the maximum rate allowed by the lasser of 18.000% per annum.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without smitation all insurance proceeds and relunds of

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premiums) from any sale or other disposition of the Property.

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" much the property, interests and rights described above in the "Grant of Mortgage" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

Rents. The word "Rents" means all present and future rents, revenues, income, issues, royalties, profits, and other benefits derived from the Property.

THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STAUTORY LIENS, EXCEPTING SOLELY TAXES AND ASSESSMENTS LEVIED ON THE REAL PROPERTY, TO THE EXTENT OF THE MAXIMUM AMOUNT SECURED HEREBY. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

PAYMENT AND PENFUR MANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under this Mortgage.

POSSESSION AND MAIN EMANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until in Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenantable condition and promptly perform all repairs, replacements, and maintenance necessary to proserve its value.

Hazardous Substances. The terms "hazardous waste," "hazardous substance," "disposal," "release," and "threatened release," as used in this Mortgage, shall have the same meanings as set furth in the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9801, et seq. ("CSECIA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 4) U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 49 U.S.C. Section 6901, et seq., or other applicable state or Fer era lews, rules, or regulations adopted pursuant to any of the foregoing. The terms "hazardous waste" and "hazardous substance" shall also include, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos. Grantor represents and warrants to Lender that: (a) During the period of Grantor's ownership of the Property, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance by any person on. under, or about the Property; (b) Grantor has no knowledge of, be recogn to believe that there has been, except as previously disclosed to and acknowledged by Lender in writing. (i) any use, generation, manu acture, storage, treatment, disposal, release, or threatened release of any hazardous waste or substance by any prior owners or occupants of the Fron erty or (ii) any actual or threatened litigation or claims of any kind by any person relating to such matters; and (c) Except as previously disclosed to and acknowledged by Lender in writing, (i) neither Grantor nor any tenant, contractor, agent or other authorized user of the Property shall use, generate, manufacture, store, troat, dispose of, or release any hazardous waste or substance on, under, or about the Property and (ii) any such activity shall be conducted in compliance with all applicable federal, etale, and local laws, regulations and ordinances, including without limitation those laws, regulations, and ordinances described above. Grantor authorizes Lender and its agents to enter upon the Property to make such in spections and tests, at Grantor's expense, as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on in a part of Lender to Grantor or to any other person. The representations and warranties contained herein are based on Grantor's due diligence in invistigating the Property for hazardous waste. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender at any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Mortgage or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release occurring prior to Grantor's ownership or interest in the Property, whether or not the same was or should have been known to Grantor. The provision of this section of the Mortgage. including the obligation to indemnify, shall survive the payment of the Indebtedness and the satisfaction and recurreyance of the lien of this Mortgage and shall not be affected by Lender's acquisition of any interest in the Property, whether by foreclosure of cloenwise.

Nulsance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping in or waste on or to the Property or any portion of the Property. Without limiting the generality of the foregoing, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

Removal of Improvements. Grantor shall not demolish or remove any Improvements from the Real Property without the prior written consent of Lender. As a condition to the removal of any Improvements, Lender may require Grantor to make arrangements satisfactory to Lender to replace such Improvements with Improvements of at least equal value.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, declare immediately due and payable all sums secured by this upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal, beneficial or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. If any Grantor is a corporation, partnership or limited liability company, transfer also includes any change in ownership of more than twenty-five percent (25%) of the voting stock, partnership interests or limited liability company interests, as the case

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may be, of Grantor. However, this option shall not be exercised by Lender II such exercise is prohibited by federal law or by filtnois law.

TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are a part of this Mortgage.

Psyment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, psyroll taxes, special taxes, secondininis, water charges and sower service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material turnished to the Property. Grantor shall maintain the Property less of all liens having priority over or squal to the interest of Lander under this Mortgage, except for the lien of taxes and assessments not due, and except as otherwise provided in the following paragraph.

Right To Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lander's interest in the Property is not jeopardized. If a ten arises or is fited as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filled, within fifteen (15) days after Grantor has notice of the filling, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the filen plus any costs and attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any coniest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement spainst the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commanced, any services are furnished, or any materials are supplied to the Property, if any mechanic's lien, materialmen's lien, or other fien could be asserted on account of the work, services, or materials. Grantor v. (whom request of Lender furnish to Lender advance assurances satisfactory to Lender that Grantor can and will pay the cost of such improvements.

PROPERTY DAMAGE INSURANCE. The tollowing provisions relating to insuring the Property are a part of this Mortgage.

Maintenance of Insurance. Granics shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable case covering all improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause, and with a standard mongage clause in favor of Lender. Policies shall be written by such insurance companies and in such form as may be reasonably acceptable to Lender. Grantor shall deliver to Lender certificates of coverage from each insurer containing a stipulation that coverage will not be cancelled or dimunished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for fallure to proceed such notice. Should the Real Property at any time become located in an area designated by the Director of the Federal Emergency Management Agency as a special flood insurance, to the extent such insurance is required by Lender and it or becomes available, for the term of the loan and for the full unpaid principal balance of the loan, or the maximum limit of coverage that is available, whichever is less.

Application of Proceeds. Grantor shall promptly notify Lender of any loss or damage to the Property. Lender may make proof of loss if Grantor falls to do so within fifteen (16) days of the casualty. Whether open I ender's security is impaired, Lender may, at its election, apply the proceeds to the indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property. If Lender elects to apply the proceeds to restoration and repair, Grantor shall repair or region to region the destroyed improvements in a manner satisfactory to be lender. Lender shall, upon satisfactory proof of such expenditure, pay of simburse Grantor from the proceeds for the reasonable cost of repair or restoration if Grantor is not in default hereunder. Any proceeds which have not been disbursed within 180 days after their receipt and which Lender has not committed to the repair or restoration of the Property shall be used first to pay any amount owing to Lender under this Mortgage, then to prepay accrued interest, and the remainder, if any, shall be applied to the principal balance of the Indebtedness. If Lander holds any proceeds after payment in full of the Indebtedness, such proceeds shall be paid to Grantor.

Unexpired insurance at Sale. Any unexpired insurance shall inure to the benefit of, and need to, the purchasor of the Property covered by this Mortgage at any trustee's sale or other sale held under the provisions of this Mortgage, or a any foreclosure sale of such Property.

TAX AND INSURANCE RESERVES. Grantor agrees to establish a reserve account to be retained from the loans proceeds in such amount deemed to be sufficient by Lender and shall pay monthly into that reserve account an amount equivalent to 1/12 of the annual real estate taxes and insurance premiums, as estimated by Lender, so as to provide sufficient funds for the payment of each year's taxes and insurance premiums one month prior to the date the taxes and insurance premiums become delinquent. Grantor shall further pay a monthly pro-trial share of all assessments and other charges which may accrue against the Property. It the amount so estimated and paid shall prove to be insufficient so for a shall be carried in any interest-free reserve account with Lander, provided that if this Mortgage is executed in connection with the granting of a mortgage on a single-family owner-occupied residential property. Grantor, in lieu of establishing such reserve account, may piedge an interest-positing savings account with preserve (or piedge) account to pay such items, insurance premiums, assessments, and other charges. Lender shall have the right to draw upon the reserve (or piedge) account to pay such items, and Londer shall not be required to determine the validity or accuracy of any light to draw upon the paying it may do or omit to do with respect to the reserve account. All amounts in the reserve account are hereby pladged to further secure the indebtedness, and Lender is hereby authorized to withdraw and apply such amounts on the Indebtedness upon the occurrence of an event of default as described below.

EXPENDITURES BY LENDER. If Grantor fails to comply with any provision of this Mortgage, or if any action or proceeding is commenced that would materially affect Lender's interests in the Property, Lender on Grantor's behalf may, but shall not be required to, take any action that Lender deems appropriate. Any amount that Lender expends in so doing will bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Grantor. All such expenses, at Lender's option, will (a) be payable on demand, (b) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (i) the term of any applicable insurance policy or (ii) the remaining term of the Note, or (c) be treated as a balloon payment which will be due and payable at the Note's maturity. This Mortgage also will secure payment of these amounts. The rights provided for in this paragraph shall be in addition to any other rights or any remedies to which Lender may be entitled on account of the default. Any such action by Lander shall not be construed as curing the default so as to ber Lander from any remedy that it otherwise would have had.

WARRANTY; DEFENSE OF TITLE. The following provisions relating to ownership of the Property are a part of this Mortgage.

Title. Grantor warrants that: (a) Grantor holds good and marketable title of record to the Property in See simple, free and clear of all liens and encumbrances other than those set forth in the Real Property description or in any title insurance policy, title report, or final title opinion issued in favor of, and accepted by, Lender in connection with this Mortgage, and (b) Grantor has the full right, power, and authority to execute and deliver this Mortgage to Lender.

Detense of Title. Subject to the exception in the paragraph above, Grantor warrante and will forever detend the site of the Property against the lawful claims of all persons. In the event any action or proceeding is commenced that questions Grantor's site or the interest of Lender under this Mortgage, Grantor shall defend the action at Grantor's expense. Grantor may be the nominal party in such proceeding, but Lender shall be

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entitled to participate in the proceeding and to be represented in the proceeding by counsel of Lender's own choice, and Grantor will deliver, or cause to be delivered, to Lender such instruments as Lender may request from time to time to permit such participation.

Compliance With Laws. Grantor warrants that the Property and Grantor's use of the Property complies with all existing applicable laws, ordinances, and regulations of governmental authorities.

CONDEMNATION. The following provisions relating to condemnation of the Property are a part of this Mottgage.

Application of Net Proceeds. If all or any part of the Property is condemned by eminent domain proceedings or by any proceeding or purchase in lieu of condemnation. Lender may at its election require that all or any portion of the net proceeds of the award be applied to the Indebtedness or the repair or restoration of the Property. The net proceeds of the award shall mean the award after payment of all reasonable costs, expenses, and attorneys' fees incurred by Lender in connection with the condemnation.

Proceedings. If any proceeding in condemnation is filed, Grantor shall promptly notify Lender in writing, and Grantor shall promptly take such steps as may be necessary to detend the action and obtain the award. Grantor may be the nominal party in such proceeding, but Lender shall be entitled to participate in the proceeding and to be represented in the proceeding by counsel of its own choice, and Grantor will deliver or cause to be delivered to Lender such instruments as may be requested by it from time to time to permit cuch participation.

IMPOSITION OF TAXES, FEES AND CHARGES BY GOVERNMENTAL AUTHORITIES. The following provisions relating to governmental taxes, tess and charges are a part of this Mortgage:

Current Taxes, Fee a shid Charges. Upon request by Lender, Grantor shall execute such documents in addition to this Mortgage and take whatever other action is requested by Lender to perfect and continue Lender's lien on the Real Property. Grantor shall reimburse Lender for all taxes, as described below to jether with all expenses incurred in recording, perfecting or continuing this Mortgage, including without limitation all taxes, fees, documentary starries, and other charges for recording or registering this Mortgage.

Taxes. The following shall constitute taxes to which this section applies: (a) a specific tax upon this type of Mortgage or upon all or any part of the indebtedness secured by this tipe of mortgage; (b) a specific tax or, Grantor which Grantor is authorized or required to deduct from payments on the indebtedness secured by this type of mortgage; (c) a tax on this type of Mortgage chargeable against the Lender or the holder of the Note; and (d) a specific tax on all or any portion of the indebtedness or on payments of principal and interest made by Grantor.

Subsequent Taxes. If any tax to which this section applies is enacted subsequent to the date of this Mortgage, this event shall have the same effect as an Event of Default (as defined below), and Lender may exercise any or all of its available remedies for an Event of Default as provided below unless Grantor either (a) pays the tax below in becomes delinquent, or (b) contests the tax as provided above in the Taxes and Liens section and deposits with Lender cash or a sufficient corrorate surety bond or other security satisfactory to Lender.

SECURITY AGREEMENT; FINANCING STATEMENTS. The following provisions relating to this Mortgage as a security agreement are a part of this Mortgage.

Security Agreement. This instrument shall constitute a security agree nent to the extent any of the Property constitutes fixtures or other personal property, and Lender shall have all of the rights of a secured pany under the Uniform Commercial Code as amended from time to time.

Security Interest. Upon request by Lender, Grantor shall execute financing statements and take whatever other action is requested by Lender to perfect and continue Lender's security interest in the Rents and Personal Property. In addition to recording this Mortgage in the real property records, Lender may, at any time and without turther authorization from Grantor, file executed counterparts, copies or reproductions of this Mortgage as a financing statement. Grantor shall reimburge Lender for all expenses incurred in perfecting or continuing this security interest. Upon default, Grantor shall assemble the Personal Property in a manner and at a visice reasonably convenient to Grantor and Lender and make it available to Lender within three (3) days after receipt of written demand from Lender.

Addresses. The mailing addresses of Grantor (debtor) and Lender (secured party), from which information concerning the security interest granted by this Mortgage may be obtained (each as required by the Uniform Commercial Corin), are as stated on the first page of this Mortgage.

FURTHER ASSURANCES; ATTORNEY-IN-FACT. The following provisions relating to further assurances and attorney-in-fact are a part of this Montgage.

Further Assurances. At any time, and from time to time, upon request of Lender, Grantor will make execute and deliver, or will cause to be made, executed or delivered, to Lender or to Londer's designee, and when requested by Lender, ceruse to be titled, recorded, refilled, or rerecorded, as the case may be, at such times and in such offices and places as Lender may deem appropriate, any and all such mortgages, deeds of trust, security deeds, security agreements, financing statements, continuation statements, instruments or further assurance, certificates, and other documents as may, in the sole opinion of Lender, be necessary or desirable in order to effectuate complete, perfect, continue, or preserve. (a) the obligations of Grantor under the Note, this Mortgage, and the Related Documents, and (b) or line has no security interests created by this Mortgage as first and prior tiens on the Property, whether now owned or hereafter acquired by Granton. Onless prohibited by law or agreed to the contrary by Lender in writing, Grantor shall reimburse Lender for all costs and expenses incurred in consection with the matters referred to in this paragraph.

Attorney-in-Fact. If Grantor falls to do any of the things referred to in the preceding paragraph, Lender may do so for and in the name of Grantor and at Grantor's expense. For such purposes, Grantor hereby irrevocably appoints Lender as Grantor's attorney-in-fact for the purpose of making, executing, delivering, filling, recording, and doing all other things as may be necessary or desirable, in Lender's sole opinion, to accomplish the matters referred to in the preceding paragraph.

PARTIAL RELEASES. Lender shall execute partial releases of the fien of this Mortgage upon the following conditions: Sale of existing home.

FULL PERFORMANCE. If Grantor pays all the Indebtedness, including without limitation all future advances, when due, and otherwise performs all the obligations imposed upon Grantor under this Mortgage, Lender shall execute and deliver to Grantor a suitable satisfaction of this Mortgage and suitable statements of termination of any financing statement on file evidencing Lender's security interest in the Rents and the Personal Property. Grantor will pay, if permitted by applicable law, any reasonable termination fee as determined by Lender from time to time.

DEFAULT. Each of the following, at the option of Lender, shall constitute an event of default ("Event of Default") under this Mortgage:

Default on Indebtedness. Failure of Grantor to make any payment when due on the Indebtedness.

Default on Other Payments. Failure of Grantor within the time required by this Mortgage to make any payment for taxes or insurance, or any other payment necessary to prevent filling of or to effect discharge of any lien.

Compliance Default. Failure to comply with any other term, obligation, covenant or condition contained in this Mortgage, the Note or in any of the Related Decuments.

Default in Favor of Third Parties. Should Borrower or any Granter default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's or any Grantor's ability to repay the Loans or perform their respective obligations under this Mortgage or any of the Related

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Documents.

False Statements. Any warranty, representation or statement made or furnished to Lender by or on behalf of Grantor under this Mongage, the Note or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished.

Death or Insolvency. The death of Grantor, the insolvency of Grantor, the appointment of a receiver for any part of Grantor's property, any assignment for the benefit of creditors, any type of creditor worknut, or the commencement of any proceeding under any bankruptny or insolvency laws by or against Grantor.

Forcelocure, Fortelture, etc. Commencement of toreclosure or lortelture proceedings, whether by judicial proceeding, self-freip, representation or any other method, by any creditor of Grantor or by any governmental agency against any of the Property. However, this subsection shall not apply in the event of a good tatch dispute by Grantor as to the validity or reasonableness of the claim which is the basis of the foreclosure or forefeiture proceeding, provided that Grantor gives Lender written notice of such claim and turnishes reserves or a surety bond for the claim satisfactory to Lender.

Streech of Other Agreement. Any breach by Grantor under the terms of any other agreement between Grantor and Lender that is not remedied within any grace period provided therein, including without limitation any agreement concerning any indebtedness or other obligation of Grantor to Lender, whether existing now or later.

Events Affecting Gillaruntor. Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness or such Guarantor describedness incrementation and Guarantor revokes any guaranty of the Indebtedness.

Insecurity. Lender regar nably deems itself insecure.

RIGHTS AND REMEDIES CA DEFAULT. Upon the occurrence of any Event of Default and at any time thereafter, Lender, at its option, may exercise any one or more of the following rights and remedies, in addition to any other rights or remedies provided by law:

Accelerate indebtedness. Lerider shall have the right at its option without notice to Granter to declare the entire indebtedness symmetrially due and payable, including any prepaymer penalty which Granter would be required to pay.

UCC Remedies. With respect to all or ray) art of the Personal Property, Lender shall have all the rights and remedies of a secured party under the Uniform Commercial Code.

Collect Rents. Lender shall have the right, with ut notice to Grantor, to take possession of the Property and collect the Rents, including amounts past due and unpaid, and apply the net procesule, over and above Lender's costs, against the Indebtedness. In furtherance of the Property is make payments of rent or use fees directly to Lender. If the Rents are collected by Lender, then Grantor intervocably designates Lender as Granto's interney-in-fact to endorse instruments received in payment thereof in the name of Grantor and to negotiate the same and collect the processor. Payments by tenants or other users to Lender in response to Lender's demand shall satisfy the obligations for which the payments are made, will either or not any proper grounds for the demand existed. Lender may exercise its rights under this subparagraph either in person, by agent, or through a receiver.

Mortgages in Possession. Lender shall have the right to be prevent as mortgages in possession or to have a receiver appointed to take possession of all or any part of the Property, with the power to protect and preserve the Property, to operate the Property preceding foreclosure or sale, and to collect the Rents from the Property and apply the proceeds over and above the cost of the receivership, against the Indebtedness. The mortgages in possession or receiver may serve without bond if permitted by taw. Lender's right to the appointment of a receiver shall exist a whether or not the apparent value of the Property exceeds the Indebtedness of a substantial amount. Employment by Lender shall not disqualify a person from serving as a receiver.

Judicial Foreciosure. Londer may obtain a judicial decree foreclosing Grantor's interest in all or any part of the Property.

Deficiency Judgment. If permitted by applicable law, Lender may obtain a judgment to any deficiency remaining in the indebtedness due Lender application of all amounts received from the exercise of the rights provided in the exercise.

Other Remedies. Lender shall have all other rights and remedies provided in this Mortgage or the clote or available at law or in equity.

Sale of the Property. To the extent permitted by applicable law, Grantor hereby waives any and all right to have the property marshalled. In exercising its rights and remodies, Lender shall be tree to sell all or any part of the Property togethur or separately, in one sale or by separate sales. Lender shall be entitled to bid at any public sale on all or any portion of the Property

Notice of Sale. Lender shall give Grantor reasonable notice of the time and place of any public sale of the Personal Property of the time after which any private sale or other intended disposition of the Personal Property is to be made. Reasonable notice about mean notice given at least ten (10) days before the time of the sale or disposition.

Walver; Election of Remedies. A waiver by any party of a breach of a provision of this Mortgage shall not constitute a waiver of or prejudice the party's rights otherwise to demand strict compliance with that provision or any other provision. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expanditures of take action to perform an obligation of Grantor under this Mortgage after failure of Grantor to perform shall not affect Lender's right to declare a default and exercise its remedies under this Mortgage.

Attorneys' Feas; Expenses. If Lander institutes any suit or action to enforce any of the terms of this Morigage, Lander shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' less, at trial and on any appeal. Whether or not any court action is involved, at reasonable expenses incurred by Lender that in Lander's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the Indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the Note rate. Expenses covered by this paragraph include, without similation, however subject to any limits under applicable law, Lender's attorneys' less and Lender's legal expenses whether or not there is a lawsuit, including attorneys' less for bankruptcy proceedings (including efforts to modity or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining little reports (including foreclosure reports), surveyors' reports, and appraisal fees, and title insurance, to the extent permitted by applicable law.

Grantor also will pay any court conts, in addition to all other sums provided by law.

NOTICES TO GRANTOR AND OTHER PARTIES. Any notice under this Mortgage, including without limitation any notice of default and any notice of sale to Grantor, shall be in writing and shall be effective when actually delivered, or when deposited with a nationally recognized overnight courier, or, if mailed, shall be deemed effective when deposited in the United States mall first class, registered mail, postage prepaid, directed to the addresses shown near the beginning of this Mortgage. Any party may change its address for notices under this Mortgage by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. All copies of notices of foreclasura from the holder of any lien which has priority over this Mortgage shall be sent to Lender's address, as shown near the beginning of this Mortgage. For notice purposes, Grantor agrees to keep Lender informed at all times of Grantor's current address.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Mongage:

Amendments. This Mortgage, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the

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matters set forth in this Mortgage. No alteration of or amendment to this Mortgage shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

Applicable Law. This Mortgage has been delivered to Lender and accepted by Lender in the State of Illinois. This Mortgage shall be governed by and construed in accordance with the laws of the State of Illinois.

Caption Headings. Caption headings in this Mongage are for convenience purposes only and are not to be used to interpret or define the provisions of this Montgage.

Merger. There shall be no merger of the interest or estate created by this Mortgage with any other interest or estate in the Property at any time held by or for the banefit of Lander in any capacity, without the written consent of Lander.

Multiple Parties. All obligations of Grantor under this Mongage shall be joint and several, and all references to Grantor shall mean each and every Grantor. This means that each of the persons signing below is responsible to: all obligations in this Mongage.

Severability. If a court of competent jurisdiction finds any provision of this Mortgage to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If leasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Mortgage in all other respects shall remain valid and enforceable.

Successors and Aprigns. Subject to the limitations stated in this Mortgage on transfer of Grantor's interest, this Mortgage shall be binding upon and inure to the benefic of the parties, their successors and assigns. If ownership of the Property becomes vested in a person other than Grantor. Lender, without notice to Grantor, may deal with Grantor's successors with reference to this Mortgage and the Indebtedness by way of forbearance or extension without releasing Grantor from the obligations of this Mortgage or liability under the Indebtedness.

Time is of the Essance. Timy is of the essence in the performance of this Mortgage.

Walver of Homestead Exemption. Transor hereby roleases and walves all rights and benefits of the homestead exemption laws of the State of Illinois as to all Indebtedness secured 'w this Mortgage.

Welver of Right of Redemption. NOTWITHSTANDING ANY OF THE PROVISIONS TO THE CONTRARY CONTAINED IN THIS MORTGAGE, GRANTOR HEREBY WAIVES, TO THE E-TENT. PERMITTED UNDER ILL. REV. STAT., CH. 110 SECTION 15-1801(b) OR ANY SIMILAR LAW EXISTING AFTER THE DATE OF THIS MORTGAGE, ANY AND ALL RIGHTS OF REDEMPTION ON BEHALF OF GRANTOR AND ON BEHALF OF ANY OTHER PERSONS PERMITTED TO REDEE! ITHE PROPERTY.

Walvers and Consents. Lender shall not be deemed to have waived any rights under this Morigage (or under the Related Documents) unless such waiver is in writing and signed by Lender. No Cole, or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by any party of a provision of this Morigage shall not constitute a waiver of or prejudice the party's right otherwise to domand strict compliance with that provision of any other provision. No prior waiver by Lender, not any course of dealing between Lender and Grantor, shall constitute a waiver of any of Lender's right or any of Grantor's obligations as to any future transactions. Whenever consent by Lender is required in this Morigage, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required.

1	ACH GRANTON ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ERMS. HANTON: LUUR GUILLE X J.		
, ,	Neil E. Kalley Diane B	. Kalley	
This Mortgage prepared by: Suburban Bank of Barrington 333 North Northwest Highway Barrington, IL 60010			
INDIVIDUAL ACKNOWLEDGMENT			
9	STATE OF Ellenoso	"OFFICIAL SEAL"	
	\ 88	LINDA S. THACKWRAY	
C	COUNTY OF	Notary Public, State of Illinois My Commission Expires 5/15/96	
On this day before me, the undersigned Notary Public, personally appeared Neil E. Kelley and Diane B. Kelley, Husband and Wile, to me known to be the individuals described in and who executed the Mortgage, and acknowledged that they signed the Mortgage as their tree and voluntary act and deed, for the uses and purposes therein mentioned.			
G	liven under my hand and official seal this 19.66 day of 19.69 day of 1	Tay 18 94.	
Notary Public in and for the State of Villanosa My commission expires 5-15-96			
LAS	LASER PRO, Reg. U.S. Pat. & T.M. Off., Ver. 3.17a (c) 1894 CFI ProServices, Inc. All rights reserved. (IL-G03 P3.17 KELLEY.L N R3.0VL)		