

MORTGAGE

GRANTOR STEVEN L. SPENCER Married to Dana M. Spencer Address: 4 WEIDNER COURT BUFFALO GROVE, IL 60089 TELEPHONE NO. 353-36-9805		BORROWER STEVEN L. SPENCER Husband DANA M. SPENCER and wife Address: 4 WEIDNER COURT BUFFALO GROVE, IL 60089 TELEPHONE NO. 353-36-9805	
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LIBERTYVILLE

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1. **GRANT.** For good and valuable consideration, Grantor hereby mortgages and warrants to Lender identified above, the real property described in Schedule A which is attached to this Mortgage and incorporated herein together with all future and present improvements and fixtures, privileges, hereditaments, and appurtenances, leases, licenses and other agreements, rents, issues and profits; water, well, ditch, reservoir and mineral rights and stocks, and standing timber and crops pertaining to the real property (cumulatively "Property").

2. **OBLIGATIONS.** This Mortgage shall secure the payment and performance of all of Borrower and Grantor's present and future, indebtedness, liabilities, obligations and covenants (cumulatively "Obligations") to Lender pursuant to:

(a) this Mortgage and the following promissory notes and other agreements:

INTEREST RATE	PRINCIPAL AMOUNT / CREDIT LIMIT	FUNDING / AGREEMENT DATE	MATURITY DATE	CUSTOMER NUMBER	LOAN NUMBER
VARIABLE	\$122,000.00	12/16/94	12/16/95		

all other present or future obligations of Borrower or Grantor to Lender (whether incurred for the same or different purposes than the foregoing);

b) all renewals, extensions, amendments, modifications, replacements or substitutions to any of the foregoing.

3. **PURPOSE.** This Mortgage and the Obligations described herein are executed and incurred for **PERSONAL** purposes.

4. **FUTURE ADVANCES.** This Mortgage secures the repayment of all advances that Lender may extend to Borrower or Grantor under the promissory notes and other agreements evidencing the revolving credit loans described in paragraph 2. The Mortgage secures not only existing indebtedness, but also secures future advances, with interest thereon, whether such advances are obligatory or to be made at the option of Lender to the same extent as if such future advances were made on the date of the execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage under the promissory notes and agreements described above may increase or decrease from time to time, but the total of all such indebtedness so secured shall not exceed \$ 122,000.00. This Mortgage secures the repayment of all advances that Lender may extend to Borrower or Grantor under the promissory notes and other agreements described in paragraph 2, but the total of all such indebtedness so secured shall not exceed \$ 122,000.00.

5. **EXPENSES.** To the extent permitted by law, this Mortgage secures the repayment of all amounts expended by Lender to perform Grantor's covenants under this Mortgage or to maintain, preserve, or dispose of the Property, including but not limited to, amounts expended for the payment of taxes, special assessments, or insurance on the Property, plus interest thereon.

6. **CONSTRUCTION PURPOSES.** If checked, this Mortgage secures an indebtedness for construction purposes.

7. **REPRESENTATIONS, WARRANTIES AND COVENANTS.** Grantor represents, warrants and covenants to Lender that:

(a) Grantor shall maintain the Property free of all liens, security interests, encumbrances and claims except for this Mortgage and those described in Schedule B which is attached to this Mortgage and incorporated herein by reference.

(b) Neither Grantor nor, to the best of Grantor's knowledge, any other party has used, generated, released, discharged, stored, or disposed of any "Hazardous Materials", as defined herein, in connection with the Property or transported any Hazardous Materials to or from the Property. Grantor shall not commit or permit such actions to be taken in the future. The term "Hazardous Materials" shall mean any hazardous waste, toxic substances or any other substance, material, or waste which is or becomes regulated by any governmental authority including, but not limited to, (i) petroleum; (ii) friable or nonfriable asbestos; (iii) polychlorinated biphenyls; (iv) those substances, materials or wastes designated as a "hazardous substance" pursuant to Section 311 of the Clean Water Act or listed pursuant to Section 307 of the Clean Water Act or any amendments or replacements to these statutes; (v) those substances, materials or wastes defined as a "hazardous waste" pursuant to Section 1004 of the Resource Conservation and Recovery Act or any amendments or replacements to that statute, and (vi) those substances, materials or wastes defined as a "hazardous substance" pursuant to Section 101 of the Comprehensive Environmental Response, Compensation and Liability Act, or any amendments or replacements to that statute or any other similar statute, rule, regulation or ordinance now or hereafter in effect;

(c) Grantor has the right and is duly authorized to execute and perform its Obligations under this Mortgage and these actions do not and shall not conflict with the provisions of any statute, regulation, ordinance, rule of law, contract or other agreement which may be binding on Grantor at any time.

(d) No action or proceeding is or shall be pending or threatened which might materially affect the Property;

(e) Grantor has not violated and shall not violate any statute, regulation, ordinance, rule of law, contract or other agreement which might materially affect the Property (including, but not limited to, those governing Hazardous Materials) or Lender's rights or interest in the Property pursuant to this Mortgage.

8. **TRANSFERS OF THE PROPERTY OR BENEFICIAL INTERESTS IN BORROWERS.** On sale or transfer to any person without the prior written approval of Lender of all or any part of the real property described in Schedule A, or any interest therein, or of all or any beneficial interest in Borrower or Grantor (if Borrower or Grantor is not a natural person or persons but is a corporation, partnership, trust, or other legal entity), Lender may, at Lender's option declare the sums secured by this Mortgage to be immediately due and payable, and Lender may invoke any remedies permitted by the promissory note or other agreement or by this Mortgage, unless otherwise prohibited by federal law.

9. **INQUIRES AND NOTIFICATION TO THIRD PARTIES.** Grantor hereby authorizes Lender to contact any third party and make any inquiry pertaining to Grantor's financial condition or the Property. In addition, Lender is authorized to provide oral or written notice of its interest in the Property to any third party.

10. **INTERFERENCE WITH LEASES AND OTHER AGREEMENTS.** Grantor shall not take or fail to take any action which may cause termination or the withholding of any payment in connection with any lease or other agreement ("Agreement") pertaining to the Property. In addition, without Lender's prior written consent, shall not: (a) collect any monies payable under any Agreement more than one month in advance of the due date of such monies; (b) assign or allow a lien, security interest or other encumbrance to be placed upon Grantor's rights, title and interest in and to the Property; (c) assign or allow a lien, security interest or other encumbrance to be placed upon Grantor's rights, title and interest in and to the amounts payable thereunder; or (d) terminate or cancel any Agreement except for the nonpayment of any sum or other material breach thereof. If Grantor receives at any time any written communication asserting a default by Grantor under an Agreement or purporting to be a default by Grantor under any Agreement, Grantor shall promptly forward a copy of such communication (and any subsequent communications relating thereto) to Lender.

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11. COLLECTION OF INDEBTEDNESS FROM THIRD PARTY. Lender shall be entitled to notify or require Grantor to notify any third party (but not limited to, lessees, licensees, governmental authorities and insurance companies) to pay Lender any indebtedness or obligation with respect to the Property (cumulatively "Indebtedness") whether or not a default exists under this Mortgage. Grantor shall diligently collect any indebtedness owing to Grantor from these third parties until the giving of such notification. In the event that Grantor possesses or receives any instrument or other remittances with respect to the Indebtedness following the giving of such notification or if the instruments or other remittances constitute the prepayment of any indebtedness or the payment of any insurance or condemnation proceeds, Grantor shall hold such instruments or other remittances in trust for Lender apart from its other property, endorse the instruments and other remittances to Lender, and immediately deliver to Lender with possession of the instruments and other remittances. Lender shall be entitled, but not required to collect (by legal proceedings) or extend the time for payment, compromise, exchange or release any obligor or collateral upon, or otherwise settle any of the indebtedness in the event of default exists under this Agreement. Lender shall not be liable to Grantor for any action, error, mistake, omission or delay in the actions described in this paragraph or any damages resulting therefrom.

12. USE AND MAINTENANCE OF PROPERTY. Grantor shall take all actions and make any repairs needed to maintain the Property in accordance with applicable law and insurance policies. Grantor shall not commit or permit any waste to be committed with respect to the Property. Grantor shall use the Property solely in accordance with applicable law and insurance policies. Grantor shall not make any alterations, additions or improvements to the Property without Lender's consent. Without limiting the foregoing, all alterations, additions and improvements made to the Property shall be subject to the interest of Lender, shall not be removed without Lender's prior written consent, and shall be made at Grantor's sole expense.

13. LOSS OR DAMAGE. Grantor shall bear the entire risk of any loss, theft, destruction or damage (cumulatively "Loss or Damage") to any portion thereof from any cause whatsoever. In the event of any Loss or Damage, Grantor shall, at the option of Lender, repair the affected portion to its previous condition or pay or cause to be paid to Lender the decrease in the fair market value of the affected Property.

14. INSURANCE. Grantor shall keep the Property insured for its full value against all hazards including loss or damage caused by fire, flood (if applicable) or other casualty. Grantor may obtain insurance on the Property from such companies as are acceptable to Lender in its discretion. The insurance policies shall require the insurance company to provide Lender with at least thirty (30) days' written notice before any policy is altered or cancelled in any manner. The insurance policies shall name Lender as a mortgagee and provide that no act or omission of any other person shall affect the right of Lender to be paid the insurance proceeds pertaining to the loss or damage of the Property. At Lender's option, Lender may apply the insurance proceeds to the repair of the Property or require the insurance proceeds to be paid to Lender. In the event Grantor maintains insurance, Lender (after providing notice as may be required by law) may in its discretion procure appropriate insurance coverage on the Property and the insurance coverage shall be an advance payable and bearing interest as described in Paragraph 27 and secured hereby. Grantor shall provide Lender with evidence of insurance indicating the required coverage. Lender may act as attorney-in-fact for Grantor in making and settling insurance policies, cancelling any policy or endorsing Grantor's name on any draft or negotiable instrument drawn by any insurer. All insurance policies shall be constantly assigned, pledged and delivered to Lender for further securing the Obligations. In the event of loss, Grantor shall give Lender written notice and Lender is authorized to make proof of loss. Each insurance company is directed to make payments directly to Lender and Grantor. Lender shall have the right, at its sole option, to apply such monies toward the Obligations or toward rebuilding and restoring the Property. Any amount applied against the Obligations shall be applied in the inverse order of the due dates of the Obligations. Grantor shall be obligated to rebuild and restore the Property.

15. ZONING AND PRIVATE COVENANTS. Grantor shall not initiate or consent to any change in the zoning provisions or private covenants affecting the use of the Property without Lender's prior written consent. If Grantor's use of the Property becomes a nonconforming use under any zoning ordinance, Grantor shall not cause or permit such use to be discontinued or abandoned without the prior written consent of Lender. Grantor will immediately notify Lender with written notice of any proposed changes to the zoning provisions or private covenants affecting the Property.

16. CONDEMNATION. Grantor shall immediately provide Lender with written notice of any actual or threatened condemnation or eminent domain proceeding pertaining to the Property. All monies payable to Grantor from such condemnation or taking are hereby assigned to Lender and shall be applied first to the payment of Lender's attorneys' fees, legal expenses and other costs (including appraisal fees) in connection with the condemnation proceedings and then, at the option of Lender, to the payment of the Obligations or the restoration or repair of the Property. Grantor shall be obligated to restore or repair the Property.

17. LENDER'S RIGHT TO COMMENCE OR DEFEND LEGAL ACTIONS. Grantor shall immediately provide Lender with written notice of any threatened action, suit, or other proceeding affecting the Property. Grantor hereby appoints Lender as its attorney-in-fact to commence, defend, settle or compromise such actions, suits, or other legal proceedings and to compromise or settle any claim or controversy pertaining thereto. Lender shall be authorized to defend Grantor for any action, error, mistake, omission or delay pertaining to the actions described in this paragraph or any damages resulting therefrom. Nothing contained herein will prevent Lender from taking the actions described in this paragraph in its own name. Grantor shall cooperate with Lender in any action hereunder.

18. INDEMNIFICATION. Lender shall not assume or be responsible for the performance of any of Grantor's Obligations with respect to the Property under any circumstances. Grantor shall immediately provide Lender and its shareholders, directors, officers, employees and agents with written notice of any claim and indemnify and hold Lender harmless from all claims, damages, liabilities (including attorneys' fees and legal expenses), causes of action and other legal proceedings (cumulatively "Claims") pertaining to the Property (including, but not limited to, those involving Hazardous Waste) arising out of or in connection with the Property. Grantor, upon the request of Lender, shall hire legal counsel acceptable to Lender to defend Lender from such Claims, and pay the cost of such defense in connection therewith. In the alternative, Lender shall be entitled to employ its own legal counsel to defend such Claims at Grantor's cost. Grantor's obligation to indemnify Lender shall survive the termination, release or foreclosure of this Mortgage.

19. TAXES AND ASSESSMENTS. Grantor shall pay all taxes and assessments relating to Property when due. Upon the request of Lender, Grantor shall deposit with Lender each month one-twelfth (1/12) of the estimated annual insurance premium, taxes and assessments pertaining to the Property as estimated by Lender. So long as there is no default, these amounts shall be applied to the payment of taxes, assessments and insurance on the Property. In the event of default, Lender shall have the right, at its sole option, to apply the funds so paid to pay any taxes or against the Obligations. Any funds applied against the Obligations shall be applied in the reverse order of the due date thereof.

20. INSPECTION OF PROPERTY, BOOKS, RECORDS AND REPORTS. Grantor shall allow Lender or its agents to examine and inspect the Property and examine and make copies of Grantor's books and records pertaining to the Property from time to time. Grantor shall provide access to the Property as required by Lender for these purposes. All of the signatures and information contained in Grantor's books and records shall be genuine, true, correct and complete in all respects. Grantor shall note the existence of Lender's beneficial interest in its books and records pertaining to the Property. Grantor shall report, in a form satisfactory to Lender, such information as Lender may request regarding Grantor's financial condition or the Property. The information shall be for such periods, shall reflect Grantor's records at such time, and shall be rendered with such frequency as Lender may demand. The information furnished by Grantor to Lender shall be true, accurate and complete in all respects.

21. ESTOPPEL CERTIFICATES. Within ten (10) days after any request by Lender, Grantor shall deliver to Lender, or any intended transferee of Lender's rights with respect to the Obligations, a signed and acknowledged statement specifying (a) the outstanding balance on the Obligations, (b) whether Grantor possesses any claims, defenses, set-offs or counterclaims with respect to the Obligations and, if so, the nature of such claims, defenses, set-offs or counterclaims. Grantor will be conclusively bound by any representation that Lender may make to the intended transferee with respect to the Obligations in the event that Grantor fails to provide the requested statement in a timely manner.

22. DEFAULT. Grantor shall be in default under this Mortgage in the event that Grantor, Borrower or any guarantor of any Obligation:

- (a) fails to pay any Obligation to Lender when due;
- (b) fails to perform any Obligation or breaches any warranty or covenant to Lender contained in this Mortgage or any other present or future written or oral agreement;
- (c) allows the Property to be damaged, destroyed, lost or stolen in any material respect;
- (d) seeks to revoke, terminate or otherwise limit its liability under any guaranty to Lender;
- (e) allow goods to be used on, transported or stored on the Property the possession, transportation, or use of which, is illegal; or
- (f) causes Lender to deem itself insecure in good faith for any reason.

23. RIGHTS OF LENDER ON DEFAULT. If there is a default under this Mortgage, Lender shall be entitled to exercise one or more of the following remedies without notice or demand (except as required by law):

- (a) to declare the Obligations immediately due and payable in full;
- (b) to collect the outstanding Obligations with or without resorting to judicial process;
- (c) to require Grantor to deliver and make available to Lender any personal property constituting the Property at a place reasonably convenient to Grantor and Lender;
- (d) to collect all of the rents, issues, and profits from the Property from the date of default and thereafter;
- (e) to apply for and obtain the appointment of a receiver for the Property without regard to Grantor's financial condition or solvency, to take any action to secure the payment or performance of the Obligations, or the existence of any waste to the Property.

95120040

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State of Illinois

State of

County of Lake

County of

I, the Undersigned, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Steven L. Spencer and Dana M. Spencer personally known to me to be the same person whose name I am subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes herein set forth

The foregoing instrument was acknowledged before me this _____ day of _____ by _____ as _____ on behalf of the _____

Given under my hand and official seal, this 12th day of December, 1994

Given under my hand and official seal, this _____ day of _____

Stephen Battaglia
Notary Public

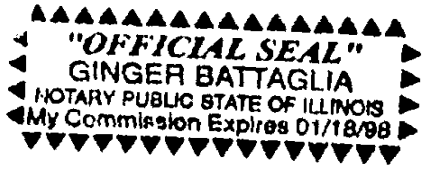
Notary Public

Commission expires: 1-18-98

Commission expires: _____

SCHEDULE A

The street address of the Property (if applicable) is:
4 WEIDNER COURT
BUFFALO GROVE, IL 60039



Permanent Index No.(s): 03-05-115-052-0000

The legal description of the Property is:

LOT 188 IN STRATHMORE IN BUFFALO GROVE UNIT 1, IN SECTIONS 5 AND 6, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT HEREOF RECORDED MAY 3, 1967 AS DOCUMENT NUMBER 20125932 IN COOK COUNTY, ILLINOIS.

SM GA

3631010

SCHEDULE B

FIRST MORTGAGE TO MORTGAGE CAPITAL CORP. DATED 04/25/91 IN THE AMOUNT OF \$120,000.00 RECORDED 05/03/91 AS DOCUMENT #91207488 AND ASSIGNED TO METROPOLITAN FINANCIAL MTO. CORP. DATED 11/14/91 AS DOCUMENT #91599812 AND ASSIGNMENT RERECORDED 03/30/92 AS DOCUMENT #92208547.
SECOND MORTGAGE TO UNITED AIR LINES EMPLOYEES CREDIT UNION DATED 09/14/93 IN THE AMOUNT OF \$27,500.00 RECORDED 09/22/93 AS DOCUMENT #93757385.

95120040

Faint text regarding recording and tax information.

BOX 333-CTI

This instrument was prepared by: PATRICIA L. ADLER LOAN OPERATIONS/NOTE TELLER

After recording return to Lender.

HARRIS BANK LIBERTYVILLE
354 N. MILWAUKEE AVE.
LIBERTYVILLE, IL 60048

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24. **WAIVER OF HOMESTEAD AND OTHER RIGHTS.** Grantor hereby waives all homestead and other exemptions to which Grantor would otherwise be entitled under any applicable law.

25. **SATISFACTION.** Upon the payment in full of the Obligations, this Mortgage shall be satisfied of record by Lender.

26. **APPLICATION OF FORECLOSURE PROCEEDS.** The proceeds from the foreclosure of this Mortgage and the sale of the Property shall be applied in the following manner: first, to the payment of any sheriff's fee and the satisfaction of its expenses and costs, then to reimburse Lender for its expenses and costs of the sale or in connection with securing, preserving and maintaining the Property, seeking or obtaining the appointment of a receiver for the Property, (including, but not limited to, attorneys' fees, legal expenses, filing fees, notification costs, and appraisal costs); then to the payment of the Obligations; and then to any third party as provided by law.

27. **REIMBURSEMENT OF AMOUNTS EXPENDED BY LENDER.** Upon demand, Grantor shall immediately reimburse Lender for all amounts (including attorneys' fees and legal expenses) expended by Lender in the performance of any action required to be taken by Grantor or the exercise of any right or remedy of Lender under this Mortgage, together with interest thereon at the lower of the highest rate described in any Obligation or the highest rate allowed by law from the date of payment until the date of reimbursement. These sums shall be included in the definition of Obligations herein and shall be secured by the interest granted herein.

28. **APPLICATION OF PAYMENTS.** All payments made by or on behalf of Grantor may be applied against the amounts paid by Lender (including attorneys' fees and legal expenses) in connection with the exercise of its rights or remedies described in this Mortgage and then to the payment of the remaining Obligations in whatever order Lender chooses.

29. **POWER OF ATTORNEY.** Grantor hereby appoints Lender as its attorney-in-fact to endorse Grantor's name on all instruments and other documents pertaining to the Obligations or indebtedness. In addition, Lender shall be entitled, but not required, to perform any action or execute any document required to be taken or executed by Grantor under this Mortgage. Lender's performance of such action or execution of such documents shall not relieve Grantor from any Obligation or cure any default under this Mortgage. The powers of attorney described in this paragraph are coupled with an interest and are irrevocable.

30. **SUBROGATION OF LENDER.** Lender shall be subrogated to the rights of the holder of any previous lien, security interest or encumbrance discharged with funds advanced by Lender regardless of whether these liens, security interests or other encumbrances have been released of record.

31. **COLLECTION COSTS.** If Lender hires an attorney to assist in collecting any amount due or enforcing any right or remedy under this Mortgage, Grantor agrees to pay Lender's reasonable attorneys' fees and costs.

32. **PARTIAL RELEASE.** Lender may release its interest in a portion of the Property by executing and recording one or more partial releases without affecting its interest in the remaining portion of the Property. Except as provided in paragraph 25, nothing herein shall be deemed to obligate Lender to release any of its interest in the Property.

33. **MODIFICATION AND WAIVER.** The modification or waiver of any of Grantor's Obligations or Lender's rights under this Mortgage must be contained in a writing signed by Lender. Lender may perform any of Grantor's Obligations or delay or fail to exercise any of its rights without causing a waiver of those Obligations or rights. A waiver on one occasion shall not constitute a waiver on any other occasion. Grantor's Obligations under this Mortgage shall not be affected if Lender amends, compromises, exchanges, fails to exercise, impairs or releases any of the Obligations belonging to any Grantor, third party or any of its rights against any Grantor, third party or the Property.

34. **SUCCESSORS AND ASSIGNS.** This Mortgage shall be binding upon and inure to the benefit of Grantor and Lender and their respective successors, assigns, trustees, receivers, administrators, personal representatives, legatees and devisees.

35. **NOTICES.** Any notice or other communication to be provided under this Mortgage shall be in writing and sent to the parties at the addresses described in this Mortgage or such other address as the parties may designate in writing from time to time. Any such notice so given and sent by certified mail, postage prepaid, shall be deemed given three (3) days after such notice is sent and on any other such notice shall be deemed given when received by the person to whom such notice is being given.

36. **SEVERABILITY.** If any provision of this Mortgage violates the law or is unenforceable, the rest of the Mortgage shall continue to be valid and enforceable.

37. **APPLICABLE LAW.** This Mortgage shall be governed by the laws of the state where the Property is located. Grantor consents to the jurisdiction and venue of any court located in such state.

38. **MISCELLANEOUS.** Grantor and Lender agree that time is of the essence. Grantor waives presentment, demand for payment, notice of dishonor and protest except as required by law. All references to Grantor in this Mortgage shall include all persons signing below. If there is more than one Grantor, their Obligations shall be joint and several. Grantor hereby waives any right to trial by jury in any civil action arising out of, or based upon, this Mortgage or the Property securing this Mortgage. This Mortgage and any related documents represent the complete integrated understanding between Grantor and Lender pertaining to the terms and conditions of those documents.

39. **ADDITIONAL TERMS.**

95120040

DEPT-01 RECORDING \$27.00
#5555 TRAN 3378 02/21/95 14:00:00
#4526 # 11 * 95 - 120040
OUR COUNTY RECORDER

3631013

Grantor acknowledges that Grantor has read, understands, and agrees to the terms and conditions of this Mortgage

Dated: DECEMBER 12, 1994

GRANTOR STEVEN L. SPENCER
Steven L. Spencer
STEVEN L. SPENCER
MARRIED TO DANA M. SPENCER

GRANTOR DANA M. SPENCER
Dana M. Spencer
DANA M. SPENCER
MARRIED TO STEVEN L. SPENCER SOLELY TO WAIVE
HER HOMESTEAD RIGHTS

GRANTOR

GRANTOR

GRANTOR

GRANTOR

GRANTOR

GRANTOR