

Direct Reduction

Loan No.

JUNIOR

REAL ESTATE MORTGAGE

10635 Ewing St
Chicago Ill.

I. 729703

RONALD W. KOSOLA and DORIS L. KOSOLA, husband and wife

of the City of Hammond, County of Lake, and State of Indiana, hereinafter designated as the Mortgagors, hereby MORTGAGE and WARRANT to EAST SIDE BANK AND TRUST COMPANY

a corporation created and existing under the laws of the State of Illinois, its successors or assigns, hereinafter designated as the Mortgagee, the following described real estate, situated in the County of Lake and State of Indiana, to wit:

Part of the Southwest Quarter of Section 12, Township 36 North, Range 10 West of the 2nd P.M., described as follows: Beginning at the point on the East line of Meadow Lane Avenue, which is 1158.7 feet South of the North line of the Southwest Quarter of said Section 12; thence East 187.6 feet parallel to said North line; thence South 11.83 feet to a point which is 188.0 feet East of the East line of Meadow Lane Avenue; thence East 4.0 feet; thence South 51.83 feet; thence West 192.0 feet of the East line of Meadow Lane Avenue; thence North 63.92 feet to the point of beginning in the City of Hammond, Lake County, Indiana

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD
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WILLIAM BIELSKY
RECORDER

with all the buildings and improvements now or hereafter erected thereon, and everything appurtenant thereto, including all apparatus and fixtures of every kind for the purpose of supplying or distributing gas, oil, electricity, power, heat, light, water, and air, all plumbing, and all other fixtures and apparatus now in or which may be placed hereafter in any building or improvement now or hereafter upon said premises, and together with all of the rents, issues, and profits thereof, free from all right to retain possession of said premises, or any part thereof, after any default in the payments provided herein or in the First Mortgage Note hereinafter described or after a breach of any of the covenants or agreements herein contained, and free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which rights the Mortgagors hereby expressly release and waive.

II. TO SECURE the payment of a First Mortgage Note of the Mortgagors of the same date as this Mortgage for the principal sum of

TEN THOUSAND FIVE HUNDRED TWENTY TWO AND 08/100..... Dollars (\$ 10,522.08)
(which consists of \$8,552.00 Principal and Balance of accrued interest)

with interest at the rate therein recited, payable at the office of the Mortgagee at Chicago, Illinois, or at such other place as the legal holder or holders thereof may from time to time in writing appoint, in legal tender of the United States of America in monthly installments of

TWO HUNDRED NINETY TWO AND 28/100..... Dollars (\$ 292.28)

on the 30 days from date of disbursement day of each and every month, commencing on the day of A. D. 19 and continuing until said principal sum is fully paid, which First Mortgage Note is identified by the certificate of the Mortgagee thereon endorsed.

III. The Mortgagors do hereby covenant, agree, and promise:

- (1) to pay to the Mortgagee, as hereinafter provided, a sum sufficient to pay general taxes and installments of special assessments which may be levied upon said premises by the State of Illinois and the county, city, town, or village in which said premises are situated;
- (2) to pay to the Mortgagee, as hereinafter provided, a sum sufficient to pay the premium or premiums which will become due and payable to renew such insurance and insurances as may be required by the Mortgagee to keep all buildings, improvements, and fixtures now or hereafter located upon said premises insured until the indebtedness secured hereby is fully paid, or in case of foreclosure until the expiration of the period of redemption, against loss or damage by fire, flood, tornado, explosion, and other hazard, for such amount, in such insurance company or companies, and in such form as may be satisfactory to the Mortgagee, making all sums recoverable upon such policies payable to the Mortgagee, and in case of foreclosure or sale payable to the owner of the certificate of sale by a suitable clause to be attached to said policies, and to deliver all such policies to the Mortgagee, the Mortgagee being hereby authorized to adjust, collect, and compromise, in its discretion, all claims under such policy or policies;
- (3) to pay to the Mortgagee, as hereinafter provided, a sum sufficient to pay the premium or premiums for such insurance or insurances upon the life or lives of the Mortgagors as the Mortgagee may require, which policies by a suitable clause to be attached thereto shall name the Mortgagee as beneficiary and shall be delivered to and retained by the Mortgagee until said indebtedness is paid in full;
- (4) to keep said premises and the buildings, improvements, and fixtures now or hereafter located upon said premises in good condition and repair;
- (5) not to allow or permit any lien of mechanics or materialmen to attach to said premises, or any part thereof;
- (6) without the written permission of the Mortgagee first had and obtained
 - (a) not to allow or permit any addition to, or alteration, demolition, or removal of any of the improvements, apparatus, fixtures, or equipment now or hereafter located upon said premises, and
 - (b) not to purchase upon conditional sale or upon any other agreement under which title is reserved in the vendor, any apparatus, fixtures, or equipment to be placed in or upon any building or improvements now or hereafter located upon said premises;
- (7) not to suffer or permit any unlawful use of or any nuisance to exist upon said premises or any building now or hereafter located thereon;
- (8) not to permit said premises, or any building or improvement thereon, to be used in the transfer, sale, or distribution of intoxicating liquors unless the Mortgagors first obtain the written consent of the Mortgagee and deliver to the Mortgagee a bond in such company, in such form, and in such amount as may be satisfactory to the Mortgagee to protect and defend the Mortgagee from and against any loss, claim, damages, expenses, or lien of any kind and nature that may be asserted or attempted to be asserted upon or against said Mortgagee or its interest in said premises by reason of any violation of "An Act relating to alcoholic liquors," commonly known as the "Illinois Liquor Control Act," approved January 31, 1934, as amended; and
- (9) not to diminish or impair the value of said premises or the security intended to be effected by virtue of this Mortgage by any act or omission to act.

IV. The Mortgagors do hereby agree and promise to pay to the Mortgagee, together with and in addition to the monthly payments provided in the First Mortgage Note secured hereby, at the office of the Mortgagee, or at such other place as it may from time to time in writing appoint, in legal tender of the United States of America, on the day of each and every month, beginning the 30 days from date of disbursement day of each and every month, and continuing until said First Mortgage Note is fully paid:

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(1) one-twelfth (1/12th) of a sum, as estimated by the Mortgagee, to be sufficient to pay the general taxes and installments of special assessments next due, which additional monthly payment for the current year, based upon an estimate by the Mortgagee of such general taxes and installments of special assessments, is

Dollars (\$) _____),

and hereafter, within a reasonable time after the expiration of each calendar year, the amount of such additional monthly payment shall be estimated by the Mortgagee and the Mortgagors agree and promise to be bound thereby;

(2) one-twelfth (1/12th) of the annual premium or premiums that will become due and payable to renew the insurance or insurances on said premises and the buildings and improvements thereon, as heretofore provided, which additional monthly payment, based upon an estimate by the Mortgagee, is:

Dollars (\$) _____),

and hereafter, within a reasonable time after renewal of any such insurance or insurances, the amount of such additional monthly payment shall be estimated by the Mortgagee and the Mortgagors agree and promise to be bound thereby;

(3) The sum of _____ Dollars (\$ _____),

which amount is equal to one-twelfth (1/12th) of the annual premium or premiums for insurance or insurances upon the life or lives of the Mortgagors, as heretofore provided; and

(4) The sum of _____ Dollars (\$) _____),

which amount is in payment of a service charge to the Mortgagee and is equal to one-twelfth (1/12th) of per cent (_____ %) per year of the principal amount of the First Mortgage Note.

The Mortgagors do hereby covenant, agree, and promise that the additional payments for taxes, special assessments, and premiums for insurance shall be accepted and held by the Mortgagee as agent for the Mortgagors for the sole purpose of paying such general taxes, installments of special assessments, and premium or premiums for insurance when due and payable, provided, however, that it shall not be obligatory upon the Mortgagee to inquire into the validity of any of said items before making payment of the same, and, provided further, that nothing herein contained shall be construed as requiring the Mortgagee to advance its moneys for such purposes and that by accepting and requiring said monthly payments and accepting a service charge the Mortgagee shall not incur any liability for anything it may do or omit to do by virtue thereof; that the amounts of said additional monthly payments shall be added to the unpaid principal balance of the First Mortgage Note secured hereby as of the first day of the next succeeding month and shall become so much additional indebtedness secured by this Mortgage; that if the total of such additional monthly payments shall exceed the amount of payments made by the Mortgagee for general taxes, installments of special assessments, or insurance premiums, as the case may be, such excess shall be credited to the Mortgagors on subsequent payments to be made by the Mortgagors; that if such additional monthly payments made by the Mortgagors shall not be sufficient to pay the general taxes, installments of special assessments, or insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagors will pay to the Mortgagee any amount necessary to make up the deficiency on or before the date when the payment of such general taxes, installments of special assessments, or insurance premiums shall be due; and that if there shall be a default under any of the provisions of this Mortgage resulting in foreclosure and a sale of said premises or if the Mortgagee acquires said premises otherwise, the Mortgagee shall apply at the time of the commencement of such foreclosure proceedings or at the time said premises are acquired the balance then remaining in the funds accumulated hereunder as a credit against the amount of the principal then remaining unpaid under the First Mortgage Note secured hereby.

V. The Mortgagors do hereby further covenant and agree that in case of the failure of said Mortgagors to pay to the Mortgagee sums sufficient to enable it to pay the general taxes, installments of special assessments, and insurance premiums, to pay any liens of mechanics or materialmen, to pay the amount due under any conditional sale or other agreement for the purchase of any apparatus, fixtures, or equipment placed in or upon said premises or any buildings thereon, to furnish a bond to protect the Mortgagors under the Illinois Liquor Control Act, or to keep said premises or any buildings thereon in good repair, as hereinafter provided, then the Mortgagee may, at its option and without notice to Mortgagors, pay such general taxes or installments of special assessments, or redeem said premises from any tax sale or purchase any tax title obtained or that may be obtained thereunder, procure and pay for any and all such insurance or bond, settle and pay any and all suits or claims for liens of mechanics or materialmen or any other claims for liens that may be made against said premises, pay the amount due to the vendor of any apparatus, fixture, or equipment placed in or upon said premises or any buildings thereon under a conditional sale or agreement, and make and pay for any repairs the Mortgagee may deem necessary to render said premises or any building and improvements thereon tenable, and any and all moneys paid for any such purposes or uses and any other moneys disbursed by the Mortgagee to protect the lien of this Mortgage, including any and all costs, charges, expenses, and reasonable lawyer's fees incurred or paid at any time by said Mortgagee, its successors, legal representatives, or assigns, because of the failure on the part of the Mortgagors to perform, comply with, and abide by each and every stipulation, agreement, condition, and covenant of this Mortgage and the First Mortgage Note secured hereby, or either, shall be payable on demand and shall bear interest from the date of payment at the rate of seven per cent (7%) per year, shall become so much additional indebtedness secured by this Mortgage, shall be included in any decree foreclosing this Mortgage, and shall be paid out of the rents or proceeds of sale of said premises, if not otherwise paid by the said Mortgagors, and it shall not be obligatory upon the Mortgagee in advancing moneys in that behalf to inquire into the validity of any tax deed, taxes, special assessments, or sale for non-payment thereof, into the validity of any mechanic's or materialman's liens, into the validity of any conditional sale agreements, or into the necessity of repairs, but nothing herein contained shall be construed as requiring the Mortgagee to advance or expend money for any of such purposes.

VI. An additional security for the payment of the indebtedness aforesaid, and as one of the considerations for the granting of the loan by the Mortgagee, the Mortgagors do hereby assign, transfer, and set over unto the Mortgagee all the rents, issues, and profits now due or which may hereafter become due under or by virtue of any lease, whether written or oral, or any agreement for the use or occupancy of any part of said premises which may have been heretofore or may be hereafter made or agreed to, or which may be made or agreed to by the Mortgagee under the power herein granted to it, and to use such measures, legal or equitable, as in its discretion it may deem proper or necessary to enforce the payment and security of said rents, to maintain and secure possession of said premises or any portion thereof, to fill any and all vacancies, and to rent, lease, or let any portion of said premises to any party or parties at its discretion, with power to use and apply said rents, issues, and profits to the payment of all expenses of the care and management of said premises, including taxes, assessments, and insurance and bond premiums, and to the payment of any indebtedness secured hereby or incurred hereunder, it being the intention thereby to establish an absolute transfer and assignment of all such leases and agreements and of the rents, issues, and profits of said premises to the Mortgagee.

VII. It is specifically agreed by the Mortgagors that time is of the essence of the covenants and agreements herein contained and that upon the happening of any one or more of the following events or conditions, the Mortgagors covenant and agree that the Mortgagee may, at its option and without notice of the exercise of said option to the Mortgagors, declare the entire principal indebtedness evidenced by said First Mortgage Note due and payable, together with the accrued interest thereon, costs, advancements by the Mortgagee for any of the purposes hereinbefore set forth, and any other expenses, and apply toward the payment of said indebtedness any indebtedness of the Mortgagors to the Mortgagee, and immediately thereafter proceed to foreclose this Mortgage (default by the Mortgagors in any monthly payment provided herein or by the First Mortgage Note this Mortgage secures); the making of a contract or agreement by the Mortgagors whereby any one may or does acquire the right to place a lien, mortgage, or other encumbrance against the mortgaged premises hereinabove described; the actual or threatened alteration, repair, addition, demolition, or removal to or of any building on the premises or in case of any act done or suffered to be done by the Mortgagors without the written permission or consent of the Mortgagee first had and obtained, whereby the security of the Mortgage will be impaired or affected; abandonment of the premises by the Mortgagors; the judicial sale of said premises or the acquisition or control of said premises by court; the filing of a proceeding in bankruptcy by or against the Mortgagors or either or any of them; the institution of any legal proceedings to enforce a mortgage or other lien against said premises; or default by said Mortgagors in the performance of any one or more of the covenants and agreements herein contained upon their part to be done or performed; it being understood and agreed by the Mortgagors that the failure on the part of the Mortgagee to exercise any of its rights hereunder for defaults or breaches of covenants hereinafter in said First Mortgage Note contained shall not be construed to prejudice its rights for any other or subsequent default or breach of covenant.

VIII. The Mortgagors do hereby further covenant and agree: that upon the filing of any bill to foreclose this Mortgage, in any court having jurisdiction thereof, such court may, at any time, either before or after sale, and without notice to the Mortgagors or any party claiming under said Mortgagors, and without regard to the then value of said premises, or whether the same shall then be occupied by the owner of the equity of redemption as a homestead, appoint a receiver, with power to collect the rents, issues, and profits arising out of said premises during the pendency of such foreclosure suit and until the time to redeem the same from any sale that may be had under any decree foreclosing this Mortgage shall expire; that such rents, issues, and profits, when collected, may be applied before as well as after sale toward the payment of taxes and special assessments levied against the said premises and of the indebtedness and costs herein mentioned and described; that upon foreclosure and sale of said premises, there shall be paid out of the proceeds of such sale, first, a reasonable sum for plaintiff's attorney's fees, all expenses of advertising, selling, and conveying said premises and all moneys advanced for insurance, taxes, and other liens or assessments, outlays for documentary evidence, stenographer's charges, court costs, master's fees, recording or registration fees, and costs of procuring or completing an abstract of title, title policy, or Torrens certificate showing the whole title to said premises to and including the foreclosure decree and certificate of sale, and, then, the indebtedness hereby secured whether due and payable by the terms hereof or not and the interest due thereon up to the time of such sale, and the overplus, if any, shall be rendered to the said Mortgagors; that it shall not be the duty of the purchaser or purchasers of said premises at any such sale to see to the application of the purchase money; and in case of payment of said indebtedness, after the filing of any bill to foreclose this Mortgage and prior to the entry of a decree of sale, a reasonable sum for legal services rendered to the time of such payment shall be allowed as plaintiff's attorney's fees, which, together with any sums paid for continuation of abstract or for an opinion of title, recording or registration fees, court costs, stenographer's fees, and expenses of such proceedings, shall be an additional indebtedness hereby secured.

IX. It is expressly agreed by the Mortgagors that in the event the ownership of the premises hereinabove described, or any part thereof, becomes vested in persons other than the Mortgagors, the Mortgagee may, without notice to the Mortgagors, deal with such successors in interest with reference to this Mortgage and the debt hereby secured in the same manner as with the Mortgagors, without in any way vitiating or discharging the liability of the Mortgagors hereunder or upon the debt hereby secured, and no sale of the premises hereby conveyed and no forbearance on the part of the Mortgagee and no extension of the time for payment of the debt hereby secured given by the Mortgagee shall operate to release, discharge, modify, change, or affect the original liability of the Mortgagors herein either in whole or in part.

X. It is expressly agreed by the Mortgagors that in the event said premises, or any part thereof, shall be condemned and taken for public use under the power of Eminent Domain, the entire award for the taking of or for damages to said premises shall be paid to the Mortgagee and be applied by it to the amount then unpaid on the indebtedness hereby secured, or be applied upon the payment or payments which shall thereafter become payable thereon, and the Mortgagee is hereby empowered in the name of the Mortgagors to give acquittance for any such award or judgment whether it be joint or several.

XI. It is understood and agreed by and between the Mortgagee and the Mortgagors that it is the intent and purpose of this Mortgage to secure the payment of the above described First Mortgage Note whether the entire amount shall have been advanced to the Mortgagors at the date hereof, or at a later date, or having been advanced, shall have been repaid in part and further advances made at a later date, which advances shall in no event operate to make the principal sum of the indebtedness greater than the amount named in said First Mortgage Note plus any amount or amounts that may be added to the Mortgage indebtedness under the terms hereof.

XII. This Mortgage will be released upon the full payment of said indebtedness and the performance of all of the covenants and agreements herein contained to be done and performed by the said Mortgagors, and upon the payment to Mortgagee of

TWENTY FIVE AND NO/100..... Dollars (\$ 25.00)

and the costs of recording or registering said release.

XIII. It is hereby expressly agreed by and between the parties hereto that the covenants and agreements herein contained shall bind, and the benefits and advantages inure to, the respective heirs, executors, administrators, successors, and assigns of the respective parties hereto, and wherever used, the plural number shall include the singular.

XIV. Any conveyance or contract effecting the title of the mortgagors herein made without express consent of the East Side Bank and Trust Company shall constitute a breach of this agreement and render the then unpaid principle balance of this mortgage due and payable on demand.

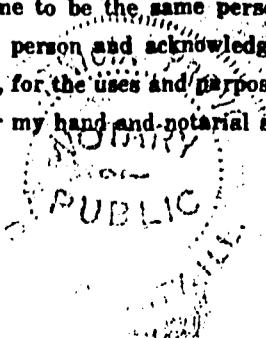
IN WITNESS WHEREOF, the Mortgagors have hereunto set their hands and seals, at Illinois, the 6th day of October, A. D. 19 1983.

Ronald W. Kosola (SEAL)
RONALD W. KOSOLA
Doris L. Kosola (SEAL)
DORIS L. KOSOLA
(SEAL)

STATE OF ILLINOIS }
COUNTY OF Cook } SS.

I, Patricia Provo, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that

Ronald W. Kosola and Doris L, Kosola, husband and wife personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the Right of Homestead. GIVEN under my hand and notarial seal this 6th day of October, A. D. 19 83



Patricia Provo
Notary Public

My Commission Expires February 29, 1984