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7/17/02 14:45:00 Page 1 of 5  
2002-06-26 12:29:25  
Cook County Recorder 29.00

RECORDATION REQUESTED BY:

FIRST AMERICAN BANK  
P.O. BOX 307  
201 S. STATE STREET  
HAMPSHIRE, IL 60140



0020710245

WHEN RECORDED MAIL TO:

FIRST AMERICAN BANK  
P.O. BOX 307  
201 S. STATE STREET  
HAMPSHIRE, IL 60140

SEND TAX NOTICES TO:

MICHAEL KARLOVITZ  
LINDA M. KARLOVITZ  
513 W. ALDINE AVENUE  
UNIT # 3G  
CHICAGO, IL 60657

FOR RECORDER'S USE ONLY

H22034400  
This Mortgage prepared by: CTIC

Loan Operations  
First American Bank  
80 Stratford Drive  
Bloomington, IL 60108

MORTGAGE

**MAXIMUM LIEN.** At no time shall the principal amount of indebtedness secured by the Mortgage, not including sums advanced to protect the security of the Mortgage, exceed \$50,000.00.

THIS MORTGAGE dated June 21, 2002, is made and executed between MICHAEL KARLOVITZ and LINDA M. KARLOVITZ, A MARRIED COUPLE (referred to below as "Grantor") and FIRST AMERICAN BANK, whose address is P.O. BOX 307, 201 S. STATE STREET, HAMPSHIRE, IL 60140 (referred to below as "Lender").

**GRANT OF MORTGAGE.** For valuable consideration, Grantor mortgages, warrants and conveys to Lender all of Grantor's right, title, and interest in and to the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation all minerals, oil, gas, geothermal and similar matters, (the "Real Property") located in COOK County, State of Illinois:

PARCEL 1: UNIT NO. 3G AS DELINEATED ON THE SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE (HEREIN REFERRED TO AS PARCEL): LOTS 20 AND 21 AND THAT PART OF LOTS 22 AND "B" IN BLOCK 2, DESCRIBED AS FOLLOWS:: BEGINNING AT THE NORTHWEST CORNER OF LOT 22, THENCE EAST 50 FEET ON THE NORTH LINE OF LOTS 22 AND "B" THENCE SOUTH ON A LINE PARALLEL TO THE WEST LINE OF LOT 22 TO THE SOUTH LINE OF LOT 22, THENCE WEST ON THE SOUTH LINE OF LOT 22 TO THE WEST LINE OF LOT 22, AND THENCE NORTH TO THE POINT OF BEGINNING, ALL IN CULVER'S AND OTHERS' LAKE SHORE SUBDIVISION OF LOTS 24, 25 AND 26 IN PINE GROVE, A SUBDIVISION IN FRACTIONAL SECTION 21, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS ALSO LOTS 18 AND 19 IN BLOCK 2 IN CULVER'S AND OTHERS' LAKE SHORE SUBDIVISION OF LOTS 24, 25 AND 26 IN PINE GROVE, A

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SUBDIVISION IN FRACTIONAL SECTION 21, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO DECLARATION OF CONDOMINIUM OWNERSHIP MADE BY THE FIRST NATIONAL BANK AND TRUST COMPANY OF EVANSTON, A NATIONAL BANKING ASSOCIATION, AS TRUSTEE UNDER ITS TRUST AGREEMENT DATED JUNE 30, 1977 AND KNOWN AS TRUST NUMBERR-2066 AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, ON SEPTEMBER 29, 1977 AS DOCUMENT NUMBER 24126916, TOGETHER WITH AN UNDIVIDED PERCENTAGE INTEREST IN SAID PARCEL (EXCEPTING FROM SAID PARCEL ALL OF THE PROPERTY AND SPACE COMPRISING ALL OF THE UNITS THEREOF AS DEFINED AND SET FORTH IN SAID DECLARATION OF CONDOMINIUM OWNERSHIP AND SURVEY); IN COOK COUNTY, ILLINOIS PARCEL 2: A PERPETUAL EASEMENT CONSISTING OF THE RIGHTS AND EASEMENTS APPURTENANT TO THE ABOVE DESCRIBED REAL ESTATE AND RIGHT TO USE FOR PARKING PURPOSES SPACE (S) NO. 11 AS DELINEATED ON THE SURVEY ATTACHED AS EXHIBIT "A" TO SAID DECLARATION AND SURVEY IN COOK COUNTY, ILLINOIS

The Real Property or its address is commonly known as 513 W. ALDINE AVENUE, UNIT #3G, CHICAGO, IL 60657. The Real Property tax identification number is 14-21-312-047-1021.

**REVOLVING LINE OF CREDIT.** Specifically, without limitation, this Mortgage secures a revolving line of credit and shall secure not only the amount which Lender has presently advanced to Grantor under the Credit Agreement, but also any future amounts which Lender may advance to Grantor under the Credit Agreement within twenty (20) years from the date of this Mortgage to the same extent as if such future advance were made as of the date of the execution of this Mortgage. The revolving line of credit obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Credit Agreement and Related Documents. Such advances may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or sum as provided in the Credit Agreement, any temporary overages, other charges, and any amounts expended or advanced as provided in this paragraph, shall not exceed the Credit Limit as provided in the Credit Agreement. It is the intention of Grantor and Lender that this Mortgage secures the balance outstanding under the Credit Agreement from time to time from zero up to the Credit Limit as provided in this Mortgage and any intermediate balance.

**THIS MORTGAGE, INCLUDING THE ASSIGNMENT OF RENTS AND THE SECURITY INTEREST IN THE RENTS AND PERSONAL PROPERTY, IS GIVEN TO SECURE (A) PAYMENT OF THE INDEBTEDNESS AND (B) PERFORMANCE OF EACH OF GRANTOR'S AGREEMENTS AND OBLIGATIONS UNDER THIS MORTGAGE. THIS MORTGAGE IS INTENDED TO AND SHALL BE VALID AND HAVE PRIORITY OVER ALL SUBSEQUENT LIENS AND ENCUMBRANCES, INCLUDING STATUTORY 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.**

**DUE ON SALE - CONSENT BY LENDER.** Lender may, at Lender's option, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without 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 in the Real Property; 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 an interest in the Real Property. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Illinois law.

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

**Maintenance of Insurance.** Grantor shall procure and maintain policies of fire insurance with standard extended coverage endorsements on a replacement basis for the full insurable value covering all Improvements on the Real Property in an amount sufficient to avoid application of any coinsurance clause,

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and with a standard mortgagee 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 diminished without a minimum of ten (10) days' prior written notice to Lender and not containing any disclaimer of the insurer's liability for failure to give such notice. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Grantor or any other person. Should the Real Property be located in an area designated by the Director of the Federal Emergency Management Agency as a special flood hazard area, Grantor agrees to obtain and maintain Federal Flood Insurance, if available, within 45 days after notice is given by Lender that the Property is located in a special flood hazard area, for the full unpaid principal balance of the loan and any prior liens on the property securing the loan, up to the maximum policy limits set under the National Flood Insurance Program, or as otherwise required by Lender, and to maintain such insurance for the term of the loan.

**Application of Proceeds.** Grantor shall promptly notify Lender of any loss or damage to the Property if the estimated cost of repair or replacement exceeds \$10,000.00. Lender may make proof of loss if Grantor fails to do so within fifteen (15) days of the casualty. Whether or not Lender's security is impaired, Lender may, at Lender's election, receive and retain the proceeds of any insurance and apply the proceeds to the reduction of the Indebtedness, payment of any lien affecting the Property, or the restoration and repair of the Property.

**FULL PERFORMANCE.** If Grantor pays all the Indebtedness when due, terminates the credit line account, 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.

**EVENTS OF DEFAULT.** Grantor will be in default under this Mortgage if any of the following happen: (A) Grantor commits fraud or makes a material misrepresentation at any time in connection with the Credit Agreement. This can include, for example, a false statement about Grantor's income, assets, liabilities, or any other aspects of Grantor's financial condition. (B) Grantor does not meet the repayment terms of the Credit Agreement. (C) Grantor's action or inaction adversely affects the collateral or Lender's rights in the collateral. This can include, for example, failure to maintain required insurance, waste or destructive use of the dwelling, failure to pay taxes, death of all persons liable on the account, transfer or title or sale of the dwelling, creation of a senior lien on the dwelling without Lender's permission, foreclosure by the holder of another lien, or the use of funds or the dwelling for prohibited purposes.

**ATTORNEYS' FEES; EXPENSES.** If Lender institutes any suit or action to enforce any of the terms of this Mortgage, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender'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 at the Credit Agreement rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title 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 costs, in addition to all other sums provided by law.

**Governing Law.** This Mortgage will be governed by and interpreted in accordance with federal law and the laws of the State of Illinois. This Mortgage has been accepted by Lender in the State of Illinois.

**Waive Jury.** All parties to this Mortgage hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

**Waiver of Homestead Exemption.** Grantor hereby releases and waives all rights and benefits of the homestead

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exemption laws of the State of Illinois as to all Indebtedness secured by this Mortgage.

**Definitions.** The following words shall have the following meanings when used in this Mortgage:

**BORROWER.** The word "Borrower" means MICHAEL KARLOVITZ and LINDA M. KARLOVITZ, and all other persons and entities signing the Credit Agreement.

**CREDIT AGREEMENT.** The words "Credit Agreement" mean the credit agreement dated June 21, 2002, with credit limit of \$50,000.00 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 Credit Agreement is a variable interest rate based upon an index. The index currently is 4.750% per annum. If the index increases, the payments tied to the index, and therefore the total amount secured hereunder, will increase. Any variable interest rate tied to the index shall be calculated as of, and shall begin on, the commencement date indicated for the applicable payment stream. Notwithstanding the foregoing, the variable interest rate or rates provided for in this Mortgage shall be subject to the following maximum rate. NOTICE: Under no circumstances shall the interest rate on this Mortgage be more than (except for any higher default rate shown below) the lesser of 18.000% per annum or the maximum rate allowed by applicable law. The maturity date of this Mortgage is July 1, 2012.

**GRANTOR.** The word "Grantor" means MICHAEL KARLOVITZ and LINDA M. KARLOVITZ.

**INDEBTEDNESS.** The word "Indebtedness" means all principal, interest, and other amounts, costs and expenses payable under the Credit Agreement or Related Documents, together with all renewals of, extensions of, modifications of, consolidations of and substitutions for the Credit Agreement or Related Documents and any amounts expended or advanced by Lender to discharge Grantor's obligations or expenses incurred by Lender to enforce Grantor's obligations under this Mortgage, together with interest on such amounts as provided in this Mortgage.

**LENDER.** The word "Lender" means FIRST AMERICAN BANK, its successors and assigns. The words "successors or assigns" mean any person or company that acquires any interest in the Credit Agreement.

**MORTGAGE.** The word "Mortgage" means this Mortgage between Grantor and Lender.

**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 limitation all insurance proceeds and refunds of 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" mean the real property, interests and rights, as further described in this Mortgage.

**EACH GRANTOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND EACH GRANTOR AGREES TO ITS TERMS.**

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GRANTOR:

X *Michael Karlovitz*  
MICHAEL KARLOVITZ, Individually

X *Linda M. Karlovitz*  
LINDA M. KARLOVITZ, Individually

INDIVIDUAL ACKNOWLEDGMENT

STATE OF Illinois )  
 ) SS  
COUNTY OF Cook )

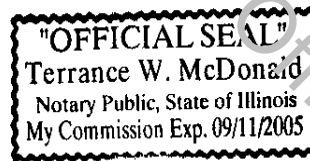
On this day before me, the undersigned Notary Public, personally appeared **MICHAEL KARLOVITZ and LINDA M. KARLOVITZ**, to me known to be the individuals described in and who executed the Mortgage, and acknowledged that they signed the Mortgage as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 21st day of June, 20 02

By *Terrance W. McDonald* Residing at Streamwood, IL

Notary Public in and for the State of Illinois

My commission expires 9-11-05



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