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Eugene "Gene" Moore Fee: \$34.50  
Cook County Recorder of Deeds  
Date: 08/14/2003 11:47 AM Pg: 1 of 6

Space Above This Line For Recording Data

This instrument was prepared by MONICA ENGLISH, 16 N. SPRING STREET, ELGIN, Illinois 60120  
When recorded return to STATE FINANCIAL BANK, 16 N. SPRING STREET, ELGIN, Illinois 60120

**MORTGAGE**

(With Future Advance Clause)

**DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is May 22, 2003. The parties and their addresses are:

**MORTGAGOR:**

**MICHAEL PROSKIN**  
Spouse of Wan Proskin  
279 Melanie Court  
Palatine, Illinois 60067

**WAN PROSKIN**

Spouse of Michael Proskin  
279 Melanie Court  
Palatine, Illinois 60067

**LENDER:**

**STATE FINANCIAL BANK, NATIONAL ASSOCIATION**  
Organized and existing under the laws of the United States of America  
929 North Milwaukee Ave.  
Libertyville, Illinois 60048  
36-1078950

**1. CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debts and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, sells, conveys, mortgages and warrants to Lender, the following described property:

LOT 5 IN MELANIE COURT SUBDIVISION BEING A RESUBDIVISION OF PART OF BLOCK 4 AND PART OF VACATED WILLOW STREET, IN A.T. MCINTOCH AND CO.'S CHICAGO AVENUE FARMS IN THE SOUTHEAST 1/4 OF SECTION 16, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 18, 1998 AS DOCUMENT 080409780, COOK COUNTY, ILLINOIS. P.I.N.#02-16-402-018-0000

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Michael Proskin  
Illinois Mortgage  
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Page 2  
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The property is located in Cook County at 279 Melanite Court, Palatine, Illinois 60067. Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, wells, ditches and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described (all referred to as Property). This Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

**2. MAXIMUM OBLIGATION LIMIT.** The total principal amount secured by this Security Instrument at any one time will not exceed \$156,000.00. This limitation of amount does not include interest, attorneys' fees and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

**3. SECURED DEBTS.** This Security Instrument will secure the following Secured Debts:  
**A. Specific Debts.** The following debts and all extensions, renewals, refinancings, modifications and replacements. A promissory note, No. 1580001563-1, dated May 22, 2003, from Mortgage to Lender, with a maximum credit limit of \$156,000.00 and maturing on May 31, 2008. One or more of the debts secured by this Security Instrument contains a future advance provision.  
**B. Sums Advanced.** All sums advanced and expenses incurred by Lender under the terms of this Security Instrument.

**4. PAYMENTS.** Mortgage agrees that all payments under the Secured Debts will be paid when due and in accordance with the terms of the Secured Debts and this Security Instrument.  
**5. PRIOR SECURITY INTERESTS.** With regard to any other mortgage, deed of trust, security agreement or other lien document that created a prior security interest or encumbrance on the Property, Mortgage agrees:  
**A.** To make all payments when due and to perform or comply with all covenants.  
**B.** To promptly deliver to Lender any notices that Mortgage receives from the holder.  
**C.** Not to allow any modification or extension of, nor to request any future advances under any note or agreement secured by the lien document without Lender's prior written consent.

**6. CLAIMS AGAINST TITLE.** Mortgage will pay all taxes, assessments, liens, encumbrances, lease payments, ground rents, utilities, and other charges relating to the Property when due. Lender may require Mortgage to provide to Lender copies of all notices that such amounts are due and the receipts evidencing Mortgage's payment. Mortgage will defend title to the Property against all claims that would impair the lien of this Security Instrument. Mortgage agrees to assign to Lender, as requested by Lender, any rights, claims or defenses Mortgage may have against parties who supply labor or materials to maintain or improve the Property.

**7. DUE ON SALE.** Lender may, at its option, declare the entire balance of the Secured Debts to be immediately due and payable upon the creation of, or contract for the creation of, a transfer or sale of the Property. This right is subject to the restrictions imposed by federal law governing the preemption of state due-on-sale laws, as applicable.  
**8. WARRANTIES AND REPRESENTATIONS.** Mortgage has the right and authority to enter into this Security Instrument. The execution and delivery of this Security Instrument will not violate any agreement governing Mortgage or to which Mortgage is a party.

**9. PROPERTY CONDITION, ALTERATIONS AND INSPECTION.** Mortgage will keep the Property in good condition and make all repairs that are reasonably necessary. Mortgage will not commit or allow any waste, impairment, or deterioration of the Property. Mortgage will keep the Property free of noxious weeds and grasses. Mortgage agrees that the nature of the occupancy and use will not substantially change without Lender's prior written consent. Mortgage will not permit any change in any license, restrictive covenant or easement without Lender's prior written consent. Mortgage will notify Lender of all demands, proceedings, claims, and actions against Mortgage, and of any loss or damage to the Property.  
Lender or Lender's agents may, at Lender's option, enter the Property at any reasonable time for the purpose of inspecting the Property. Lender will give Mortgage notice at the time of or before an inspection specifying a

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reasonable purpose for the inspection. Any inspection of the Property will be entirely for Lender's benefit and Mortgage will in no way rely on Lender's inspection.

**10. AUTHORITY TO PERFORM.** If Mortgage fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgage appoints Lender as attorney in fact to sign Mortgage's name or pay any amount necessary for performance. Lender's right to perform for Mortgage will not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not carried on in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

**11. ASSIGNMENT OF LEASES AND RENTS.** Mortgage assigns, grants, bargains, conveys, mortgages and warrants to Lender as additional security all the right, title and interest in the following (all referred to as Property): existing or future leases, subleases, licenses, guaranties and any other written or verbal agreements for the use and occupancy of the Property, including any extensions, renewals, modifications or replacements (all referred to as Leases); and rents, issues and profits (all referred to as Rents). In the event any item listed as Leases or Rents is determined to be personal property, this Assignment will also be regarded as a security agreement. Mortgage will promptly provide Lender with copies of the Leases and will certify these Leases are true and correct copies. The existing Leases will be provided on execution of the Assignment, and all future Leases and any other information with respect to these Leases will be provided immediately after they are executed. Mortgage may collect, receive, enjoy and use the Rents so long as Mortgage is not in default. Upon default, Mortgage will receive any Rents in trust for Lender and Mortgage will not commingle the Rents with any other funds. Mortgage agrees that this Security Instrument is immediately effective between Mortgage and Lender and effective as to third parties on the recording of this Assignment. As long as this Assignment is in effect, Mortgage warrants and represents that no default exists under the Leases, and the parties subject to the Leases have not violated any applicable law on leases, licenses and landlords and tenants.

**12. MORTGAGE COVENANTS.** Mortgage agrees that the covenants in this Security Instrument are material obligations under the Secured Debts and this Security Instrument. If Mortgage breaches any covenant in this Security Instrument, Lender may refuse to make additional extensions of credit or may reduce the credit limit. By not exercising either remedy on Mortgage's breach, Lender does not waive Lender's right to later consider the event a breach if it happens again.

**13. DEFAULT.** Mortgage will be in default if any of the following occur:

- A. Fraud.** Mortgage engages in fraud or material misrepresentation in connection with the Secured Debts.
- B. Payments.** Any party obligated on the Secured Debts fails to make a payment when due.
- C. Property.** Any action or inaction occurs that adversely affects the Property or Lender's rights in the Property.

**14. REMEDIES ON DEFAULT.** In addition to any other remedy available under the terms of this Security Instrument, Lender may accelerate the Secured Debts and foreclose this Security Instrument in a manner provided by law if Mortgage is in default. In some instances, federal and state law will require Lender to provide Mortgage with notice of the right to cure, or other notices and may establish time schedules for foreclosure actions. Upon default, Lender will have the right, without declaring the whole indebtedness due and payable, to foreclose against all or any part of the Property. This lien will continue as a lien on any part of the Property not sold on foreclosure.

At the option of the Lender, all or any part of the agreed fees and charges, accrued interest and principal will become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter.

Upon sale of the Property and to the extent not prohibited by law and after first paying all fees, charges and costs, Trustee will pay to Lender all moneys advanced for repairs, taxes, insurance, liens, assessments and prior encumbrances and interest thereon, and the principal and interest on the Secured Debts, paying the surplus, if any, to Grantor. Lender may purchase the Property. Upon any sale of the Property, Trustee will make and deliver a special or limited warranty deed that conveys the property sold to the purchaser or purchasers. Under this special or limited warranty deed, Trustee will covenant that Trustee has not caused or allowed a lien or an encumbrance to burden the Property and that Trustee will specially warrant and defend the Property's title of the purchaser or purchasers at the sale against all lawful claims and demand of all persons claiming by, through

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or under Trustee. The recitals in any deed of conveyance will be prima facie evidence of the facts set forth therein.

The acceptance by Lender of any sum in payment or partial payment on the Secured Debts after the balance is due or is accelerated or after foreclosure proceedings are filed will not constitute a waiver of Lender's right to require complete cure of any existing default. By not exercising any remedy on Mortgageor's default, Lender does not waive Lender's right to later consider the event a default if it happens again.

**15. EXPENSES; ADVANCES ON COVENANTS; ATTORNEYS' FEES; COLLECTION COSTS.** If Mortgageor breaches any covenant in this Security Instrument, Mortgageor agrees to pay all expenses Lender incurs in performing such covenants or protecting its security interest in the Property. Such expenses include, but are not limited to, fees incurred for inspecting, preserving, or otherwise protecting the Property and Lender's security interest. Mortgageor agrees to pay all costs and expenses incurred by Lender in collecting, enforcing, or protecting Lender's rights and remedies under this Security Instrument. Expenses include all costs and disbursements, including reasonable attorneys' fees and collection agency charges, incurred to collect or enforce this debt. These expenses are payable on demand and will bear interest from the date of payment until paid in full at the highest interest rate in effect as provided for in the terms of Secured Debts. To the extent permitted by the United States Bankruptcy Code, Mortgageor agrees to pay the reasonable attorneys' fees Lender incurs to collect the Secured Debts as awarded by any court exercising jurisdiction under the Bankruptcy Code. This Security Instrument will remain in effect until released. Mortgageor agrees to pay for any recordation costs of such release.

**16. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES.** As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (CERCLA), all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive letters concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance dangerous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substances defined as "hazardous material," "toxic substance," "hazardous waste," "hazardous substance," or "regulated substance" under any Environmental Law.

Mortgageor represents, warrants and agrees that:

**A.** Except as previously disclosed and acknowledged in writing to Lender, no Hazardous Substance is or will be located, stored or released on or in the Property. This restriction does not apply to small quantities of Hazardous Substances that are generally recognized to be appropriate for the normal use and maintenance of the Property.

**B.** Except as previously disclosed and acknowledged in writing to Lender, Mortgageor and every tenant have been, are, and will remain in full compliance with any applicable Environmental Law.

**C.** Mortgageor will immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on, under or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgageor will take all necessary remedial action in accordance with any Environmental Law.

**D.** Mortgageor will immediately notify Lender in writing as soon as Mortgageor has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

**17. CONDEMNATION.** Mortgageor will give Lender prompt notice of any pending or threatened action by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means. Mortgageor authorizes Lender to intervene in Mortgageor's name in any of the above described actions or claims. Mortgageor assigns to Lender the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the Property. Such proceeds will be considered payments and will be applied as provided in this Security Instrument. This assignment of proceeds is subject to the terms of any prior mortgage, deed of trust, security agreement or other lien document.

**18. INSURANCE.** Mortgageor agrees to keep the Property insured against the risks reasonably associated with the Property. Mortgageor will maintain this insurance in the amounts Lender requires. This insurance will last until the Property is released from this Security Instrument. What Lender requires pursuant to the preceding two sentences can change during the term of the Secured Debts. Mortgageor may choose the insurance



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company, subject to Lender's approval, which will not be unreasonably withheld. All insurance policies and renewals will include a standard "mortgage clause" and, where applicable, "loss payee clause."

Mortgagor will give Lender and the insurance company immediate notice of any loss. All insurance proceeds will be applied to restoration or repair of the Property or to the Secured Debts, at Lender's option. If Lender acquires the Property in damaged condition, Mortgagor's rights to any insurance policies and proceeds will pass to Lender to the extent of the Secured Debts.

Mortgagor will immediately notify Lender of cancellation or termination of insurance. If Mortgagor fails to keep the Property insured Lender may obtain insurance to protect Lender's interest in the Property. This insurance may include coverages not originally required of Mortgagor, may be written by a company other than one Mortgagor would choose, and may be written at a higher rate than Mortgagor could obtain if Mortgagor purchased the insurance.

**19. ESCROW FOR TAXES AND INSURANCE.** Mortgagor will not be required to pay to Lender funds for taxes and insurance in escrow.

**20. CO-SIGNERS.** If Mortgagor signs this Security Instrument but does not sign the Secured Debts, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debts and Mortgagor does not agree to be personally liable on the Secured Debts. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws.

**21. WAIVERS.** Except to the extent prohibited by law, Mortgagor waives all homestead exemption, redemption, reinstatement and appraisal rights relating to the Property.

**22. OTHER TERMS.** The following are applicable to this Security Instrument:

**A. Line of Credit.** The Secured Debts include a revolving line of credit provision. Although the Secured Debts may be reduced to a zero balance, this Security Instrument will remain in effect until the Secured Debts and all underlying agreements have been terminated in writing by Lender.

**23. APPLICABLE LAW.** This Security Instrument is governed by the laws of Illinois, except to the extent otherwise required by the laws of the jurisdiction where the Property is located, and the United States of America.

**24. JOINT AND INDIVIDUAL LIABILITY AND SUCCESSORS.** Each Mortgagor's obligations under this Security Instrument are independent of the obligations of any other Mortgagor. Lender may sue each Mortgagor individually or together with any other Mortgagor. Lender may release any part of the Property and Mortgagor will still be obligated under this Security Instrument for the remaining Property. The duties and benefits of this Security Instrument will bind and benefit the successors and assigns of Lender and Mortgagor.

**25. AMENDMENT, INTEGRATION AND SEVERABILITY.** This Security Instrument may not be amended or modified by oral agreement. No amendment or modification of this Security Instrument is effective unless made in writing and executed by Mortgagor and Lender. This Security Instrument is the complete and final expression of the agreement. If any provision of this Security Instrument is unenforceable, then the unenforceable provision will be severed and the remaining provisions will still be enforceable.

**26. INTERPRETATION.** Whenever used, the singular includes the plural and the plural includes the singular. The section headings are for convenience only and are not to be used to interpret or define the terms of this Security Instrument.

**27. NOTICE, FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Unless otherwise required by law, any notice will be given by delivering it or mailing it by first class mail to the appropriate party's address listed in the DATE AND PARTIES section, or to any other address designated in writing. Notice to one party will be deemed to be notice to all parties. Mortgagor will inform Lender in writing of any change in Mortgagor's name, address or other application information. Mortgagor will provide Lender any financial statements or information Lender requests. All financial statements and information Mortgagor gives Lender will be correct and complete. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and to confirm Lender's lien status on any Property. Time is of the essence.

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Page 6 of 6

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"OFFICIAL SEAL"  
JENNIFER L. SOLTIS  
Notary Public, State of Illinois  
COUNTY OF LAKE  
My Commission Expires 04/11/11

My commission expires:

This instrument was acknowledged before me this 12<sup>th</sup> day of May, 2003, by Michael Proskin, spouse of Wan Proskin, and Wan Proskin, spouse of Michael Proskin.

(Notary Public)

### ACKNOWLEDGMENT.

Individually

Wan Proskin

Individually

Michael Proskin

MORTGAGOR:

*Michael Proskin*

*Wan Proskin*

SIGNATURES. By signing, Mortgagor agrees to the terms and covenants contained in this Security Instrument. Mortgagor also acknowledges receipt of a copy of this Security Instrument.