

UNOFFICIAL COPY

SECOND EQUITY LINE

REVOLVING LINE OF CREDIT
REAL ESTATE MORTGAGE

PLEASE RETURN TO:

OAK PARK TRUST & SAVINGS BANK
1044 LAKE STREET
OAK PARK, ILLINOIS 60301

THIS SPACE RESERVED FOR RECORDER

BOX 333 - GG W

ATTN: Home Equity Closing Dept.

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Property Address: 546 Keystone Avenue, River Forest, Illinois 60305

P.I.N.: 15-12-106-009-0000

Prepared By: Gary S. Collins, Vice President, Oak Park Trust & Savings Bank, Oak Park, IL

The South 42 Feet of the North 62 feet of Lot 17 in Fowler, Bruner and Boden's Subdivision of Sections 11 and 12, Township 39 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois.

This instrument is a Real Estate Mortgage ("Mortgage") to secure a Revolving Line of Credit. The Borrower is:

Richard A. Beeman and Suzanne C. Beeman his Wife, as Joint Tenants

The Lender is: Oak Park Trust & Savings Bank, 1044 Lake Street, Oak Park, Illinois 60301.

Borrower hereby conveys, warrants and mortgage to Lender the real estate described on Exhibit A hereto, together with all the improvements now or hereafter erected on the real estate, and all easements, rights, appurtenances, rents, insurance and condemnation proceeds, and fixtures now or hereafter attached to the real estate, all of which are hereinafter referred to as the "Property." As to any Property which does not constitute a fixture, this Mortgage is a Security Agreement under the Uniform Commercial Code. A security interest in such Property is hereby granted to Lender.

This instrument secures to Lender a Revolving Line of Credit indebtedness pursuant to an agreement entitled Second Equity Line-Loan Application and Agreement ("Agreement") and a Promissory Note of even date herewith ("Note") not to exceed the principle sum of \$30,000.00, or so much thereof as may from time to time be advanced and outstanding. All future loans or advances shall have the same priority as if such future loans or advances had been made on the date of the execution of this Mortgage. The undertakings of Borrower under the provisions of the Note, the Agreement and this Mortgage (hereafter collectively referred to as "Documents") constitute, collectively, the indebtedness, repayments and undertakings secured by this Mortgage.

Borrower represents, covenants and warrants that Borrower is the lawful owner of the Property and has the right to grant, convey, warrant and mortgage the Property and that the Property is unencumbered except for encumbrances of record.

Borrower and Lender further covenant and agree as follows:

1. **Payment of Note.** Borrower shall pay promptly the principal, interest and other charges evidenced by the Note. The outstanding balance of the Note, if any, shall in any event, be due and payable twenty (20) years from the date hereof.

2. **Other Undertakings of Borrower.** Borrower will promptly and diligently perform all of its undertakings under the provisions of the Documents.

3. **Funds for Taxes and Insurance.** Borrower shall deposit with Lender on the day monthly installments of principal and interest are payable under the Note, an amount equal to one-twelfth of the yearly taxes and assessments payable on the Property and one-twelfth of the yearly premium for hazard insurance, all as reasonably estimated from time to time by Lender, who shall make such funds available to Borrower to pay such taxes, assessments and insurance premiums. Lender shall not be required to pay Borrower any interest or earnings on such deposits. If such deposits shall exceed the amount required to pay such taxes, assessments and insurance premiums, the excess shall be repaid to Borrower or credited to Borrower's monthly payments on the Note. If such deposits shall not be sufficient, Borrower shall promptly deposit with Lender the amount necessary to make up the deficiency prior to the date such payments are due.

If this is a second mortgage and such deposits are required and are deposited with the first mortgagee, Borrower shall be excused from making such deposits with Lender.

4. **Application of Payments.** Payments received by Lender on the Note and this Mortgage shall be applied first in payment of amounts payable to Lender under paragraphs 8 and 25 of this Mortgage, then as provided in the Note.

5. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower will perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement which has or appears to have priority over this Mortgage. Borrower shall pay or cause to be paid, all taxes, assessments and other charges, fines and impositions and any encumbrances, charges, loans, and liens which may attain any priority over this Mortgage. Borrower shall deliver to Lender, upon request, receipts evidencing such payment.

6. **Hazard Insurance.** Borrower shall keep all improvements on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require, in an amount equal to the greater of the amount of the line of credit secured by this Mortgage plus the outstanding amount of any obligation secured in priority over this Mortgage or the amount necessary to satisfy the coinsurance requirement contained in the insurance policy.

The insurance carrier providing the insurance shall be chosen by Borrower, subject to approval by Lender, which approval shall not be unreasonably withheld. All insurance policies shall be in a form acceptable to Lender and shall include a standard mortgage clause in a form acceptable to Lender. Lender shall have the right to hold the policies subject to the terms of any obligation secured in priority over this Mortgage. Borrower shall promptly furnish to Lender all renewal notices and copies of all receipts of paid premiums. Borrower shall supply the original or copies of all policies and renewals to Lender within 10 days after issuance. In the event of loss, Borrower

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an assignment for the benefit of creditors, becomes insolvent or becomes a debtor of obligations generally as they become due (no grace period); (vi) Borrower further encumbers the Property, or suffers a lien, claim of lien or encumbrance (no grace period); (vii) Borrower defaults or an action is filed alleging a default under any obligation of Borrower with priority in right of payment over the line of credit described in the Documents or whose lien has or appears to have any priority over the lien hereof (no grace period), or any other creditor of Borrower attempts to (or actually does) seize or obtain a writ of attachment against the Property (no grace period); (viii) Borrower fails to keep any other covenant contained in any of the Documents not otherwise specified in this Paragraph 17 (10 day grace period, unless the failure is by its nature not curable, in which case no grace period. If another grace period is specified in the Documents, that grace period shall prevail.

18. **Transfer of the Property.** Lender shall be entitled to immediately accelerate the amounts due under the Note and declare all indebtedness secured by this Mortgage to be immediately due and payable, if Borrower, or beneficiary of the Trust, if any, sells, conveys, assigns or transfers, or promises or contracts to sell, convey, assign or transfer, all or any part of the Property or any interest therein, including all or any part of the beneficial interest in the Trust, if any, or amends or terminates any ground leases affecting the Property, or if title to the Property, or any direct or indirect interest therein, is otherwise sold or transferred, by operation of law, or voluntarily or involuntarily, including without limitation sale or transfer in any proceeding for foreclosure or judicial sale of the Property or beneficial interest in the Trust, if any, in each case without Lender's prior written consent. Notwithstanding the preceding sentence, the following events shall not entitle Lender to accelerate the amounts due under the Note: (i) the creation of a lien or other encumbrance subordinate to Lender's security instrument which does not relate to a transfer of rights of occupancy in the Property; provided, that such lien or encumbrance is not created pursuant to a contract for deed; (ii) the creation of a purchase money security interest for household appliances; (iii) a transfer by devise, descent or operation of law on the death of a joint tenant or tenant by the entirety; (iv) the granting of a leasehold interest which has a term of three years or less and which does not contain an option to purchase (that is, either a lease of more than three years or a lease with an option to purchase will allow the exercise of a due-on-sale clause); (v) a transfer in which the transferee is a person who occupies or will occupy the Property, which is: (a) a transfer to a relative resulting from the death of the Borrower, (b) a transfer where the spouse or children becomes an owner of the Property, or (c) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the Property; or (vi) a transfer into an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the Property, unless, as a condition precedent to such transfer, the Borrower refuses to provide Lender with reasonable means acceptable to Lender by which Lender will be assured of timely notice of any subsequent transfer of the beneficial interest or change in occupancy. Failure to pay such indebtedness within thirty (30) days after notice to Borrower of such acceleration shall constitute an Event of Default. Any use or attempted use by Borrower of the revolving line of credit evidenced by the Agreement and Note after Borrower's sale, transfer or promise to sell or transfer the Property or any direct or indirect interest therein, or amendment or termination of any ground leases affecting the Property, shall constitute a separate Event of Default.

19. **Acceleration; Remedies (Including Freezing the Line).** Upon the existence of an Event of Default, Lender may terminate the Line of Credit, declare all of the sums secured by this Mortgage to be immediately due and payable without further demand, and invoke any remedies permitted by law or the Documents. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 19, including reasonable attorneys' fees.

Notwithstanding any other term of this Mortgage, Lender, without declaring or asserting an Event of Default or invoking any of its remedies pertaining to Events of Default, may, immediately and without notice, suspend the Line of Credit upon the occurrence of any event enumerated in paragraphs 17 or 18 hereof, including without limitation Lender's receipt of notice from any source of a lien, claim of lien or encumbrance, either superior or inferior to the lien of this Mortgage. Notice of any such suspension shall be given in accordance with the provisions of paragraph 13 of this Mortgage. Such suspension will not preclude Lender from subsequently exercising any right or remedy set forth in any of the Documents.

20. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security, Borrower hereby assigns to Lender the rents of the Property, provided that prior to acceleration or the occurrence of an Event of Default or abandonment of the Property, Borrower shall have the right to collect and retain such rents.

Upon acceleration or abandonment, Lender, without notice, in person or agent or by judicially appointed receiver and without regard to the adequacy of any security for the indebtedness secured by this Mortgage, shall be entitled to enter upon, take possession of and manage the Property, and in its own name sue for or collect the rents of the Property, including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of operation and management of the Property and collection of rents, including, but not limited to, reasonable attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received. The entering upon and taking possession of the Property and the collection and application of the rents shall not cure or waive any Event of Default or notice of default or invalidate any act done pursuant to such notice.

21. **Release.** Upon payment and discharge of all sums secured by this Mortgage and termination of the Account, this Mortgage shall become null and void and Lender shall release this Mortgage without charge to Borrower.

22. **Time of Essence.** Time is of the essence in this Mortgage and the Note and Agreement.

23. **Taxes.** In the event of the passage after the date of this Mortgage of any law changing in any way the laws now in force for the taxation of mortgages, or debts secured thereby, or the manner of operation of such taxes, so as to affect the interest of Lender, then and in such event Borrower shall pay the full amount of such taxes.

24. **Waiver of Statutory Rights.** Borrower shall not and will not apply for or avail itself of any homestead, appraisalment, valuation, redemption, stay, extension, or exemption laws, or any so-called "moratorium laws" now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but, to the fullest extent permitted by law, waives the benefit of such laws. Borrower, to the fullest extent permitted by law, waives any and all rights of redemption from sale under any order or decree of foreclosure.

25. **Expense of Litigation.** In any suit to foreclose the lien of this Mortgage or enforce any other remedy of Lender under the Documents there shall be allowed as additional indebtedness in the judgment or decree all expenditures and expenses which may be paid or incurred by or on behalf of Borrower for attorneys' fees, appraisers' fees, documentary and expert evidence, stenographers' charges, publication costs, survey costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring abstracts of title, title searches and examinations, title insurance policies, Torrens certificates and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Property. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be incurred in the protection of said Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower, with interest thereon at the default interest rate.

26. **Trustee Exculpation.** If this Mortgage is executed by a Trust, Trustee executes this Mortgage as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee, and it is expressly understood and agreed by the mortgagee herein and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage shall be construed as creating any liability on the Trustee personally to pay said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any covenants either express or implied herein contained, all

shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Subject to any priority over this Mortgage, amounts collected by Borrower or Lender under any insurance policy may, at Lender's sole discretion, be applied to the indebtedness secured by this Mortgage (after payment of all reasonable costs, expenses and attorneys' fees paid or incurred by Lender and Borrower in this connection) in such order as Lender may determine or be released to Borrower for use in repairing or reconstructing the Property. Such application or release shall not cure or waive any default or notice of default under this Mortgage or invalidate any act done pursuant to such notice.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender in writing within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is irrevocably authorized to settle the claim and to collect and apply the insurance proceeds.

If the Property is acquired by Lender, all right, title and interest of Borrower in insurance policies and proceeds thereof from damage to the Property prior to such acquisition shall become the property of Lender to the extent of the indebtedness hereby secured.

7. Preservation. Borrower shall use, improve and maintain the Property in compliance with applicable laws, ordinances and regulations. If this Mortgage is on a unit in a condominium or planned unit development, Borrower shall promptly perform all of Borrower's obligations under the covenants creating or governing the condominium or planned unit development and its by-laws and regulations. If this Mortgage is on a unit in a condominium or planned unit development, Borrower shall promptly perform all of the regulations, keep the Property in good condition and repair, and not commit or permit waste, impairment or deterioration of the Property.

8. Protection of Lender's Security. If Borrower fails to perform any of the covenants and agreements contained in the Documents, or if any action or proceeding is commenced which affects Lender's interest in the Property or the rights or powers of Lender, then Lender, upon notice to Borrower pursuant to paragraph 13 hereof, may, without releasing Borrower from any obligations in this Mortgage, make such such appearances, defend the action or proceedings, disburse such sums, including reasonable attorneys' fees, and take such action as Lender deems necessary to protect the security of this Mortgage.

Any amounts disbursed by Lender pursuant to this paragraph 8 with interest thereon at the rate from time to time in effect under the Note, shall become additional indebtedness of Borrower secured by this Mortgage, payable upon notice from Lender to Borrower requesting payment. Nothing contained in this paragraph 8 shall require Lender to incur any expense or to take any action hereunder and any action taken shall not release Borrower from any obligation in this Mortgage.

9. Inspection. Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that, except in an emergency, Lender shall give Borrower notice prior to any such inspection.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, for condemnation or taking of the Property or part thereof, or conveyance in lieu thereof, are hereby assigned and shall be paid to Lender, subject to the terms of any lien which has priority over this Mortgage. Borrower agrees to execute such documents as may be required to effectuate this paragraph. Lender is hereby authorized to apply or release such monies received or make settlement for such monies in the same manner and with the same effect as provided in this Mortgage for disposition or settlement of proceeds of Hazard Insurance. No settlement for condemnation damages shall be made without Lender's prior written approval.

11. Borrower Not Released; Forfeiture by Lender Not a Waiver. Extension of the time for payment, acceptance of payments other than according to the terms of the Note, modification in payment terms granted by Lender to any successor in interest of Borrower, or the waiver or failure to exercise any right granted under the Documents shall not operate to release, or the ability of the Borrower, Borrower's successors in interest, or any guarantor or surety hereof, Lender shall not be required to commence proceedings against such successor, or refuse to extend time for payment, or otherwise refuse to modify payment terms of the sums secured by the Documents by reason of any demand made by the original Borrower or Borrower's successors in interest. Lender shall not be deemed, by any act of omission, to have waived any right or remedies and such waiver is in writing and signed by Lender. A waiver as to one event shall not be construed as continuing or as a waiver as to any other event. The procurement of insurance or the payment of taxes, liens or charges by Lender shall not waive Lender's rights as otherwise provided in the Documents to accelerate the maturity of the indebtedness in the event of Borrower's default under any provision of the Documents.

12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers; Captions. The covenants and agreements herein shall bind, and rights hereunder shall inure to, the respective successors, heirs, legatees, devisees and assigns of Lender and Borrower. All covenants and agreements of Borrower and Borrower's successors, heirs, legatees, devisees and assigns shall be joint and several. Captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof. The masculine gender includes the feminine and/or neuter, and the singular includes the plural.

13. Notices. Any notices by Lender to Borrower or Borrower to Lender shall be given in writing by hand delivery or by mailing by registered or certified first class mail, postage prepaid, return receipt requested, at the addresses set forth above, or such other address as Lender or Borrower may designate in a written notice delivered in the manner hereinafter provided for service of notices.

14. Governing Law; Severability. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The governing law shall not be limited by the applicability of federal law to this Mortgage. If any provision of this Mortgage and the balance of the Mortgage shall be adjudged invalid, illegal or unenforceable by any court, such provision shall be deemed stricken from this Mortgage and the balance of the Mortgage shall be construed as if such provision had never been included.

15. Borrower's Copy. Borrower shall be furnished a conformed copy of the Documents in the form of execution or after Lender by law. All such rights and remedies shall be cumulative and concurrent, and may be pursued singly, successively or together.

17. Events of Default.

(a) **Notice and Grace Period.** An Event of Default will occur, after notice if required, upon the expiration of the applicable grace period, in the event of Borrower's breach or violation of Borrower's undertakings under any of the Documents and failure to cure such breach or violation. In each case the grace period begins to run on the day after the notice is given, and expires at 11:59 p.m., central time, on the last day of the period. If there is no grace period applicable to a particular breach or violation, the Event of Default will occur hereunder upon the giving of the above notice. Such notice shall be given to Borrower in accordance with paragraph 13 hereof and shall contain the following information: (i) the nature of Borrower's breach or violation; (ii) the action, if any, required or permitted to cure such breach or violation; (iii) the applicable grace period, if any, during which such breach or violation must be cured; and (iv) whether failure to cure such breach or violation within the specified grace period, if any, will result in acceleration of the sums secured by this Mortgage and the potential foreclosure of this Mortgage. The notice shall further inform Borrower of the right, if any, under applicable law, to reinstate this revolving line of credit under this Mortgage after acceleration.

(b) **Events of Default.** Set forth below is a list of events which, upon the lapse of the applicable grace period, if any, will constitute Events of Default. Applicable grace periods are set forth parenthetically after each event. The events are: (i) Borrower fails to pay when due any amounts under the Documents (15 day grace period); (ii) Borrower's outstanding balance due under the Documents exceeds the principal sum stated in the Note (15 day grace period); (iii) Lender receives actual knowledge that Borrower omitted material information in Borrower's credit application or made any false or misleading statements on Borrower's credit application (no grace period); (iv) Borrower files for bankruptcy, or bankruptcy proceedings are instituted against Borrower and not dismissed within 60 days, under any provision of any state or federal bankruptcy law in effect at the time of filing (no grace period); (v) Borrower makes

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