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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 mortgage, 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 attach in 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

Borrower hereby conveys, warrants and mortgages 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 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 \$ 100,000.00 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 (hereinafter 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.

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

Michael McDonald Lynch and Ann McDonald Lynch, his wife  
 This instrument is a Real Estate Mortgage ("Mortgage") to secure a Revolving Line of Credit. The Borrower is:  
 Savings of Illinois, recorded as Document number 86230755.  
 1986, made by Michael McDonald Lynch and Ann McDonald Lynch to Citicorp  
 This mortgage is subject and subordinate to that mortgage dated May 30,  
 \* Record: Credit Mortgage name & legal description  
 Village Mall Plaza, Oak Park, Illinois 60301

Prepared By: Gary S. Collins, Vice President, Oak Park Trust & Savings Bank  
 P.O. Box 111

P.I.N.: 16-07-207-005-0000, Volume 141  
 Property Address: 312 N. Euclid Avenue, Oak Park, Illinois 60302

P.I.N.: 16-07-207-005-0000, Volume 141  
 Legal description: Lots 26 & 27 in Subdivision of Block 20 in James W. Scoville's Subdivision in the West 1/2 of the North East 1/4 of Section 7, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

ATTN: Equity Closing Department  
 OAK PARK TRUST & SAVINGS BANK  
 1044 LAKE STREET  
 OAK PARK, ILLINOIS 60301  
 BOX 333 - GG

PLEASE RETURN TO:  
 87583426  
 THIS SPACE RESERVED FOR RECORDER

SECOND EQUITY LINE OF CREDIT  
 REAL ESTATE MORTGAGE  
 87515776

McDonald

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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, keep the Property in good condition and repair, and not commit or permit waste, impairment or deterioration of the Property. If this Mortgage is on a unit in a condominium or a 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.

**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 appearances, defend the action or proceeding, 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 for 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 irrevocably 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; Forbearance by Lender Not a Waiver.** Extension of the time for payment, acceptance of payments other than according to the terms of the Note, notification 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, the liability of the Borrower, Borrower's successors in interest, or any guarantor or surety thereof. 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 rights or remedies unless 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 herein 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 foregoing sentence shall not limit the applicability of federal law to this Mortgage. If any provision of this 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 at the time of execution or after recordation hereof.

**16. Remedies Cumulative.** Lender may exercise all of the rights and remedies provided in the Documents, or available to 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 his 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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COOK COUNTY, ILLINOIS  
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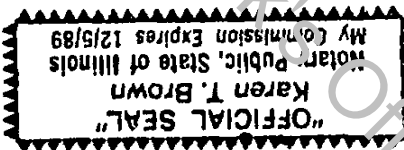
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COOK COUNTY, ILLINOIS  
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Notary Public

GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_,  
as Trustee as aforesaid, personally known to me to be the same persons whose names are subscribed to the foregoing instrument,  
voluntary act and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.  
Secretary, respectively, of \_\_\_\_\_  
President and \_\_\_\_\_  
and \_\_\_\_\_  
certify that \_\_\_\_\_, a Notary Public in and for the State and County aforesaid, do hereby

STATE OF ILLINOIS )  
COUNTY OF COOK ) SS



GIVEN under my hand and Notarial Seal this 8th day of September, 1987,  
I, Karen T. Brown, a Notary Public in and for the State and County aforesaid, do hereby  
certify that Michael McDonald-Lynch and Ann McDonald-Lynch  
personally known to me to be the same person(s) whose name(s) is (are) subscribed to the foregoing instrument, appeared before me this  
day in person and acknowledged that the said instrument was signed and delivered as a free and voluntary act, for the uses and purposes  
therein set forth.

STATE OF ILLINOIS )  
COUNTY OF COOK ) SS

IN WITNESS WHEREOF, Borrower has executed this Mortgage on  
September 8, 1987  
1987  
Michael McDonald-Lynch (husband)  
Ann McDonald-Lynch (wife)  
Ann McDonald-Lynch

such liability, if any, being expressly waived, and that any recovery on this Mortgage and the Note secured hereby shall be solely against  
and out of the Property hereby conveyed by enforcement of the provisions hereof and of said Note, but this waiver shall in no way affect  
the personal liability of any co-maker, co-signer, endorser and guarantor of said Note.

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