

UNOFFICIAL COPY

EQUITY LINE ACCOUNT

Return after recording to

Continental Bank of Buffalo Grove, N.A., 555 W. Dundee Road, Buffalo Grove, IL 60089

or Recordors' Box Attention

MORTGAGE

87210029

THIS MORTGAGE is made this

3rd day of April

19 87 between David Ludwin and Oryala Ludwin, his wife, as joint tenants

Mortgage and CONTINENTAL BANK OF BUFFALO GROVE, N.A., 555 West Dundee Road, Buffalo Grove, Illinois 60089, as Mortgagee. As used in this document the words "you" and "your" refer to the persons signing this instrument and the word "Lender" refers to Continental Bank of Buffalo Grove, N.A. and its successors and assigns.

Indebtedness Being Secured. You are signing this Mortgage to secure to Lender (a) payments of amounts outstanding under a certain variable rate Equity Line Agreement (the "Agreement") dated the same date as this Mortgage in the amount of \$ 25,000.00 ("Credit Limit") or so much thereof as may be outstanding from time to time under the Agreement plus accrued interest (if finance charges), fees, charges and other amounts that may be owing under the Agreement providing for monthly payments of interest (if finance charges) and providing for all sums owing to Lender hereunder and under the

Agreement if not paid either voluntarily or required to be paid on ("Maturity Date") and all renewals, extensions or modifications of the Agreement, (b) any amounts advanced to protect the security of this Mortgage, (c) the performance of the parties signing the Agreement, and (d) your performance of covenants and agreements contained in the Mortgage. The Agreement sets forth terms under which the rate (Annual Percentage Rate) at which the Finance Charge is computed may change over the term of the Agreement. The Annual Percentage Rate may increase or decrease each day depending upon the daily balance in the Account. The Annual Percentage Rate may also vary each month if the Prime Rate or reference rate used to determine the Annual Percentage Rate changes. The Prime Rate shall mean the highest (unless Lender's Prime Rate or reference rate is the highest rate quoted in which case the next highest Prime Rate shall be applied) of the Prime Rates as reported in the Key Money Section of the Wall Street Journal on the last business day of the month before the Billing Period in which it is to be applied. The effect of an increase in the Annual Percentage Rate, whether daily or monthly will be an increase in the scheduled minimum monthly payment of the Finance Charge.

Security. You hereby mortgage and warrant to Lender the following described real estate located in the County of Cook, State of Illinois subject only to prior encumbrances, recordings of record and to the lien of this Mortgage (Insert legal description)

Lot 6 in Block 17 in Prospect Heights Manor, a Subdivision of the East 1/2 of the Northeast 1/4 (Except the West 493.20 Feet of the North 353.20 Feet Thereof) of Section 27, Township 42 North, Range 11, East of the Third Principal Meridian, according to the Plat thereof recorded June 14, 1976 as Document Number 13821026, in Cook County, Illinois.

The property has an address of 203 S. Owen Pl., Prospect Heights, IL 60070

and together with all interests described below relating to this real estate (or the tenorhold estate if this Mortgage is on a leasehold) is referred to in this Mortgage as the "Property."

You also mortgage to Lender the following interest relating to the Property described above: (a) all buildings and other structures and improvements of whatever kind located on the Property, (b) all rights that you have in any alloys or tenements or to or adjoining the real estate, (c) all rights that you have in any minerals, oil and gas rights and profits, water, water rights and water stock which are in or a part of the Property, (d) all rents, issues, royalties or profits from the Property by whatever name or proceeds and proceeds of insurance relating to the Property, (e) all fixtures now, or hereafter acquired on the Property, including, but not limited to, replacements and substitutions for such fixtures.

Representations and Warranties. You represent and warrant to Lender, its successors and assigns, that (i) it may hold the Property free from all claims except for those shown as "Exceptions" in the title insurance policy relating to the Property, (ii) you own the Property free of any outstanding charges other than shown as "Exceptions" in the title insurance policy, (iii) you have the right to mortgage Property to Lender.

You agree to defend your Property against the claims of persons that they have rights in the Property mortgaged to Lender, and that you will indemnify and hold Lender harmless from any loss or claims arising from a breach of the above representations and warranties. You agree not to take or permit any action to subdivide or partition the Property or to change the condition of title.

Promises and Agreements. You agree with Lender as follows:

1. Payment of Principal and Interest. You shall promptly pay or cause to be paid, as and when required by the Agreement, the principal and interest due under the Agreement together with all other charges imposed under the Agreement.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Agreement and this Mortgage shall be applied by Lender first to payments required from you to Lender under the Mortgage, then to any sums advanced by Lender to protect the security of this Mortgage, then to interest payable on the Agreement, then to other charges payable under the Agreement and then to the principal payable under the Agreement.

3. Prior Encumbrances; Liens. You shall perform all your obligations under any mortgages, deed of trust or other security agreement (collectively "Prior Encumbrances") with a lien which has priority over this Mortgage, including your covenants to make payments when due. Any act or omission of yours which, with the giving of notice or the passage of time, would constitute a default or event of default under any Prior Encumbrance, or under any ground lease to which this Mortgage is subordinate, shall be a default under this Mortgage. You shall promptly deliver to Lender all notices you receive of any defaults or events of default under any Prior Encumbrance or ground lease.

4. Taxes and Assessments; Rents. You shall pay or cause to be paid when due all general and special taxes, assessments and water, sewer and other charges, lines and impositions attributable to the Property which may attach prior to this Mortgage, and leasehold payments of ground rents, if any, and all other sums due under any and ground leases. You shall provide evidence satisfactory to Lender of said payments promptly after the respective due dates thereof. You shall pay in full, under protest in the manner provided by Statute, any tax or assessment you desire to contest.

5. Hazard Insurance. You shall keep all buildings and improvements now existing or hereafter situated on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require (including but not limited to insurances against flood damage) in amounts sufficient to pay either the cost of replacing the Property in full or to pay in full the indebtedness secured hereby, together with the amount of indebtedness secured by any Prior Encumbrances.

The insurance carriers providing such insurance shall be selected by you, subject to Lender's approval, which shall not be unreasonably withheld. All policies and renewals thereafter in the form acceptable to Lender shall include a standard coinsurance clause with loss payable to Lender in the amount acceptable to Lender, and further shall provide for thirty (30) days written notice to Lender prior to cancellation or material change in coverage. Subject to the terms of any Prior Encumbrance, Lender shall have the right to hold the policies and renewals thereof, which policies and renewals (stamped "Paid") shall be delivered to Lender no later than ten (10) banking days before expiration of any of said policies. You shall give prompt notice of any loss or damage to the insurance carrier(s) and to Lender. Lender may make proof of loss if not made promptly by you.

If the Property is abandoned by you, or if you fail to respond to Lender 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 authorized to collect and apply the insurance proceeds, at Lender's sole option and discretion, either to restoration or repair of the Property or to the sums secured by this Mortgage. You hereby direct any insurance companies to pay directly to Lender as its interest may appear, any proceeds in the event of a loss or damage.

6. Use, Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. You shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. You shall promptly restore or rebuild any buildings or improvements now on the Property or the Property which may become damaged or destroyed. You shall comply with all requirements of law or municipal ordinances with respect to the use, operation, and maintenance of the Property, and shall make no material alterations in said Property except as required by law or municipal ordinance, or otherwise without the prior written consent of Lender. If this Mortgage is on a unit in a condominium or a planned unit development, you shall perform all of your obligations under the declaration, covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and condominium documents. If this Mortgage is on a leasehold, you shall perform or cause to be performed all obligations of lessee under said lease.

7. Protection of Lender's Security. If you fail to perform any of the covenants and agreements contained in this Mortgage, or if any action or proceeding is threatened or commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to you, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest, including but not limited to making repairs, full or partial payment or discharge of Prior Encumbrances, payment, settling, or discharge of tax liens, payment of ground rents (if any), and procurement of insurance. Lender, in making said authorized payments of taxes and assessments, may do so in accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon at the rate then applicable under the Agreement, shall become additional indebtedness secured by this Mortgage. Unless you and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to you requesting payment thereof. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of any provision in this Paragraph 7.

If Lender required private mortgage insurance as a condition of making the loan secured by this Mortgage, you shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with your and Lender's written agreement or applicable law.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give you notice prior to any such inspections.

9. Condemnation. Subject to the terms of any Prior Encumbrance, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Lender is authorized to collect the proceeds and, at Lender's sole option and discretion, to apply said proceeds either to restoration or repair of the Property or to the sums secured by this Mortgage.

10. Continuation of our Obligation; Forbearance by Lender Not a Waiver; Remedies Cumulative. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to you or any of your successors in interest shall not operate to release, in any manner, your liability. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by you or your successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver or preclude the exercise of any such right or remedy. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 7 hereof, including but not limited to the procurement of insurance, the payment of taxes or other liens, rents or charges, or the making of repairs, shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. Subject to the provisions of Paragraph 10 hereof, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and you. All covenants and agreements of yours shall be joint and several. Each of you who co-signs this Mortgage, but does not execute the Agreement, is a co-signing this Mortgage only to mortgage and warrant that your interest in the Property to Lender under the terms of this Mortgage and to release homestead rights, (b) is not personally liable on the Agreement or under this Mortgage, and (c) agrees that Lender and any other Mortgagee hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Agreement without your consent and without releasing that Mortgagee or modifying this Mortgage as to that Mortgagee's interest in the Property.

12. Notice. Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be served by hand delivery or by certified mail, return receipt requested. Notices shall be served upon you at the Property Address and upon Lender at Lender's address stated herein. Notices shall be deemed to have been served and effective on the date of delivery, if hand delivered, or 3 days after the date of mailing shown on the certified receipt, if mailed. Any party hereto may change the address to which notices are sent by notice as provided herein.

13. 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. In the event that any provision or clause of this Mortgage or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Agreement which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Agreement are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

CONTINUED ON REVERSE SIDE

710473 10F/1m

MAIL TO

03-27-216-005  
BAU um

87210029

# UNOFFICIAL COPY

14 **Your Copy.** You shall be furnished a copy of the Agreement and this Mortgage, and after recording, a certified copy of the Agreement and this Mortgage, and after recording, a certified copy of the Agreement and this Mortgage, and after recording, a certified copy of the Agreement and this Mortgage.

15 **Rehabilitation Loan Agreement.** You shall not be liable for any deficiency judgment or other recovery against you or your estate or any other person or entity, including your guarantors, arising out of or resulting from the exercise of any right to foreclose or to sell or to otherwise dispose of the Property.

16 **Transfer of the Property or of a Beneficial Interest in Mortgage.** It shall be an immediate default hereunder if, without the prior written consent of Lender, who its consent shall be granted or withheld at Lender's sole discretion, you shall transfer, effect the conveyance of, or shall offer or purport to convey, assign, sell, assign, or otherwise dispose of, in whole or in part, the Property or any part thereof or interest therein (or all or a portion of the beneficial interest in Mortgage) or *Transfer of the Property or of a Beneficial Interest in Mortgage.* In the event of such default, Lender may declare the entire unpaid balance, including interest, immediately due and payable, provided, however, that the foregoing provisions of this Paragraph 16 shall not apply to the loan of current loans and assessments not yet due and payable. This option shall not be exercised by Lender if exercised as prohibited by Federal law as of the date of this Mortgage.

17 **Lender exercises this option.** Lender shall give you notice of acceleration. The notice shall provide a period of not less than 30 days from the date of service of the notice (as defined in Paragraph 12 hereof) within which you must pay or cause to be paid all sums due or owing by this Mortgage. If you fail to pay or cause to be paid all sums due prior to the expiration of said 30-day period, Lender may invoke any remedies permitted by this Mortgage without further demand and may commence judicial proceedings to foreclose this Mortgage. Lender may also exercise all remedies available under the Agreement, including without limitation, the right to appoint a receiver, to take possession of the Property, to sell or otherwise dispose of the Property, and to take any action which Lender may deem necessary to protect its interests in the Property. Lender shall be entitled to collect in the event of foreclosure, all expenses of foreclosure, including without limitation, the cost of advertising, the cost of attorney's fees, the cost of documentary evidence abstracts and title reports, all of which shall be one additional indebtedness secured by this Mortgage.

18 **Revolving Loan.** This Mortgage secures all loans made and outstanding under the Agreement of term here to be made between you and Lender, or its successors, which are not made on the date of this Mortgage, and the fact that there is no outstanding indebtedness under the Agreement shall not affect the priority of the lien of this Mortgage as it exists on the date of this Mortgage. This Mortgage shall be prior to all subsequent loans and advances made or received by you for the use and enjoyment of the Property, even if there is no indebtedness owing under the Agreement, to the extent of the Credit Limit shown in the Agreement and for the reverse side hereof, plus all other amounts owing under the Agreement and/or secured by or which may be secured by this Mortgage.

19 **Conversion to Installment Loan.** Lender has the right under the Agreement, regardless of whether there is an event of default or cause of default, to convert, at its sole discretion, and to require repayment of all amounts outstanding under the Agreement plus entire accrued Finance Charges and other charges set forth herein, to an installment loan. Upon its election under Paragraphs 16 and 17 hereof of abandonment of the Property, and without further notice to you, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due, and receiver shall have the power to collect said rents from the time of acceleration through the termination of any foreclosure proceeding and during the full statutory period of redemption, if any. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, and then to the principal, interest, and other charges set forth in the Agreement, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

20 **Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage upon your payment of all costs and fees to release same, if any. You shall also pay all costs of recording, if any.

21 **Homestead Waiver.** By signing below, you waive all rights of Homestead exemption in the Property.

22 **Authority to Sign, If Corporation.** The execution of this Mortgage has been duly authorized by our Board of Directors.

23 **Riders.** The Condominium Rider, attached hereto, if any, is incorporated herein and made a part hereof.

### REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER PRIOR ENCUMBRANCES

You and Lender request the holder of any Prior Encumbrance or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage

(X) *David Ludwin*  
Mortgagor  
(X) *Orysia Ludwin*  
Mortgagor

STATE OF ILLINOIS )  
COUNTY OF Cook ) ss  
I, *Christel K. Draeger*

a Notary Public in and for said county and state, do hereby certify that *David Ludwin and Orysia Ludwin* personally known to me to be the same person(s) whose name(s) *are* subscribed to the foregoing instrument, appeared before me this *3rd* day of *April*, 1987, as *their* free and voluntary act, for the uses and purposes therein set forth.

STATE OF ILLINOIS )  
COUNTY OF ) ss

a Notary Public in and for said county and state, do hereby certify that *Christel K. Draeger* personally known to me to be the same person(s) whose name(s) *is* subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that *she* signed and delivered the said instrument free and voluntarily act, for the uses and purposes therein set forth.

Given under my hand and official seal, this *3rd* day of *April*, 1987.  
My Commission expires *April 1987*

LEFT-01 RECORING \$14.25  
TR:111 TRM:100 04/21/87 13 21-00  
#2946 # 14 37-210029  
COOK COUNTY RECORDER

87210028

87210029

*1000 17*  
*1203*