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First National Bank
of Mount Prospect
One First Bank Plaza
Mt. Prospect, IL 60056
(312) 392-1600

-88-573950

WHEN RECORDED MAIL TO:
FIRST NATIONAL BANK OF MT. PROSPECT

Account No. 6000-4307

Space above this line for Recorder's use

MORTGAGE TO SECURE A REVOLVING CREDIT LOAN

NOTICE: THIS MORTGAGE MAY SECURE BORROWINGS MADE SUBSEQUENT TO A TRANSFER OF THE PROPERTY

THIS MORTGAGE TO SECURE A REVOLVING CREDIT LOAN (herein "Mortgage") is made by and among _____

Nick Manesiotis and Catherine Manesiotis, his wife
(herein "Borrower"), and First National Bank of Mt. Prospect, a national banking association, whose address is One First Bank Plaza, Mount Prospect, Illinois 60056 (herein "Lender").

Borrower, in consideration of the indebtedness herein recited, grants, bargains, sells and conveys, warrants and mortgages (unless Borrower is a Trust, in which event Borrower conveys, mortgages and quitclaims) unto Lender and Lender's successors and assigns, the following described property located in the _____ Village _____ of _____

Arlington Heights County of Cook, State of Illinois:

Lot 11 in Block 1 in Berkley Square Unit 7, a Subdivision of part of the South East 1/4 of Section 7 and part of the South West 1/4 of Section 8, Township 42 North, Range 11 East of the Third Principal Meridian according to the Plat thereof recorded August 8, 1968 as Document 20578659, in Cook County, Illinois.

PIN# 03-08-316-018

which has the address of 10 E. Burr Oak

Arlington Heights, Illinois 60004 (herein "Property Address");

TO HAVE AND TO HOLD such property unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances after-acquired title or reversion in and to the beds of ways, streets, avenues and alleys adjoining to Property, and rents (subject however to the rights and authorities, given herein to Lender to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, insurance and condemnation proceeds, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property"; as to any property which does not constitute a fixture (as such term is defined in the Uniform Commercial Code), this Mortgage is hereby deemed to be, as well, a Security Agreement under the UCC for the purpose of creating a security interest in such property, which Borrower hereby grants to Lender a Secured Party (as such term is defined in the UCC);

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To Secure to Lender on condition of the repayment of the REVOLVING LINE OF CREDIT indebtedness evidenced by a First National Bank of Mount Prospect Equity Line of Credit Agreement and Disclosure Statement ("Agreement") of even date herewith and by Borrower's Variable Interest Rate Promissory Note ("Note") of even date herewith, in the principal sum of U.S. \$ 15,000.00, or so much thereof as may be advanced and outstanding, with interest thereon, providing for monthly installments of interest, with the principal balance of the indebtedness if not sooner paid or required to be paid, due and payable ten (10) years from the date thereof; the payment of all other sums, with interest thereon advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower contained herein and in the Agreement and the Note. The Agreement, the Note and this Mortgage are collectively referred to as the "Credit Documents." The Credit Documents contemplate, and this Mortgage permits and secures, future advances up to the principal amount of the note. Such loans or advances constitute "revolving credit" as defined in Section 4.1 of Ch. 17, Para. 6405 of the Ill. Rev. Stats. All future advances made from the date hereof will have the same priority as the original loan evidenced by the Note and secured by this Mortgage.

Notwithstanding anything to the contrary herein, the Property shall include all of Borrower's right, title, and interest in and to the real property described above, whether such right, title and interest is acquired before or after execution of this Mortgage. Specifically, and without limitation of the foregoing, if this Mortgage is given with respect to a leasehold estate held by Borrower, the Borrower subsequently acquires a fee interest in the real property, the lien of this Mortgage shall attach to and include the fee interest acquired by Borrower.

Borrower covenants that Borrower is the lawful owner of the estate in land hereby conveyed and has the right to grant, convey and mortgage the Property, and that the Property is unencumbered except for encumbrances of record. Borrower (unless Borrower is a Trust) covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record. Borrower covenants that Borrower will neither take nor permit any action to partition or subdivide the Property or otherwise change the legal description of the Property or any part thereof, or change in any way the condition of title of the Property or any part thereof.

Borrower acknowledges that the Note calls for a variable interest rate, and that Lender may, prior to the expiration of the terms of the Note, cancel future advances there under and/or require repayment of the outstanding balance under the Note. In this regard, the Note provisions set forth verbatim below relate to the variable interest rate and the Lender's option to require repayment prior to expiration of the term of the Note or to cancel future advances for reasons other than default by the Borrower.

The first three paragraphs of paragraph 3 of the Note, entitled "INTEREST (VARIABLE RATE)," provide as follows:

"The annual interest rate applied to the outstanding principal balance on this Note is calculated daily and is equal to the Prime Rate for that month plus one & one half percentage points. The Prime Rate for each month shall be the "prime rate" published by First National Bank of Chicago, or its successors, as being in effect on the first day of the second month immediately preceding the applicable month for short-term unsecured commercial loans. If First National Bank of Chicago ceases to quote a prime rate, the Prime Rate will be the higher of the prime rates quoted by Harris Trust & Savings Bank and Northern Trust Company, which continue to quote a prime rate. If none of the above named banks quotes a prime rate, then the prime rate of the largest (in terms of assets) bank headquartered in Illinois quoting a prime rate will be used.

Decreases in the annual interest rate are mandatory as the Prime Rate declines. Conversely, if the Prime Rate increases so will the annual interest rate; however, the annual interest rate may not be increased above 21%. Note Holder will give me notice at least thirty days prior to the effective date of any change in the Prime Rate pursuant to a change in the prime rate of First National Bank of Chicago as hereinabove set forth.

I understand that Note Holder will pay, on a daily basis and on my behalf, the checks for advances obtained by me under this Note as a result of charges and checks paid by them on each day in amounts not to exceed my credit line. Interest for any such payments by Note Holder on my behalf will be charged beginning on the date checks are presented by payments, and will continue until such payment has been repaid in full."

Paragraph 5 of the Note, entitled "CALL OPTION," provides in its entirety as follows:

"Without cause, Note Holder can either (a) cancel my right to any future advances under my line of credit, without requiring accelerated repayment of my outstanding principal balance (that is, "freeze" the line), or (b) cancel my right to any future advances and also require accelerated repayment of my outstanding principal balance plus accrued interest and other charges imposed on my credit line (that is, "terminate" the line).

Note Holder may freeze the line pursuant to this paragraph 5 by giving me written notice of its election to do so. To be effective, the notice must be given three (3) business days before or after either the fifth anniversary of the date of this Note or any subsequent anniversary date up until the tenth anniversary. The notice must be sent registered or certified mail, addressed to me at the Property's address (or such other address as I have given Note Holder). The notice will be deemed to have been given on the date it is deposited in the mail regardless of when I actually receive it.

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If the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to such sale or acquisition shall become the property of Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender in writing within thirty (30) calendar 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 to Lender's sole option either to restoration or repair of the Property or to the sums secured by this Mortgage.

done pursuant to such notice.

Subject to the rights and terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage, the amounts collected by Borrower or Lender under and Hazard Insurance policy may, at Lender's sole discretion, either be applied to the indebtedness secured by this Mortgage (after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Lender and Borrower in this connection) and in such order as Lender may determine or be released to Borrower for use in repairing or reconstructing the Property, and Lender is hereby irrevocably authorized to do any or the above. Such application for release shall not cure or waive any default or notice of default under this Mortgage or invalidate any act

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage. If Borrower makes the premium payment directly, Borrower shall promptly furnish to Lender all renewal notices and, if requested by Lender, all receipts of paid premiums. If policies and renewals are held by any other person, Borrower shall supply copies of such to Lender within ten (10) calendar days after issuance.

4. **HAZARD INSURANCE.** Borrower shall, at its cost, keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards (collectively referred to as "Hazard") as Lender may require and in a form acceptable to Lender. Borrower shall maintain Hazard Insurance for the entire term of the Note or such other periods as Lender may require and in a form acceptable to Lender. Borrower shall maintain Hazard Insurance for the entire term of the Property or (b) the amount of the line of credit secured by this Mortgage plus the outstanding amount of any obligation secured in priority over this Mortgage, but in no event shall such amounts be less than the amount necessary to satisfy the insurance requirement contained in the insurance policy.

3. **PRIOR MORTGAGES AND DEEDS OF TRUST; CHARGES; LIENS.** Borrower shall fully and timely perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage, including Borrower's covenants to make any payments when due. Borrower shall pay or cause to be paid, at least ten (10) days before delinquency, all taxes, assessments and other charges, fines and impositions attributable to the Property and all encumbrances, charges, loans and liens (other than any prior first mortgage or deed of trust) on the Property which may attach to the Property, upon its receipt, receipts evidencing such payment. Borrower shall deliver to Lender, upon its receipt, receipts evidencing such payment.

2. **APPLICATION OF PAYMENTS.** Unless applicable law requires otherwise, all payments received by Lender under the Note and this Mortgage shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraphs 6 and 27 of this Mortgage, then to interest payable on the Note, then to other charges payable under the Agreement, and then to the principal of the Note.

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall promptly pay when due, in accordance with and pursuant to the terms of the Note, the principal and interest on the indebtedness evidenced by the Note, together with any late charges and other charges imposed under the Note.

COVENANTS. Borrower and Lender covenant and agree as follows:

If Note Holder gives me such a notice pursuant to this paragraph 5, my right to any future advances under my line of credit will expire as of 12:01 a.m. Central time, on the eleventh (11th) calendar after the notice is given. For example, if the notice is given on May 15, my right to future advances will expire at 12:01 a.m. on May 26. If the notice specifies that Note Holder is terminating my line, rather than merely freezing it, I will be obligated to repay my outstanding principal balance, and all accrued interest and other charges imposed on my credit line, no later than one hundred and twenty (120) calendar days after the notice is given. If the notice specifies that Note Holder is freezing my line, rather than terminating it, I am not obligated to repay my outstanding principal balance until the Due Date, provided, however, that Note Holder will still have the right, in accordance with and at the times specified in this Note, to give me a subsequent notice terminating my line entirely, thus advancing the date principal repayment is due."

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(a) Definitions: For the purpose of this Mortgage, Borrower and Lender agree that, unless the context otherwise specifies or requires, the following terms shall have the meaning herein specified:

(i) "Hazardous Materials" shall mean (a) any "hazardous waste" as defined by the Resource Conservation and Recovery Act of 1976 (42 U.S.C. Section 6901 et. seq.), as amended from time to time, and regulations promulgated thereunder; (b) any "hazardous substance" as defined by the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (42 U.S.C. Section 9601 et. seq.); (" CERCLA"), as amended from time to time, and regulations promulgated thereunder; (c) asbestos; (d) polychlorinated biphenyls; (e) any substance and presence of which on the Property is prohibited by any Governmental Requirements; and (f) any other substance which by any Governmental Requirement requires special handling in its collection, storage, treatment or disposal.

(ii) "Hazardous Materials Contamination" shall mean the contamination (whether presently existing or hereafter occurring) of the improvements, facilities, soil, ground water, air or other elements on, or of, the Property by Hazardous Materials, or the contamination of the buildings, facilities, soil, ground water, air or other elements on, or of, any other property adjoining the Property (whether before or after the date of this Mortgage) emanating from the Property.

(b) **Borrower's Warranties:** Borrower hereby represents and warrants that no Hazardous Materials are now located on the Property and that neither Borrower nor any other person has ever caused or permitted any Hazardous Materials to be placed, held, located or disposed of, on, under or at the Property or any part thereof. No part of the Property has ever been used as a manufacturing, storage or dump site for Hazardous Materials, nor is any part of the Property affected by any Hazardous Materials Contamination. To the best of the Borrower's knowledge and belief, no property adjoining the Property has ever been used as a manufacturing, storage or dump site for Hazardous Materials nor is any other property adjoining the Property affected by Hazardous Materials Contamination.

(c) **Borrower's Covenants:** Borrower agrees to (a) give notice to Lender immediately upon the Borrower acquiring knowledge of the presence of any Hazardous Materials on the Property or of any Hazardous Materials Contamination with a full description thereof; (b) promptly comply with any Governmental Requirement requiring the removal, treatment or disposal of such Hazardous Materials or Hazardous Materials Contamination and provide Lender with satisfactory evidence of such compliance; and (c) provide Lender, within thirty (30) days after demand by the Lender, with a bond letter of credit or similar financial assurance evidencing to the Lender's satisfaction that the necessary funds are available to pay the cost of removing, treating or disposing of such Hazardous Materials or Hazardous Materials Contamination and discharging any assessments which may be established on the Property as a result thereof.

(d) **Site Assessments:** Lender (by its officers, employees and agents) at any time and from time to time, either prior to or after the occurrence of an Event of Default, may contract for the services of persons (the "Site Reviewers") to perform environmental site assessments ("Site Assessments") on the Property for the purpose of determining whether there exists on the Property any environmental condition which could result in any liability, cost or expense to the owner or occupier of such Property arising under any state, federal or local law, rule or regulation relating to Hazardous Materials. The Site Assessment may be performed at any time or times, upon reasonable notice, and under reasonable conditions established by Borrower which do not impede the performance of the Site Assessment. The Site Reviewers are hereby authorized to enter upon the Property for such purposes. The Site Reviewers are further authorized to perform both above and below ground testing for environmental damage or the presence of Hazardous Materials on the Property and such other tests on the Property as may be necessary to conduct the Site Assessment in the reasonable opinion of the Site Reviewers. Borrower will supply to the Site Reviewers such historical and operational information regarding the Property as may be reasonably requested by the Site Reviewers to facilitate the Site Assessment and will make available for meetings with the Site Reviewers appropriate personnel having knowledge of such matters. On request, Lender shall make the results of such Site Assessment fully available to Borrower, which (prior to an Event of Default) may at its election participate under reasonable procedures in the direction of such Site Assessment and the description of tasks of the Site Reviewers. The cost of performing such Site Assessment shall be paid by Borrower upon demand of Lender and any such obligations shall constitute additional indebtedness secured by this Mortgage.

(e) **Indemnification:** Regardless of whether any Site Assessments are conducted hereunder, any Event of Default shall have occurred and be continuing, or any remedies in respect of the Property are exercised by Lender, Borrower shall defend, indemnify and hold harmless Lender from any and all liabilities (including strict liability), claims, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorney's fees and remedial costs), suits, costs of any settlement or judgment and claims of any and every kind whatsoever which may now or in the future (whether before or after the release of this Mortgage) be paid, incurred or suffered by or asserted against, in whole or in part, by the person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence of, or the escape, seepage, leakage, spillage, discharge, emission, discharge, or release from the Property of, or the presence of, or the escape, seepage, leakage, spillage, discharge, emission, discharge, or release from the Property of, Hazardous Materials, or Hazardous Materials Contamination or arise out of or result from the environmental condition or conditions of the Property.

9. CONDEMNATION. 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, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage. Borrower agrees to execute such further documents as may be required by the condemnation authority to effectuate this paragraph. Lender is hereby authorized to apply or release such moneys received or make settlement for such moneys 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.

8. INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that, except in an emergency, Lender shall give Borrower notice prior to any such inspection specifying a reasonable cause therefor related to the Lender's interest in the Property.

7. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Mortgage or in the Credit 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 without demand upon Borrower but upon notice to Borrower pursuant to paragraph 12 hereof, may, without releasing Borrower from any obligation 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. If Lender has required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

6. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Borrower shall use, improve and maintain the Property in compliance with applicable laws, statutes, ordinances, orders, requirements, decrees or regulations, shall keep the Property in good condition and repair, including the repair or restoration of any improvements on the Property which may be damaged or destroyed, shall not commit or permit waste or permit impairment or deterioration of the Property, and shall fully and promptly comply with the provisions of any lease if this Mortgage is on a leasehold. 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 declaration or covenants creating or governing the condominium or planned unit development, and constituent documents, all as may be amended from time to time. If a condominium or planned unit development is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

(1) Lender's Right to Remove Hazardous Materials. Lender shall have the right but not the obligation, without in any way limiting Lender's other rights and remedies under this Mortgage, to enter onto the Property or to take such other actions as it deems necessary or advisable to clean up, remove, resolve or minimize the impact, or otherwise deal with, any Hazardous Materials or Hazardous Materials Contamination on the Property following receipt of any notice from any person or entity asserting the existence of any Hazardous Materials or Hazardous Materials Contamination pertaining to the Property, or any part thereof which, if true, could result in an order with imposition of a lien on the Property, or other action and/or which, in Lender's sole opinion, could jeopardize Lender's security under this Mortgage. All reasonable costs and expenses paid or incurred by Lender in the exercise of any such rights shall be secured by this Mortgage and shall be payable by Borrower upon demand.

(e) Indemnification: Regardless of whether any Site Assessments are conducted hereunder, any Event of Default shall have occurred and be continuing, or any remedies in respect of the Property are exercised by Lender, Borrower shall defend, indemnify and hold harmless Lender from any and all liabilities (including strict liability), actions, demands, penalties, losses, costs or expenses (including, without limitation, reasonable attorney's fees and remedial costs), suits, costs of any settlement or judgment and claims of any kind whatsoever which may now or in the future (whether before or after the release of this Mortgage) be paid, incurred by or asserted against Lender by any person or entity or governmental agency for, with respect to, or as a direct or indirect result of, the presence of or under, or the escape, seepage, leakage, spillage, discharge, emission, discharging or release from the Property of any Hazardous Materials or Hazardous Materials Contamination or arise out of or result from the environmental condition of the Property or the applicability of any Governmental Requirement relating to Hazardous Materials (including, without limitation, CERCLA or any so called federal, state or local "Superfund" or "Superfund" laws, statute, law, ordinance, code, rule regulation, order or decree), regardless of whether or not caused by or within the control of Lender. The representations, covenants and warranties contained in this paragraph 5 shall survive the release of this Mortgage.

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10 **BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER.** Extension of the time for payment, acceleration by Lender of payments other than according to the terms of the Note, modification in payment terms of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower, or the waiver or failure to exercise any right granted herein or under the Credit Documents shall not operate to release, in any manner, the liability of the original Borrower, Borrower's successors or guarantor or any guarantor or surety thereon. Lender shall not be required to commence proceedings against such successor or refuse to extend the time for payment or otherwise modify payment terms of this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Lender shall not be deemed, by any act of omission or commission, to have waived any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender. Any such waiver shall apply only to the extent specifically set forth in the writing. 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, other liens or charges by Lender shall not be a waiver of Lender's rights as otherwise provided in this Mortgage to accelerate the maturity of the indebtedness secured by this Mortgage in the event of Borrower's default under this Mortgage or the other Credit Documents.

11 **SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS; CAPTIONS.** The covenants and agreement herein contained shall bind, and the rights hereunder shall inure to, the respective successors, heirs, legatees, devisees and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to encumber that Borrower's interest in the Property under the lien and terms of this Mortgage and to release homestead rights, if any (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note, without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interrupt or define the provisions hereof. In this Mortgage whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

12 **NOTICES.** Except for any notice required under applicable law to be given in another manner: (a) any notice to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) provided by mailing such notice by registered or certified mail addressed to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) at the Property Address or at such other address as Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) may designate by written notice to Lender as provided herein; and (b) any notice to Lender shall be given by registered or certified mail to Lender at First National Bank of Mt. Prospect, One Bank Plaza, Mount Prospect, Illinois 60056 or to such other address as Lender may designate by written notice to Borrower (or to Borrower's successors, heirs, legatees, devisees and assigns) which have provided Lender with written notice of their existence and address as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given on the date hand delivery is actually made, or the date notice is deposited into the U.S. mail system as registered or certified mail addressed as provided in this paragraph 12.

13 **GOVERNING LAW; SEVERABILITY.** The state and local law 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. As used herein, "costs," "expenses," and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

14 **BORROWER'S COPY.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recording hereof.

15 **REMEDIES CUMULATIVE.** Lender may exercise all of the rights and remedies provided in this Mortgage and in the Credit Documents, or which may be available to Lender by law, and all such rights and remedies shall be cumulative and concurrent, and may be pursued singly, successively or together, at Lender's sole discretion, and may be exercised as often as occasion therefore shall occur.

16 **EVENTS OF DEFAULT.**

(a) **Notice and Grace Period.** An Event of Default will occur hereunder upon the expiration of the applicable grace period, if any, after Lender gives written notice to Borrower of breach of or violation of Borrower's covenants under any of the Credit Documents and upon Borrower's failure to cure such breach or violation, and to provide Lender, during that grace period, if any, with a reasonably satisfactory account of such cure. In each case, the grace period begins to run on the day after the notice is given, and the account of such cure must be received by Lender on the last day of the period. If there is no grace period applicable to a particular breach or violation, the account of such cure must be received by Lender on the day after the giving of the above notice. Such notice shall be given to Borrower in accordance with the following information: (1) the nature of Borrower's breach or violation; (2) the action, if any, that Borrower is required to cure such breach or violation; (3) the applicable grace period, if any, during which such breach or violation of the applicable grace period, if any, will result in acceleration of the sums secured by this Mortgage and the potential foreclosure of the sums secured by this Mortgage; and (4) any other information that Lender may deem appropriate to disclose to Borrower. If any Event of Default occurs hereunder upon the expiration of the applicable grace period, the sums secured by this Mortgage shall be due and payable immediately, and the applicable law, to reinstate his revolving line of credit shall be subject to the applicable law, to reinstate his revolving line of credit.

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18. ACCELERATION; REMEDIES (INCLUDING FREEZING THE LINE). Upon the existence of an Event of Default, Lender may, at its sole option, terminate the line, declare all of the sums secured by this Mortgage to be immediately due and payable without further demand, and invoke any remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 18, including, but not limited to, reasonable attorneys' fees.

As an alternative to declaring all sums secured by this Mortgage to be immediately due and payable, Lender may waive its option to accelerate and agree in writing, prior to close of the sale or transfer or the promise to sell or transfer, to the transferee's assumption of the outstanding obligation under the Note, on the terms satisfactory to Lender, subject to Lender's right, described in paragraph 6 of the Note, to cancel further advances or acceleration of the outstanding balance of the credit. Lender's acceptance of the transferee's assumption of the obligation under the Note shall not release Borrower from any of its obligations under the Note and Mortgage, and Borrower shall assume the status of the guarantor of the Note until paid in full. Borrower understands that Lender will not permit the assumption of the outstanding balance under the Note in any event and will declare the entire outstanding principal balance plus accrued interest and other charges due to be immediately due and payable (see paragraph 18 hereof), unless (a) Borrower has submitted to Lender a written acknowledgment of the transferee's principal balance on the line of credit; (b) Borrower has submitted to Lender a written acknowledgment from the transferee that the transferee has received (i) a copy of each of the Credit Documents and (ii) notice of the amount of Borrower's outstanding principal balance on the line of credit; (c) Borrower causes to be submitted to Lender from the transferee a loan application as required by Lender so that Lender may evaluate the creditworthiness of the transferee as if a new loan were being made to the transferee; and (d) Lender does not, in its sole option, believe that (i) its security will be impaired or (ii) a breach of any promise or agreement in this Mortgage will occur or (iii) such transfer will permit the acceleration of any loan which has priority in right of payment over the indebtedness evidenced by the Note. Further advances on the line of credit will cease as of the date of the written assumption agreement signed by transferee and Lender. The transferee and Borrower shall retain the right to repay the Note before the Due Date, in whole or in part, at any time without premium or penalty.

17. TRANSFER OF PROPERTY. 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, voluntarily, including without limitation sale or transfer in any proceeding for foreclosure or judgment sale of the Property or beneficial interest in the Trust, if any, in each case without Lender's prior written consent, 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. Any such action by Borrower or beneficiary of the Trust shall constitute an immediate Event of Default. Any use or attempted use by Borrower of the revolving line of credit evidenced by the Agreement and the 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 lease affecting the Property, shall constitute a separate Event of Default.

(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: (1) Borrower fails to maintain sufficient funds in his/her designated account to cover required payments by automatic debit when due under the Credit Documents on time (30 day grace period); (2) Borrower fails to keep the covenants and other promises made in paragraphs 2 and 5 of the Agreement (no grace period); (3) Lender receives actual knowledge that Borrower omitted material information in Borrower's credit application (no grace period); (4) Borrower dies or changes his or her marital status and transfers Borrower's interest in the Property to someone who either (i) is not also a signatory of all the Credit Documents if such transfer, in Lender's reasonable judgment, materially impairs the security for the line of credit described in the Credit Documents (no grace period); (5) Borrower files for bankruptcy, or bankruptcy proceedings are instituted against Borrower and not dismissed within sixty (60) calendar days, under any provision of any state or federal bankruptcy law in effect at the time of filing (no grace period); (6) Borrower makes an assignment for the benefit of his or her creditors, becomes insolvent or becomes unable to meet his or her obligations generally as they become due (no grace period); (7) Borrower further encumbers the Property, or suffers a lien, claim of lien or encumbrance against the Property (thirty (30) days grace period) in which to remove the lien, claim of lien or encumbrance; (8) Borrower defaults or an action is filed alleging a default under any credit instrument or mortgage evidencing or securing an obligation of Borrower with priority in right of payment over the line of credit described in the Credit 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); (9) Borrower fails to keep any other covenant contained in any of the Credit Documents not otherwise specified in this paragraph 16 (ten (10) day grace period, unless the failure is by its nature not curable, in which case no grace period, or if another grace period is specified in the Credit Documents, that grace period shall prevail); (10) Borrower fails to keep the improvements on the property insured pursuant to paragraph 4 of the Mortgage (10 day grace period); (11) Borrower sells or transfers all or any part of the property securing Borrower's line of credit without Lender's prior written consent (no grace period); (12) Borrower fails to submit updated financial information to Lender upon Lender's request (30 day grace period beginning on date of our request).

ACCEPTED

27. EXPENSE OF LITIGATION. In any suit to foreclose the lien of this Mortgage or enforce any other remedy of the Lender...

26. WAIVER OF STATUTORY RIGHTS. Borrower shall not and will not apply for or avail itself of any homestead, tax exemption, valuation, redemption, stay, extension, or exemption laws, or any so-called "moralist laws," now existing or hereafter enacted...

25. 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...

24. ACTUAL KNOWLEDGE. For purposes of this Mortgage and each of the other Credit Documents, Lender will not be deemed to have received actual knowledge of information required to be conveyed to Lender in writing by Borrower until the date of actual receipt of such information at First National Bank of Mt. Prospect, One First Bank Plaza, Mount Prospect, Illinois 60056...

23. TIME OF ESSENCE. Time is of the essence in this Mortgage, and in the Note and Agreement.

22. INCORPORATION OF TERMS. All of the terms, conditions and provisions of the Agreement and Note are by this reference incorporated herein as if set forth in full. Any Event of Default under the Note of the Agreement shall constitute an Event of Default hereunder...

21. REQUEST FOR NOTICE. Borrower requests that copies of any notice of default be addressed to Borrower and sent to the Property Address. Lender agrees that copies of notices of default, sale and foreclosure from the holder of any lien which has priority over this Mortgage be sent to Lender's address...

20. RELEASE. Upon payment and discharge of all sums by this Mortgage and termination of the Account, this Mortgage shall become null and void and Lender shall release this Mortgage with a \$50.00 charge to Borrower. Borrower shall pay all costs of recordation, if any.

19. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that prior to acceleration under paragraph 18 hereof or the occurrence of an Event of Default hereunder or abandonment of the Property, Borrower shall have the right to collect and retain such rents as they become due and payable.

As additional specific protection, 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, freeze the line upon the occurrence of any event enumerated in paragraphs 16 and 17 of this Mortgage, 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 freeze shall be given in accordance with the provisions of paragraph 12 of this Mortgage. Freezing the line will not preclude Lender from substantially exercising any right or remedy set forth herein or in any of the Credit Documents.

58-513950

UNOFFICIAL COPY

Commission Expires: _____

Notary Public

19 88

December

day of

8th

Given under my hand and official seal, this _____

Nick Manestolis and Catherine Manestolis, his wife, personally known to me to be the same person whose name(s) is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purpose therein set forth, including the release and waiver to the right of homestead.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____

STATE OF ILLINOIS

) SS)

COUNTY OF _____ Lake _____

Individual Borrower

Date: _____

Individual Borrower

Date: _____

Individual Borrower

Catherine Manestolis
Nick Manestolis

Date: December 8, 1988

Individual Borrower

Nick Manestolis
Nick Manestolis

Date: December 8, 1988

IF BORROWER IS AN INDIVIDUAL(S):

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

(THIS SPACE INTENTIONALLY LEFT BLANK)

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 mortgages 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 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 his waiver shall in no way affect the personal liability of any co-maker, co-signer, endorser or guarantor of said Note.

Borrower.

28. CAPTIONS: SUCCESSORS AND ASSIGNS. The captions of this Mortgage are for convenience and reference only. They in no way define, limit or describe the scope or intent of this Mortgage. All the terms and conditions of this Mortgage and the other Credit Documents shall be binding upon and inure to the benefit of the heirs, successors and assigns of the

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 affecting this Mortgage, the Note or the Property or in preparation for the commencement or defense of any proceeding, shall be immediately due and payable by Borrower, with interest thereon at the default interest rate.

573950-88

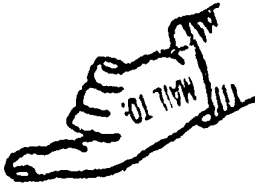
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2008
JLF

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88573950

MAIL TO:
FIRST NATIONAL BANK OF MOUNT PROSPECT
One First Bank Plaza
Mt. Prospect, Illinois 60056



Edward J. Halper
Hoellen, Lukes & Halper
1940 West Irving Park Road
Chicago, Illinois 60613
(312) 327-4700

THIS INSTRUMENT PREPARED BY
Edward J. Halper
Hoellen, Lukes & Halper
1940 West Irving Park Road
Chicago, Illinois 60613
(312) 327-4700

Commissioner of Deeds

Notary Public

Given under my hand and official seal, this _____ day of _____, 19____

and as the free and voluntary act of said corporation, as Trustee, for the uses and purposes therein set forth.
corporate seal of said corporation, did affix the said corporate seal to said instrument as his own free and voluntary act.
Secretary did sign then and there acknowledge that he, as custodian of the
voluntary act of said corporation, as Trustee, for the uses and purposes therein set forth; and the said
in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and
Secretary, respectively, appeared before me this day
President and
of said corporation, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such
Secretary
corporation, and
a
President of

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____

STATE OF ILLINOIS)
) SS.)
COUNTY OF _____)

its _____
(Title)

ATTEST:

By: _____
its _____
(Title)

not personally but solely as trustee as aforesaid

IF BORROWER IS A TRUST:

88-573950