

UNOFFICIAL COPY

MORTGAGE TO SECURE A REVOLVING CREDIT LOAN

88290295

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

EDWARD J. FROMKIN AND SUSAN E. FROMKIN, HIS WIFE, IN JOINT TENANCY

(herein "Borrower"), and Bank of Buffalo Grove, 10 East Dundee Road, Buffalo Grove, Illinois 60089 (herein "Bank").

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 Bank and Bank's successors and assigns, the following Described property located in the _____

VILLAGE of ARLINGTON HEIGHTS County of, COOK State of Illinois.

THIS IS A JUNIOR - LOT 262 IN TERRAMERE OF ARLINGTON HEIGHTS UNIT 6, BEING A SUBDIVISION IN THE NORTH 1/2 OF FRACTIONAL SECTION 6, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 7, 1980 AS DOCUMENT 25657004, IN COOK COUNTY, ILLINOIS

commonly known as: 715 NICHOLS ROAD, ARLINGTON HEIGHTS, IL 60004 Illinois, (herein "Property Address");

TO HAVE AND TO HOLD such property unto Bank and Bank'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 the Property, and rents (subject however to the rights and authorities given herein to Bank 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 are hereinafter referred to as the "Property"; as to any property which does not constitute a fixture (as such terms is defined in the Uniform Commercial Code), this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating a security interest in such property, which Borrower hereby grants to Bank as Secured Party (as such term is defined in the said Code);

To Secure to Bank on condition of the repayment of the indebtedness evidenced by an 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. \$ 50,000.00, 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 Note evidences a "revolving credit" as defined in Illinois Revised Statutes Chapter 17, Paragraph 6405 and as otherwise amended. The lien of this Mortgage secures payment of any existing indebtedness and future advances made pursuant to the Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage, without regard to whether or not there is any advance made at the time this Mortgage is executed and without regard as to whether or not there is any indebtedness outstanding at the time any advance is made.

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.

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 the Bank may, prior to the expiration of the term of Note, cancel future advances thereunder and/or require repayment of the outstanding balance under the Note.

COVENANTS. Borrower and Bank covenant and agree as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall promptly pay when due, in accordance with 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.

2. **APPLICATION OF PAYMENTS.** Unless applicable law requires otherwise, all payments received by Bank under the Note and this Mortgage shall be applied by Bank first in payment of amounts payable to Bank by borrower under paragraphs 6 and 26 of this Mortgage, then to interest payable on the Note, then to late charges payable under the Agreement, and then to the principal of the Note.

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 obtain any priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall deliver to Bank upon its request, receipts evidencing such payment.

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 "Hazards") as Bank may require. Borrower shall maintain Hazard insurance for the entire term of the Note or such other periods as Bank may require and in an amount equal to the lesser of (A) the maximum insurable value 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 coinsurance requirement contained in the insurance policy.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Bank provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Bank and shall include a standard mortgagee clause in favor of and in a form acceptable to Bank. Bank 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 Bank all renewal notices and, if requested by Bank, all receipts of said premiums. If policies and renewals are held by any other person, Borrower shall supply copies of such to Bank within ten (10) calendar days after issuance.

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

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 Bank under any Hazard insurance policy may, at Bank'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 Bank and Borrower in this connection) and in such order as Bank may determine or be released to Borrower for use in repairing or reconstructing the Property, and Bank is hereby irrevocably authorized to do any of the above. 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 Bank in writing within thirty (30) calendar days from the date notice is mailed by Bank to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Bank is irrevocably authorized to settle the claim and to collect and apply the insurance proceeds at Bank's sole option either to restoration or repair of the Property or to the sums secured by this Mortgage.

If the Property is acquired by Bank, 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 Bank to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

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STATE OF ILLINOIS

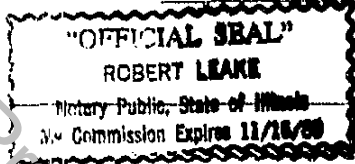
COUNTY OF COOK

ss:

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

EDWARD J. FROMKIN & SUSAN E. FROMKIN personally known to me to be the same person whose name 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 purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal this 21ST day of JUNE, 1988



Commission expires:

This document has been prepared by

DAWN C. LECHNER

10 EAST DUNDEE ROAD

BUFFALO GROVE, IL 60089

P. # 03-06-201-040

IF BORROWER IS A TRUST:

By: _____
not personally but solely as aforesaid

By: _____
Its _____ \$14.00

ATTEST:

STATE OF ILLINOIS

COUNTY OF

ss:

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

President of _____

a corporation, and _____, Secretary of said corporation, personally known

to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ President and

Secretary, respectively, appeared before me this day in person and acknowledged

that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said corporation, as Trustee, for the uses and purposes

therin set forth; and the said _____ Secretary did also then and there acknowledge that

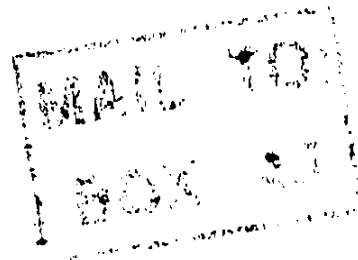
he, as custodian of the corporate seal of said corporation, did affix the said corporate seal of said corporation to instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, as Trustee, for the uses and purposes therein set forth.

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

Notary Public

Commission expires: _____

THIS INSTRUMENT PREPARED BY:



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16. TRANSFER OF THE 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...

with the Prime Rate factor stated in the Note, is greater than (), or ()%, or () percentage points greater than the annual percentage rate in effect on the date of the Note (no grace period).

which case no grace period or if another grace period is specified in the Credit Documents, that grace period shall prevail; (10) The annual percentage rate when calculated in accordance with the Prime Rate factor stated in the Note, is greater than (), or ()%, or () percentage points greater than the annual percentage rate in effect on the date of the Note (no grace period).

15. EVENTS OF DEFAULT. An Event of Default will occur hereunder upon the expiration of the applicable grace period, if any, after Bank gives written notice to Borrower of Borrower's breach or violation of any of the Credit Documents and upon Borrower's failure to cure such breach or violation, and to provide Bank, during that grace period, with evidence reasonably satisfactory to it of such cure.

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

13. BORROWER'S COPY. Borrower shall be furnished a confirmed copy of the Note and of this Mortgage at the time of execution or after recordation hereof. Borrower shall be deemed to have accepted the Mortgage and the balance of the terms hereof if Borrower signs the Mortgage and the balance of the terms hereof.

12. GOVERNING LAW; SEVERABILITY. The Mortgage shall be governed by and interpreted in accordance with the laws of the State of Illinois. If any provision of this Mortgage is held to be unenforceable by any court, such provision shall be deemed severed from this Mortgage and the balance of the terms hereof shall survive.

11. NOTICES. Except for any notice required under applicable law to be given in any other manner, any notice to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) 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 in the U.S. mail system as provided or certified in this paragraph 11.

10. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors, heirs, legatees, devisees and assigns of Bank and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) shall be deemed to have been given on the date hand delivery is actually made or the date notice is deposited in the U.S. mail system as provided or certified in this paragraph 11.

9. BORROWER NOT RELEASED FROM LIABILITY BY BANK NOT A WAIVER. Execution of this Mortgage by Borrower shall not constitute an agreement or understanding on the part of Borrower to release or discharge any of the obligations of Borrower under this Mortgage or to release or discharge any of the obligations of the original Borrower and Borrower's successors in interest, by any act of omission or commission, or by any other means.

8. 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 conversion in lieu of condemnation, are hereby assigned and shall be paid to Bank 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 facilitate this paragraph. Bank is hereby irrevocably authorized to apply for release of such proceeds and to make such assignment for such proceeds in the same manner and with the same effect as provided in this Mortgage for disposition or settlement of proceeds of hazard insurance.

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

6. PROTECTION OF BANK'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 Bank's interest in the Property or the rights or powers of Bank, then Bank without demand upon Borrower but upon notice to Borrower pursuant to paragraph 17 hereof, may, without releasing Borrower from any obligation in this Mortgage, make such arrangements, defend the action or proceeding, including reasonable attorneys' fees, and take such action as Bank deems necessary to protect the security of this Mortgage. If Bank 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 and Bank's written agreement or applicable law.

5. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLD; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS; OTHER 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 of deterioration of the Property. If this Mortgage is a unit in a condominium or a planned unit development, Borrower shall comply with all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and all contributions, assessments, or other obligations of the Property, and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

REGISTERED