

UNOFFICIAL COPY
MORTGAGE TO SECURE A REVOLVING CREDIT PLAN

89499078

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
Anthony Kulak and Mary Pat Kulak, As Joint Tenants

(herein "Borrower"), and **FIRST STATE BANK AND TRUST COMPANY OF PARK RIDGE**

(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
City of **Park Ridge** County of **Cook** State of **Illinois**

THE SOUTH 50 FEET OF THE NORTH 100 FEET OF LOT 15 IN OWNERS RESUBDIVISION OF LOTS 1 TO 46 INCLUSIVE IN BLOCK 1 IN SHANNON AND CANFIELD'S SUBDIVISION OF PARK RIDGE BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.T.I. NO. **09-35-356-049**
722 S. Cumberland,

Park Ridge, 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 term 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. \$ **25,000.00**, or so much thereof as may be advanced and outstanding, with interest thereon, providing for monthly payments of interest, with the principal balance of the indebtedness, if not sooner paid or required to be paid, due and payable **ten** 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 provides a "revolving credit" as defined in Illinois Statutes Chapter 17, Paragraph 6406 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 other 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 attach 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 mortgage 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 action taken 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.

5. 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

09/10/89 10:30 AM

Box 156

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89-499078

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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 Anthony Kulak and

Mary Pat Kulak 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 29th day of September, 1989

Darbara Jackson
Notary Public

Commission expires _____

This document has been prepared by smk to

Geraldine Cooper Vice President

First State Bank & Trust Co. of Park Ridge

607 Devon Avenue Park Ridge, Il. 60068

PTI # 09-35-306-049

IF BORROWER IS A TRUST:

By _____
not personally but solely as aforesaid

By _____
in _____

Dated _____

ATTEST

Its

STATE OF ILLINOIS
COUNTY OF _____ ss:

I, the undersigned, a Notary Public, in and for the County and 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 therein 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

Bx 156

89-199078
8206666

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Individual Borrower

8 / 0 6 6 4 6 8 Date

Individual Borrower

Date

Mary Pat Kulak

September 29, 1989

Anthony Kulak

September 29, 1989

IF BORROWER IS AN INDIVIDUAL(S)

IN WITNESS WHEREOF, Borrower has executed this Mortgage

Trustee, executes this Mortgage as Trustee in accordance with the powers and authority conferred upon and vested in it as such trustee, and it is expressly understood and agreed by the mortgagee herein and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in the Note secured by this Mortgage shall be construed as creating any liability on the part of the Trustee personally to pay said Note or any interest thereon, or any indebtedness incurred by the Trustee or to perform any covenants 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 this waiver shall in no way affect the personal liability of any co-maker, co-signer, endorser or guarantor of said Note.

26. TRUSTEE EXCLUSION. If this Mortgage is executed by a Trustee, 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 Borrower.

27. CAPTIONS, SUCCESSORS AND ASSIGNS. The captions of this Mortgage and the other Credit Documents are for convenience and reference only and may in no way define 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 Borrower. The captions 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 Borrower. The captions 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 Borrower.

28. WAIVER OF STATUTORY RIGHTS. Borrower shall not and will not apply for or avail itself of any homestead, appraisal, valuation, redemption, stay, extension, or exemption laws, or any so-called "anti-deficiency" laws, now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Borrower, for itself and all who may claim through it, waives any and all right to have the property and related interests comprising the property marshaled upon any foreclosure of the line hereof and agrees that any court having jurisdiction to foreclose such lien may order that the Property sold as an entirety. Borrower hereby waives any and all rights of redemption from said lien under any order of foreclosure, pursuant to rights herein granted, on behalf of the Mortgage, the trust estate, and all persons beneficially interested therein, and each and every person or party claiming any interest in or title to the Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by Illinois law.

29. EXPENSE OF LITIGATION. In any suit to foreclose the lien of this Mortgage or enforce any other remedy of the Bank under this Mortgage, the agreement, or the Note, or on the part of the Trustee, as additional indebtedness in the judgment or decree, all expenses and expenses which may be paid or incurred by or on behalf of the Bank for attorney's fees, appraisals, fees, outlays for documentary and report evidence, appraisals, charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, title certificates, and similar data and assurance with respect to title as Bank may deem reasonably necessary, in order to prosecute such suit or to evidence bids at any sale, which may be had pursuant to such decree the true condition of the title to or value of the Property. All expenses 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 Bank in any litigation or proceeding affecting this Mortgage, the Note or the Property or in preparation for the commencement of defense or any proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower, with interest thereon at the default interest rate.

30. 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 laws, so as to affect the interest of Bank, then and in such event Borrower shall pay the full amount of such taxes. Borrower hereby waives any and all rights of redemption from said lien under any order of foreclosure, pursuant to rights herein granted, on behalf of the Mortgage, the trust estate, and all persons beneficially interested therein, and each and every person or party claiming any interest in or title to the Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by Illinois law.

31. ACTUAL KNOWLEDGE. For purposes of this Mortgage and each of the other Credit Documents, Bank will not be deemed to have received actual knowledge of information required to be conveyed to Bank, if written by Borrower with the date of actual receipt of such information at 607 Devon Avenue, Park Ridge, Illinois 60068.

32. TIME OF ESSENCE. Time of the essence in this Mortgage, and the Note and Agreement. Any Event of Default under the Note or the Agreement shall constitute an Event of Default hereunder, without further notice to Borrower.

33. 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. Copies of notices of default, and the and foreclosure from the bid of any bid which has priority over this Mortgage be sent to Bank's address, as set forth on page one of this Mortgage.

34. REQUEST FOR COPIES. Borrower requests that copies of any notice of default be addressed to Borrower and sent to the Property Address. Bank requests that copies of notices of default, and the and foreclosure from the bid of any bid which has priority over this Mortgage be sent to Bank's address, as set forth on page one of this Mortgage.

35. RELEASE. Upon payment and discharge of all sums secured by this Mortgage and termination of the Account, this Mortgage shall become null and void and Bank shall release this Mortgage. Borrower shall pay all costs of recording, if any.

36. ASSIGNMENT OF RENT, APPOINTMENTS OF RECEIVER, LENDER IN POSSESSION. As additional security hereunder, Borrower hereby assigns to Bank the rents of the Property, including the right to collect and retain such rents as they become due and payable. Upon acceleration under paragraph 17 hereof, or abandonment, Bank at any time without notice, in person, by agent or by judicially appointed receiver, and without regard to the adequacy of any security for the indebtedness secured by this Mortgage, shall be entitled to enter upon, take possession of, and manage the Property, and in its own name sue for or collect the rents of the Property, including those past due. All rents collected by Bank or the receiver shall be applied first to payment of the costs of operation and management of the Property and collection of rents, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. Bank and the receiver shall be liable to account only for those rents actually received. The entering upon and taking possession of the Property and the collection and application of the rents shall not cure or waive any Event of Default or notice of Default hereunder or invalidate any act done pursuant to such notice.

37. ACCELERATION; REMEDIES (INCLUDING FREEZING THE LINE). Upon the existence of an Event of Default, Bank 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. Bank shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorney's fees.

38. REMEDIES PERTAINING TO EVENTS OF DEFAULT. Bank, 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 15 or 16 of this Mortgage, including limitation of Bank'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 11 of this Mortgage. Freezing the line will not preclude Bank from subsequently exercising any right or remedy set forth herein or in any of the Credit Documents.

39. PAYABLE AS SET FORTH IN PARAGRAPH 17 OF THE AGREEMENT. Failure to pay such indebtedness within ten (10) days after notice to Borrower of such acceleration shall constitute an Event of Default. Any use or attempted use by Borrower of the revolving line of credit evidenced by the Agreement and 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 leases affecting the Property, shall constitute a separate Event of Default.

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