

HOME OWNERS  
MAXIMUM  
EQUITY  
LINE

89119820

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American National Bank  
of Libertyville

P.O. Box 81201 S. Milwaukee Ave. Libertyville, Illinois 60048-1825  
(312) 316-4000 Member FDIC

14<sup>00</sup>

Home Line  
Mortgage

THIS MORTGAGE is made this 24th day of January, 19 89 between Gary F. Polony  
and Toni Polony, his wife of Arlington Heights, IL 60004 ("Borrower")  
and AMERICAN NATIONAL BANK OF LIBERTYVILLE, a national banking association, with offices at 1201 South Milwaukee Avenue, Libertyville, Illinois 60048 ("Bank").

WITNESSETH, that:

Borrower is indebted to Bank in the maximum principal sum of THIRTY FIVE THOUSAND AND NO/100 DOLLARS  
(\$ 35,000.00), ("Principal"), or the aggregate amount of all Advances made by Bank pursuant to that certain Home Line Agreement and  
Disclosure Statement ("Loan Agreement") between Bank and Borrower of even date herewith, whichever is less, which indebtedness is evidenced by the  
Loan Agreement and the Home Line Promissory Note of even date herewith ("Note") providing for monthly installments of interest, with the principal  
balance of the indebtedness and all outstanding interest and charges, if not sooner paid or required to be paid pursuant to the Loan Agreement and  
Mortgage, due and payable five (5) years from the date of this Mortgage. Said Note obligates Borrower to repay, with interest, any and all present and  
future indebtedness of Borrower for loans and financial accommodations at any time hereafter made or extended up to the Principal. The Note and the  
Loan Agreement are incorporated herein by reference.

TO SECURE to Bank in (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and  
modifications thereof, and as to the Note, not only the existing indebtedness but also such future advances as are made within twenty (20) years from  
the date hereof, to the same extent as if such future advances were made on the date of execution hereof; (b) the payment of all other sums, with  
interest, advanced in accordance herewith to protect the security of this Mortgage; and (c) the performance of the covenants and agreements of the  
Borrower herein contained, the Borrower does hereby MORTGAGE, GRANT AND CONVEY to the Bank the following described property located in  
Cook County, Illinois hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of  
Illinois: which has the common address of 514 N. Arlington Heights Rd., Arlington Heights, IL 60004

For Legal description see page 4 of this document

("Property Address"); and the permanent index number of: 03-29-303-005

TOGETHER with all the improvements now or hereafter erected on or attached to the property, and all easements, rights, appurtenances, rents,  
royalties, mineral, oil and gas rights and profits, water rights, 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".

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property,  
and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property  
against all claims and demands, subject to any encumbrances of record. There is a prior lien and/or mortgage from Borrower only to  
Home Savings of America, F.A.

dated January 10, 1986 and recorded as document number 86208101

The Borrower has the right to prepay the principal amount outstanding on the Note, in whole or in part, at any time during the term thereof, without  
penalty.

COVENANTS. Borrower and Bank covenant and agree as follows:

1. *Payment of Principal and Interest.* Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note,  
together with all other charges imposed under the Loan Agreement.

2. *Funds for Taxes and Insurance.* Upon execution of this Mortgage, Borrower shall evidence to Bank the existence and currency of an insurance  
and real estate tax reserve as described below, which may be on deposit with Borrower's first mortgage lender. If such a reserve has not been  
established, and subject to applicable law or to a written waiver by Bank, Borrower shall pay to Bank on the day monthly installments of principal and/or  
interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which  
may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of the yearly premium installments for hazard  
insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by  
Bank on the basis of assessments and bills and reasonable estimates thereof.

Upon payment in full of all sums secured by this Mortgage, Bank shall promptly refund to Borrower any Funds held by Bank. If under paragraph 17  
hereof the property is sold or the Property is otherwise acquired by Bank, Bank shall apply, no later than immediately prior to the sale of the Property or  
its acquisition by Bank, any Funds held by Bank at the time of application as a credit against the sum secured by this Mortgage.

3. *Application of Payments.* Unless applicable law provides otherwise, all payments received by Bank under the Note, the Loan Agreement and this  
Mortgage shall be applied by Bank first in payment of amounts payable to Bank by Borrower under this Mortgage, then to any sums advanced by Bank  
to protect the security of this Mortgage, then to any sums chargeable under the Loan Agreement, then to interest payable on the Note, and then to the  
principal of the Note.

4. *Prior Mortgages and Deeds of Trust; Charges, Liens.* Borrower shall fully and timely perform all of the Borrower's obligations under any mortgage,  
deed of trust or other security agreement which has or appears to have any priority over this Mortgage, including Borrower's covenants to make any  
payment when due. Borrower represents that this is a valid second mortgage and that there is only one other lien on the property prior to this mortgage  
constituting a first mortgage on the property.

Borrower shall cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a  
priority over this Mortgage in the manner provided in paragraph 2 hereof, or if not paid in such manner, by Borrower making payment, when due,  
directly to the taxing or assessing authorities. Borrower shall promptly furnish to Bank all notices of amounts due under this paragraph, and in the event  
Borrower shall make payment directly, Borrower shall promptly furnish to Bank receipts evidencing such payments.

Any act or omission of Borrower which, with the giving of notice or the passage of time, would constitute a default under any prior encumbrance, or  
under any ground lease to which this mortgage is subordinate, shall be a default under this mortgage. Borrower shall promptly deliver to Bank all  
notices received of any defaults or events of default under any prior encumbrance or ground lease. Borrower shall also keep the property free from  
mechanic's or other liens not expressly subordinate to the lien hereof.

RE: TITLE GUARANTY ORDER # C-331/82

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be secured to the same extent as if each was made on the date of this Mortgage, and the fact that there is no outstanding indebtedness under the Loan Agreement shall not affect the priority of the lien of this Mortgage as it exists on the date of the Mortgage. This Mortgage shall be prior to all subsequent liens and encumbrances (except for tax liens and assignments levied on the Property) even if there is no indebtedness owing under the Loan Agreement, to the extent of the Credit Limit shown in the Note and Loan Agreement, plus all other amounts owing under the Loan Agreement and/or secured by or which may be secured by this Mortgage.

27. Authority to sign, if corporation. The execution of this mortgage has been duly authorized by the Borrower's board of directors.

28. The terms and conditions of all riders attached hereto, if any, are expressly incorporated herein by reference.

IN WITNESS WHEREOF, the undersigned has signed this Mortgage on the day and year first above written at Libertyville, Illinois.

BORROWER

I hereby execute this instrument strictly and solely for the purpose of waiving any and all Homestead Rights in and to the property herein conveyed.

Gary F. Polony  
Toni Polony

"THIS LOAN IS PAYABLE IN FULL AT MATURITY. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. THE LENDER IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS THAT YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER, WHICH MAY BE THE LENDER YOU HAVE THIS LOAN WITH, WILLING TO LEND YOU THE MONEY. IF YOU REFINANCE THIS LOAN AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING FROM THE SAME LENDER."

STATE OF ILLINOIS )  
                                  ) SS.  
COUNTY OF Lake )

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Gary F. Polony and Toni Polony, his wife personally known to me to be the same person(s) whose name(s) \_\_\_\_\_ (is/are) subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 24th day of January, 19 89

"OFFICIAL SEAL"  
Ursula Schuebel  
Notary Public, State of Illinois  
My Commission Expires 10/4/92

Ursula A Schuebel  
NOTARY PUBLIC

Form 87-392 Bankforms, Inc

THIS DOCUMENT PREPARED BY AND AFTER RECORDING MAIL TO:  
AMERICAN NATIONAL BANK OF LIBERTYVILLE  
1201 South Milwaukee Avenue  
Libertyville, Illinois 60048  
(312) 816-4000

### LEGAL DESCRIPTION

LOT 1 IN BLOCK 4 IN THE VILLAGE OF DUNTON, NOW KNOWN AS ARLINGTON HEIGHTS, IN THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 29, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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COOK COUNTY CLERK'S OFFICE  
REC'D MAR 27 1989

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Box 169



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execute the Loan Agreement (a) warrants his interest in the property to Lender and his release of homestead rights and (b) agrees that Bank and any other Borrower hereunder may agree to extend, modify, forebear, or make any other accommodations with regard to the terms of this Mortgage or the Loan Agreement without Bank's consent and without releasing the Borrower or modifying this Mortgage as to that Borrower's interest in the property. The captions and headings of the paragraph of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. *Notices.* Except to the extent any notice shall be required under applicable law to be given in another manner, (a) any notice to Borrower shall be given by hand delivery or by mailing such notice addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to the Bank as provided herein, and (b) any notice to the Bank shall be given by certified mail to the Bank's address stated herein or to such other address as the Bank may designate by notice to Borrower as provided herein. Any notice to Borrower shall be effective on the date of delivery if hand delivered, or 3 days after the date of mailing shown on any proof of service by mail.

15. *Governing Law; Severability.* This mortgage shall be governed by Federal law and the law of Illinois. In the event that any provision or clause of this Mortgage or the Note shall be adjudged invalid, illegal or unenforceable by any court, such provision or clause shall be deemed stricken from this Mortgage and shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable. As used herein, "costs", "expenses", and "attorney's fees" include all sums to the extent not prohibited by applicable law or limited herein.

16. *Borrower's Copy.* Borrower shall be given a copy of the Note, the Loan Agreement and this Mortgage at the time of execution or after recordation hereof.

17. *Transfer of the Property or of a Beneficial Interest in Borrower.* It shall be an immediate default hereunder if, without the prior written consent of Bank, which consent shall be granted or withheld at Bank's sole discretion, Borrower shall create, effect or consent to or shall suffer or permit any conveyance, sale (including installment sale), assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (collectively "Transfer") of the Property or any part thereof or interest therein (or if all or a portion of the beneficial interest of Borrower is transferred when Borrower is not a natural person). In the event of such default, Bank may declare the entire unpaid balance, including interest, immediately due and payable, provided, however, that the foregoing provisions of this Paragraph 17 shall not apply to the lien of current taxes and assessments not yet due and payable. This option shall not be exercised by Bank if exercise is prohibited by Federal Law as of the date of this Mortgage.

Upon exercise of this option, Bank shall give Borrower notice of acceleration. This notice shall provide a period of not less than 14 days from the date of service of the notice (as defined in paragraph 14 hereof) within which Borrower must pay or cause to be paid all sums secured by this Mortgage. Upon failure to pay or cause to be paid said sums prior to the expiration of said 14 day period, Bank may invoke any remedies permitted by this Mortgage without any further notice or demand on Borrower.

18. *Default; Acceleration.*

(a) "DEFAULT" means any one or more of the following events, conditions or acts: (i) a Default occurs under the terms of the Loan Agreement or the note secured hereby as defined in said Loan Agreement or Note; (ii) a breach of any term, provision, covenant, condition or agreement contained in this Mortgage occurs.

(b) The event of a default, then:

(1) All sums secured hereby shall, at the option of Bank, become immediately due and payable without notice, with interest thereon, from the date of the first of any such defaults, unless a period of notice is specified in the Note; and

(2) Bank may immediately foreclose this Mortgage. The Court in which any proceeding is pending for that purpose may, at once or at any time thereafter, either before or after sale, without notice to Borrower, and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the premises, or whether the same shall be occupied as a Homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the loan hereby secured is made), for the benefit of Bank, with power to collect the rents, issues and profits of the premises, due and to become due, during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of such rents, issues and profits when collected, may pay costs incurred in the management and operation of the premises, prior and co-ordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the premises, and may pay all or any part of the indebtedness secured hereby or any deficiency decree; and Bank shall be entitled to collect in the event of foreclosure, all expenses of foreclosure, including without limitation, reasonable attorneys' fees, costs of documentary evidence, abstracts and title reports all of which shall become additional indebtedness secured by this Mortgage.

19. *Assignment of Rents; Appointment of Receiver; Bank in Possession.* As additional security hereunder, Borrower hereby assigns to Bank the rents of the Property.

Upon acceleration pursuant to the terms hereof, or abandonment of the Property, and without further notice to Borrower, Bank 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. Said receiver shall have the power to collect said rents from the time of acceleration through the pendency of any foreclosure proceeding and during the full statutory period of redemption, if any. 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, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' 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.

20. *Time of Essence.* Time is of the essence of this Mortgage, the Note and the Loan Agreement.

21. *Release.* Upon payment of all sums secured by this Mortgage and termination of the Loan Agreement, Bank shall release this Mortgage.

22. *Waiver of Homestead.* Borrower hereby waives all right of homestead exemption in the Property.

23. *Loan Charges.* If the loan secured by this Mortgage is subject to a law which sets maximum charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Bank may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower.

24. *Legislation Affecting Lender's Rights.* If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, Bank, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 18. If Bank exercises this option, Bank shall take steps specified in the second paragraph of paragraph 17.

25. *Home Improvement.* Borrower shall fulfill all of his obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower may enter into with Bank. Bank, at Bank's option, may require Borrower to execute and deliver to Bank, in form acceptable to Bank, an assignment of any rights, claims or defenses which Borrower may have against the parties who supply labor, materials or services in connection with improvements made to the property.

26. *Future Advances.* This Mortgage secures all Loans made and indebtedness outstanding under the Loan Agreement from time to time (whether such Loans or indebtedness represent obligatory or discretionary advances) within 20 years from the date of this Mortgage. The Loans outstanding shall

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