

UNOFFICIAL COPY

MORTGAGE TO SECURE A REVOLVING CREDIT LOAN

NOTICE: THIS MORTGAGE MAY SECURE BORROWINGS MADE SUBSEQUENT TO A TRANSFER OF THE PROPERTY
89150482

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

James E Skonicki and Linda A Skonicki, 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 guarantees) unto Bank and Bank's successors and assigns, the following Described property located in the

City Des Plaines County of Cook State of Illinois

This is a Junior Mortgage

The West 32 feet of Lot 4 and the East 18 feet of Lot 5 in Block 25 in Des Plaines Manor Tract No 2, a subdivision of part of the West 1/2 of Section 17, Township 41 North, Range 12, East of the Third Principal Meridian, as shown on plat recorded July 14, 1911 as document #4793564 in Cook County, Illinois

commonly known as: 919 Walter Ave Des Plaines IL 60016, 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 and appurtenances and to the beds of ways, streets, avenues and alleys adjoining the Property, and hence its subject hereunto 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. \$ 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 that 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, all encumbrances, charges, loans, and liens (other than any prior first mortgage or deed of trust) on the Property which may attain 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 insurance 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 renewals 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 the 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 in 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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UNOFFICIAL COPY

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

James and Linda Skonicki 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 28th day of March, 1989

Commission expires: _____

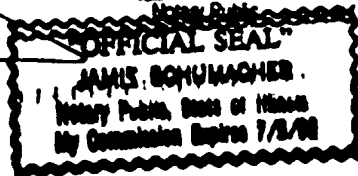
This document has been prepared by:

Nick Begrowicz

10 E Dundee Rd

Buffalo Grove IL 60089

P.T.# Volume 089



MAIL TO

IF BORROWER IS A TRUST:

DEPT-01 \$14.25
T84444 TRAN 6234 04/06/89 09:47:00
#9377 # D *-89-150482

By: _____
not personally but solely as aforesaid COOK COUNTY RECORDER

ATTEST:

By: _____
its

89150482

STATE OF ILLINOIS

COUNTY OF

89150482

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

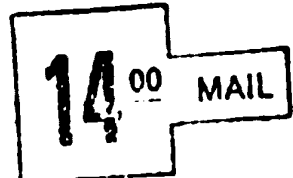
therein set forth; and the said _____ Secretary did also then and there acknowledge that he, as custodian of the corporate seal of said corporation, did affix the said corporate seal of said corporation to instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, 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:



89150482

18. TRANSFER OF THE PROPERTY. If Borrower, or beneficiary of the Trust, if any, sells, conveys, assigns or transfers, or promises 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 assigns or transfers any ground lease affecting the Property, or if title to the Property, or any direct or indirect interest therein, is otherwise sold or transferred, voluntarily or involuntarily, including without limitation sale or transfer in any proceeding, for foreclosure or judicial sale of the Property or the Property or the Trust, if any, or any part thereof, then the Bank shall be entitled to immediately accelerate

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

10. 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 may without demand upon Borrower but upon notice to Borrower pursuant to paragraph 11 hereof, may, without releasing Borrower from any obligation in this Mortgage, make such appearances, defend the action or proceeding, demand such sums, including reasonable attorney's fees, and take such action as Bank deems necessary to protect the security of the 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's and Bank's written agreement or applicable law.

11. NOTICES. Except for any notice required under applicable law to be given to another noticee, (a) any notice to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) provided for in this Mortgage shall be given by hand delivery to, or by registered mail to, the address last provided by Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) provided for in this Mortgage or to such other address as Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) may designate by written notice to Bank as provided hereof; and (b) any notice to Bank shall be given by registered mail to Bank at Bank of Buffalo Grove, 10 East Dundee Road, Buffalo Grove, IL 60089 or to such other address as Bank may designate by written notice to Bank as provided hereof. Any notice provided 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 addressee as provided in this paragraph 11.

12. GOVERNING LAW; SEVERABILITY. This Mortgage shall be governed by and interpreted in accordance with the laws of the State of Illinois. If any provision of this Mortgage shall be deemed to be unenforceable under the laws of the State of Illinois, the enforceability of the remaining provisions of this Mortgage shall not be affected. If any provision of this Mortgage shall be deemed to be unenforceable under the laws of the State of Illinois, the enforceability of the remaining provisions of this Mortgage shall not be affected.

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

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.

15. EVENTS OF DEFAULT. An Event of Default shall 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 Borrower's covenants under any of the Credit Documents and upon Borrower's failure to cure such breach or violation, during the applicable grace period, if any, with evidence reasonably satisfactory to Bank of such cure. In each case, the grace period begins to run on the day the notice is given, and expires at 11:59pm, Central time, on the last day of the period. If there is no grace period applicable to a particular breach or violation, the Event of Default will occur hereunder upon the giving of the above notice. Such notice shall be given to Borrower in accordance with paragraph 11 hereof and shall contain the following information: (1) the nature of Borrower's breach or violation; (2) the amount, if any, required or permitted to cure such breach or violation; (3) the applicable grace period, if any, during which such breach or violation may be cured; and (4) whether failure to cure such breach or violation within the specified grace period, if any, will result in acceleration of the sums secured by this Mortgage and the normal foreclosure of the Mortgage. The notice shall further inform Borrower of the right, if any, under applicable law, to reinstate his revolving line of credit under this Mortgage after the occurrence of an Event of Default. Set forth below is a list of events which, upon the lapse of the applicable grace period, if any, will constitute an Event of Default under this Mortgage after the occurrence of an Event of Default.

16. SUCCESSION AND ASSIGNS BOUND. THE COVENANTS AND AGREEMENTS HEREIN CONTAINED SHALL BIND THE HEIRS, SUCCESSORS, HEIRS, LEGATEES, DEVISEES AND ASSIGNS OF 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 joint and several. Any Borrower who co-owns this Mortgage, but does not execute the Note, (a) is co-owning this Mortgage only to encumber that portion of the Property under the lien and terms of this Mortgage and to release homestead rights, if any, (b) is not participating in the Note or under this Mortgage, and (c) agrees that Bank and any other lender hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of the Mortgage or the Note, without the consent of the Borrower or modifying this Mortgage as to that Borrower's interest in the Property. The covenants and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof. In the event of a conflict between the provisions of this Mortgage and the provisions of the Uniform Residential Security Instrument Act, the provisions of this Mortgage shall prevail.

17. 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 therefor related to Bank's interest in the Property.

18. 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, 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 effectuate this paragraph. Bank is hereby authorized to apply or release such monies received or to be received in the same manner and with the same effect as provided in this Mortgage for the disposition or settlement of any proceeds of condemnation damages that be made without Bank's prior written approval.

19. BORROWER NOT RELEASED FOR REFINANCE BY BANK NOT A WAIVER. Extension of the time for payment, acceptance by Bank of payments other than according to the terms of the Note, modification of the terms of the sums secured by this Mortgage granted by Bank to any successor in interest of Borrower, or the waiver or failure to enforce any right granted hereof or under the Credit Documents shall not operate to release, in any manner, the liability of the original Borrower, Borrower's successors in interest, or any guarantor or surety thereof. Bank shall not be bound to commence proceedings against such successor or to extend time for payment or otherwise modify payment terms of the sums secured by this Mortgage by reason of a demand made by the original Borrower and Borrower's successors in interest. Bank 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 Bank. 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 a waiver as to any other event. The procurement of insurance or the payment of taxes, other than or charges by Bank shall not be a waiver of Bank's right 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.

20. SUCCESSIONS AND ASSIGNS BOUND. THE COVENANTS AND AGREEMENTS HEREIN CONTAINED SHALL BIND THE HEIRS, SUCCESSORS, HEIRS, LEGATEES, DEVISEES AND ASSIGNS OF 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 joint and several. Any Borrower who co-owns this Mortgage, but does not execute the Note, (a) is co-owning this Mortgage only to encumber that portion of the Property under the lien and terms of this Mortgage and to release homestead rights, if any, (b) is not participating in the Note or under this Mortgage, and (c) agrees that Bank and any other lender hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of the Mortgage or the Note, without the consent of the Borrower or modifying this Mortgage as to that Borrower's interest in the Property. The covenants and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof. In the event of a conflict between the provisions of this Mortgage and the provisions of the Uniform Residential Security Instrument Act, the provisions of this Mortgage shall prevail.

21. 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 contract or permit waste or permit impairment of deterioration of the Property. 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, the by-laws and regulations of the condominium or planned unit development, and consistent documents, all as may be amended from time to time. If a condominium or planned unit development under is located by Borrower and development together with this Mortgage, the covenants and agreements of such unit shall be incorporated into and shall amend and supplement the covenants and agreements of the Mortgage as if the unit were a part hereof.

22. 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 may without demand upon Borrower but upon notice to Borrower pursuant to paragraph 11 hereof, may, without releasing Borrower from any obligation in this Mortgage, make such appearances, defend the action or proceeding, demand such sums, including reasonable attorney's fees, and take such action as Bank deems necessary to protect the security of the 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's and Bank's written agreement or applicable law.