

Law

UNOFFICIAL COPY

89207426

MORTGAGE TO SECURE A REVOLVING CREDIT LOAN 6

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
Seong Ho Rhee and Youn Kin Rhee, his wife, as joint tenants

(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 Mortgage

Lot 236 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 no 25657004 in Cook County, Illinois

commonly known as 811 W Whiting Ln 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 and accretions and 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. \$ 40,000.00, 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 make 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 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 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, 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, liens, 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 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.

10-28-89
1050-1
BANK

89207426

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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

Seong Ho and Youn Jin Rhee

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 April, 1989

Commission expires: _____

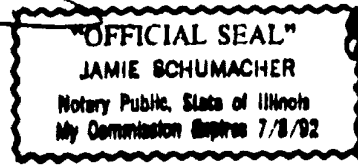
Notary Public

This document has been prepared by:

Nick Begrowicz

10 E Dundee Rd

Buffalo Grove IL 60089



MAIL TO

Property of Cook County Clerk's Office

P.T.I. # ~~05-08-222-014~~ Volume 23

IF BORROWER IS A TRUST:

By _____
not personally but solely as aforesaid

By _____
is

ATTEST:

DEPT-01 \$14.25
TW444 TRAN 6864 05/09/89 10:58:00
#1189 # D *-89-207426
COOK COUNTY RECORDER

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

resident 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

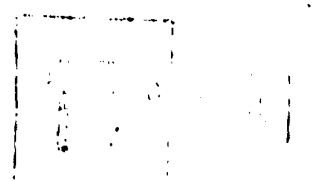
he, as custodian of the corporate seal of said corporation, did affix the said corporate seal of said corporation to instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, as Trustee, for the uses and purposes therein set forth.

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

Notary Public

Commission expires: _____

THIS INSTRUMENT PREPARED BY:



UNOFFICIAL COPY

8 9 2 0 7 4 2 0

Individual Borrower *Youn Jin Rhee*

Date: 4/29/89

Individual Borrower *Seong Ho Rhee*

Date: 4/29/89

28. TRUSTEE EXCULPATION. If this Mortgage is executed by a Trustee, the Trustee, as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it 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 Trustee personally to pay and Note or any interest 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 this waiver shall in no way affect the personal liability of any co-maker, co-signor, endorser or guarantor of said Note.

27. CAPTIONS; SUCCESSORS AND ASSIGNS. 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. 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.

26. 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 the Bank shall be allowed and included, as additional indebtedness in the judgment or decree, all expenditures and expenses which may be paid or incurred by or on behalf of the Bank for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographic charges, publication costs, survey costs, and costs (which may be claimed as items for which the Bank may be reimbursed) and expenses of procuring all abstracts of title, title searches and examinations, the insurance policy, and similar data and assurances with respect to the Property. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees, may be incurred in the protection of the Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by the Bank in any litigation or proceeding affecting this Mortgage, the Note or Property or in preparation for the commencement or defense or any proceeding or threatened suit or proceeding, shall be immediately due and payable by the Borrower, with interest thereon at the default interest rate.

25. WAIVER OF STATUTORY RIGHTS. Borrower shall not and will not apply for or avail himself of any homestead, appraisal, redemption, or exemption laws, or any so-called "mortgage laws," now existing or hereafter enacted, in order to prevent or limit in any manner the enforcement of this Mortgage, but hereby waives the benefit of such laws. Borrower, for himself and all whom he may claim through or under it, waives any and all right to have the priority and claims comprising the Property mortgaged as to foreclosure of the line hereof and agrees that any court having jurisdiction to foreclose such lien may order or decree foreclosure, pursuant to rights hereunder granted on behalf of the Mortgagee, and that the Mortgagee, and all persons beneficially interested therein, as from sale under any order or decree of foreclosure, shall be entitled to the full amount of the principal and interest due on the Mortgage, and on behalf of all other persons to the extent permitted each and every person acquiring any interest in or to the Property described hereunder subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by Illinois law.

24. 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 the Bank, then and in such event the Borrower shall pay the full amount of such taxes.

23. ACTUAL KNOWLEDGE. For purposes of this Mortgage and each of the other Credit Documents, Bank will be deemed to have received actual knowledge of information required to be conveyed to Bank in writing by Borrower until the date of actual receipt of such information at Bank of 111 East Dundee Road, Buffalo Grove, IL 60089 (or such other address specified by Bank to Borrower). Such date shall be conclusively determined by return receipt to the possession of Borrower. If such return receipt is not available, such date shall be conclusively determined by return receipt to the possession of Bank or Bank's agent. With regard to other events or information not provided by Borrower under the Credit Documents, Bank will be deemed to have actual knowledge of such event or information as of the date Bank receives a written notice of such event or information from a source Bank reasonably believes to be reliable, including but not limited to, a court or other governmental agency, institutional lender, or the company. The actual date of receipt shall be determined by reference to the "Receipt" data stamped on such written notice by Bank or Bank's agent.

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

21. INCORPORATION OF TERMS. All the terms, conditions and provisions of the Agreement and the Note shall be incorporated herein as if set forth in full. Any Event of Default under the Note or the Agreement shall constitute an Event of Default hereunder, which shall further inure to Borrower.

20. REQUEST FOR NOTICE. 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, sale and foreclosure, for the holder of any lien which has priority over this Mortgage be sent to Bank's address, as set forth on page one of this Mortgage.

19. RELEASE. Upon payment and discharge of all sums secured by this Mortgage and termination of the Agreement, the Mortgage shall become null and void and Bank shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recording and any.

18. ASSIGNMENT OF RIGHTS; APPOINTMENTS OF RECEIVER, LENDER IN POSSESSION. As additional security hereunder, Borrower hereby assigns to Bank the entire interest in the Property, provided that prior to acceleration under paragraph 17 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.

17. ACCCELERATION; REMEDIES (INCLUDING PRAECING THE LIEK). Upon the existence of an Event of Default, Bank may, at its sole option, terminate the line, declares 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 attorneys' fees. An additional specific protection, notwithstanding any other term of this Mortgage, Bank, without declaring or asserting an Event of Default or invoking any of the remedies pertaining to an Event of Default, may, immediately and without notice, make the line upon the occurrence of any event enumerated in paragraphs 15 or 16 of this Mortgage, including without limitation Bank's receipt of notice from any source of a lien, claim or lien or encumbrance, either superior or inferior to the lien of this Mortgage. Notice of any such event shall be given in accordance with the provisions of paragraph 15 of this Mortgage. Filing the line will not preclude Bank from subsequently asserting any right or remedy set forth herein or in any of the Credit Documents.

16. PAYMENT OF INTEREST. The amount due under the Note and declare all indebtedness secured by this Mortgage to be immediately due and 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.

