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EQUITY LINE OF CREDIT MORTGAGE

This Mortgage was prepared by and after recording should be mailed to:

Kathie L. Alesch
Gary-Wheaton Bank of Fox Valley
4461 Fox Valley Center Drive
Aurora, Illinois 60504

DEPT-01 RECORDING \$13.00
T#2222 TRAN 5501 07/25/87 15:45:00
42593 a ea + 37-340771
COOK COUNTY RECORDER

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THIS MORTGAGE ("Mortgage") is given this 15th day of July, 1989. The mortgagors are Gregory L. Kot and Deborah L. Kot, his wife (collectively, the "Borrower"). This Mortgage is given to GARY-WHEATON BANK OF FOX VALLEY, an Illinois Banking Corporation, whose address is 4461 Fox Valley Drive, Aurora, Illinois, 60505 ("Lender"). The Borrower owes the Lender the maximum principal sum of Eighty thousand and 00/100 Dollars (\$ 80,000.00), or the aggregate unpaid amount of all loans made by the Lender pursuant to that certain Line of Credit Agreement ("Agreement") and Adjustable Rate Note ("Note") between the Borrower and the Lender of even date herewith, the terms of which are incorporated herein by reference.

The Agreement established a revolving Line of Credit pursuant to Section 5c of the Illinois Banking Act, Ill. Rev. Stat. Ch. 17, Sec. 312.2. The Note provides for monthly interest payments, with the full debt, if not paid earlier, due and payable on demand after five (5) years from the date of this Mortgage. Interest shall accrue on these amounts at the rate(s) set forth in the Note. The Agreement provides that loans may be made from time to time (but in no event later than five (5) years from the date hereof) not to exceed the maximum credit limit assigned to Borrower by Lender from time to time. All future loans, whether obligatory or optional, shall be secured to the same extent and with the same priority as if made on the date hereof.

This Mortgage secures (i) the repayment of the debt evidenced by the Note with interest, and all renewals, extensions and modifications, (ii) the payment of all other sums, together with interest, advanced under paragraph 6 hereof to protect the security of this Mortgage, (iii) the performance of Borrower's covenants and agreements under this Mortgage and the Agreement and Note, and (iv) all costs and expenses of Lender, including without limitation attorneys' fees in enforcing its rights under the Agreement, the Note, or this Mortgage, including any action or efforts pursued by the Lender in a bankruptcy proceeding.

For this purpose, the Borrower does hereby mortgage, grant, and convey to the Lender the following described property located in Cook County, Illinois:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF FOR LEGAL DESCRIPTION

Permanent Index No. 14-33-407-048-1009 Vol. 496
which has the address of 316 West Menomonon
Chicago, Illinois, 60614

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "Property".

THE BORROWER COVENANTS that the Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and is unencumbered, except for encumbrances of record. The Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. The Property is subject to the following prior mortgage(s):

Name of Mortgagee	Date of Mortgage	Document Number
<u>Citicorp Savings of Illinois</u>	<u>August 8, 1986</u>	<u>86352711</u>

COVENANTS. The Borrower and the Lender covenant and agree as follows:
1. **Payment of Principal and Interest.** The Borrower shall promptly pay when due the principal of and (if) interest on the debt evidenced by the Note and all other amounts owing under the Note.

2. **Charges and Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage, and household payments or ground rents, if any. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph 2. The Borrower shall make these payments directly and promptly furnish to Lender receipts evidencing the payments. The Borrower shall promptly discharge any lien which has priority over this unless the borrower (i) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, (ii) contests in good faith the lien, or defends against enforcement of the lien, by legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property, or (iii) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Mortgage. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, Lender may give Borrower a written notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within ten (10) days of receiving any notice.

3. **Insurance.** The Borrower shall keep the Property and the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and any other hazards for which Lender requires insurance. This insurance shall be maintained in an amount equal to the Lender's appraised value of the Property and for the periods that Lender reasonably requires. The insurance carrier providing the insurance shall be chosen by the Borrower subject to Lender's approval which approval shall not be unreasonably withheld. All insurance policies and renewals shall be acceptable to Lender, shall include a standard mortgage clause, and shall name the Lender as loss payee. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged. If the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not act within thirty (30) days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. As determined by the Lender, Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The thirty (30) day period will begin when notice is given. If the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

4. **Preservation and Maintenance of Property.** Borrower shall not destroy, damage, or substantially change the Property, allow the Property to deteriorate, or commit waste.

5. **Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and costs and entering on the Property to make repairs. Although Lender may take action under this paragraph 5, Lender shall not be required to do so. Any amounts disbursed by Lender under paragraph 5 shall become additional debt of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate(s) set forth in the Note and shall be payable, with interest, upon notice from Lender to Borrower demanding payment.

6. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

7. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured by this Mortgage immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

8. **Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

9. **Successors and Assigns.** The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 14 hereof. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Mortgage but does not execute the Agreement, (i) is co-signing this Mortgage under the terms of this Mortgage, (ii) is not personally obligated to pay the sums secured by this Mortgage, and (iii) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodations with regard to the terms of this Mortgage or the Agreement without that Borrower's consent.

10. **Loan Charges.** If the interest or other loan charges collected or to be collected in connection with the loans made under the Agreement or the Note exceed permitted limits as finally interpreted by a court of competent jurisdiction, any sums collected by or for Lender from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may

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choose to make this refund by reducing the principal amount of the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge.

11. **Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Agreement, the Note, or this Mortgage unenforceable according to its terms, Lender, at its option, upon ninety (90) days prior notice to Borrower may require immediate payment in full of all sums secured by this Mortgage and may include any remedies permitted by paragraph 16 hereof.
12. **Notices.** Any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing it by registered or certified mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by written notice to Lender. Any notice to Lender shall be given by registered or certified mail to the attention of the Consumer Loan Department at the Lender's address stated herein, or any other address Lender designates by written notice to Borrower. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.
13. **Governing Law.** This Mortgage shall be governed by the laws of the State of Illinois. In the event that any provision or clause of this Mortgage conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage. To this end the provisions of this Mortgage are declared to be severable.
14. **Due on Sale.** If all or any part of the Property or any interest in it is sold, conveyed, transferred or leased without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage. If Borrower fails to immediately pay these sums, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.
15. **Prior Mortgages(s).** Borrower agrees to fully comply with all provisions of any prior mortgage(s) and shall not be in default of any provision of any prior mortgage(s).
16. **Acceleration and Remedies.** The occurrence of any one or more of the following events of default, at the sole option of the Lender, will result in all sums secured by this Mortgage becoming immediately due and owing and the possible forced sale of the Property: (1) any failure to pay any amount owing under the Note when due; (2) any default under or breach or nonperformance of an obligation under the Agreement, the Note, or this Mortgage; (3) any default with respect to any prior mortgage(s) on the Property; (4) the Lender reasonably determines that the prospect of Borrower's payment of the loans or other amounts owing under the Note or performance under the Agreement or this Mortgage is impaired; (5) any act or event occurs by reason of which the Lender reasonably deems itself insecure; (6) any application or statement furnished by Borrower shall be found to be materially false; (7) a decline in the market value of the Property, in the Lender's sole opinion; (8) Borrower's death or insolvency (however expressed or indicated); (9) the filing of a petition in bankruptcy or for the adjustment of debts, of, by, or against Borrower; (10) the sale, conveyance, lease, or transfer of all or any part of the Property or any interest in it without the Lender's prior written consent; or (11) the enactment or expiration of any applicable law which renders any provision of the Agreement, the Note, or this Mortgage unenforceable according to its terms.
17. **Lender in Possession.** Upon acceleration under paragraph 16 hereof or abandonment of the Property and at any time prior to the expiration of any period of redemption, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of 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 costs, and then to the sums secured by this Mortgage.
18. **Release.** Upon payment of all sums secured by this Mortgage and, if applicable, Borrower's notice to Lender that it waives its rights to request reimbursement of such sums pursuant to a revolving line of credit arrangement, if any, Lender shall release this Mortgage without charge to Borrower.
19. **Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.
20. **Riders to this Mortgage.** If one or more riders are executed by Borrower and recorded together with this Mortgage, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider(s) were a part of this Mortgage.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Mortgage and in any rider(s) executed by Borrower and recorded with this Mortgage.

Gregory L. Kot Borrower
 Deborah L. Kot Borrower

STATE OF ILLINOIS)
 COUNTY OF DuPage) 68.

The undersigned, a Notary Public in and for the said county and state, hereby certify that Gregory L. Kot and Deborah L. Kot personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing Mortgage, appeared before me this day in person, and acknowledged that they signed and delivered this Mortgage as of their free and voluntary act.
 Given under my hand and official seal this 15th day of July 19 89

[Signature]
 Notary Public

My Commission Expires: 11/10/92
 "OFFICIAL SEAL"
 Notary Public
 My Commission Expires 11/10/92

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EXHIBIT "A"

Property of Cook County Recorder's Office

***UNIT COACH HOUSE, AS DELINEATED ON THE SURVEY OF THE FOLLOWING DESCRIBED PARCEL: THE SOUTH HALF OF LOTS 67, 68 AND 69 AND THE WEST 16 FEET OF THE SOUTH HALF OF LOT 70 IN WARD'S SUBDIVISION OF BLOCK 44 IN CANAL TRUSTEE'S SUBDIVISION OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO AND A PART OF THE DECLARATION OF CONDOMINIUM OWNERSHIP MADE BY AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE, UNDER TRUST AGREEMENT DATED FEBRUARY 15, 1979 AND KNOWN AS TRUST NUMBER 45888, RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, ON SEPTEMBER 19, 1979 AS DOCUMENT 25,152,392 TOGETHER WITH AN UNDIVIDED 22.51 PERCENT INTEREST IN THE COMMON ELEMENTS AS DESCRIBED IN SAID DECLARATION (EXCEPTING FROM SAID PARCEL THE PROPERTY AND SPACE COMPRISING ALL THE UNITS THEREOF AS DEFINED AND SET FORTH IN SAID DECLARATION AND SURVEY), IN COOK COUNTY, ILLINOIS.

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