

MORTGAGE TO SECURE A REVOLVING CREDIT LOAN

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

Jayaraju Gummadi and BHADRAKALI Gummadi (husband & wife, as joint tenants)

INITIAL Ford Motor Credit Co. (herein "Borrower"), and MEXICAN CREDIT CORPORATION whose address is 11311 Cornell Park Drive (herein "Lender").

Borrower, in consideration of the indebtedness herein recited, grants, bargains, sells and conveys, warrants and mortgages unto Lender and Lender's successors and assigns, the following described properties located in the city of Des Plaines County of Cook State of Illinois:

See Attached Legal Description

DEPT-01 RECORDING 115.00 TR7777 TRAN 7266 11/05/90 15:15:00 #7504 # 90-70-541172 COOK COUNTY RECORDER

which has the address of 8911 Robin Drive, Des Plaines, Illinois 60016

Illinois (herein "Property Address");

TO HAVE AND TO HOLD such property unto Lender and Lender'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 Lender 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 (or the leasehold estate if this Mortgage is on a leasehold) 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) (UCC), this Mortgage is hereby deemed to be, as well, a Security Agreement under the UCC for the purpose of creating a security interest in such Property, which Borrower hereby grants to Lender as Secured Party (as such term is defined in the UCC).

To Secure to Lender on condition of the repayment of the REVOLVING LINE OF CREDIT indebtedness evidenced by a Line of Credit Agreement, Note and Disclosure ("Agreement") of even date herewith in the maximum principal sum of U.S. \$ 12,600.00, 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 15 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. This Mortgage permits and secures future advances which have the priority of the original advance. All advances will be made within 20 years of the date of this Mortgage.

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. Specifically, and without limitation of the foregoing, if this Mortgage is given with respect to a leasehold estate held by Borrower, and Borrower subsequently acquires a fee interest in the real property, the lien of this Mortgage shall attach to and include the fee interest acquired by Borrower.

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 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 Agreement calls for a "variable interest rate," and that the Lender may, prior to the expiration of the term of the Agreement cancel future advances thereunder and/or require repayment of the outstanding balance under the Agreement. In this regard, the Agreement provisions set forth verbatim below relate to the variable interest rate and the Lender's option to require repayment prior to expiration of the term of the Agreement or to cancel future advances for reasons other than default by the Borrower.

The paragraph of the Line of Credit Agreement, Note and Disclosure entitled "FINANCE CHARGE" provides as follows:

FINANCE CHARGE. We will charge a one time only \$ N/A Origination Fee. We will also charge a Daily Rate which will be adjusted as described below. We will multiply the Daily Rate by the Average Daily Balance and the number of days in the billing period to determine the FINANCE CHARGE for each month. We calculate the Average Daily Balance by adding the balances outstanding at the end of each day during the billing period and dividing that amount by the total number of days in the billing period. The balances outstanding at the end of each day reflect transactions charged and payments received during that day. They do not include any unpaid credit life insurance charges. On the first billing statement only, the FINANCE CHARGE will also include the Origination Fee. The Origination fee will not be included in the daily balance in calculating the Average Daily Balance. Under this method of calculating the Average Daily Balance, there is no period in which credit extended may be repaid without incurring FINANCE CHARGE. The FINANCE CHARGE will begin, for the first transaction, today. The FINANCE CHARGE will begin, for any Draft advance, on the date we honor such Draft. The Daily Rate will never be less than 10.19178% (7.00% ANNUAL PERCENTAGE RATE) or more than 16.45% (16.45% ANNUAL PERCENTAGE RATE). Other than the Daily Rate will be tied to the "Prime Rate" announced from time to time by the Wall Street Journal. Any change in the Daily Rate will be effective beginning at the end of every 3rd billing period. Such change will govern the periods covered by the next 3 billing period(s). The new Daily Rate will be determined by adding 2.25% to the Prime Rate in effect on the 25th day of the month in which every 3rd billing period ends and dividing that sum by 365. The Daily Rate for the periods covered by the first 3 billing period(s) will be 10.28930%. This corresponds to an ANNUAL PERCENTAGE RATE OF 10.45%. If this box [X] is checked, the following disclosure in brackets applies: [The initial Daily Rate and ANNUAL PERCENTAGE RATE are not tied to this formula. If they were, the Daily Rate for the first 3 billing period(s) would be 10.33562%. This corresponds to an ANNUAL PERCENTAGE RATE OF 12.25%.] The Daily Rate will not be changed more than N/A% (N/A% per year) at any one time. An increase in the Daily Rate may increase the monthly payment. If the term "Prime Rate" comes to have a different meaning than it does today or if it is no longer announced by the Wall Street Journal, we have the right to select a comparable index to determine the Daily Rate.

The paragraph of the Line of Credit Agreement, Note and Disclosure entitled "CONDITIONS" provides in its entirety as follows: 90541172

- CONDITIONS: We will not be obligated to make an advance to you if at the time you request an advance: (a) we are aware that you are not regularly and consistently receiving or expecting to continue to receive a monthly income equal to or greater than the monthly income, if any, that you are now receiving; or (b) we are aware that you have not maintained the insurance on the secured real property as required by our Mortgage or if we receive written notice of a delinquency, or that a Notice of Default has been recorded, on any encumbrance senior to our Mortgage; or (c) we are aware that laws or regulations which exist or are enacted by the federal or state government or court decisions are rendered that prohibit us from making such advances or servicing the Agreement or otherwise impair our rights hereunder. Our obligation to make advances to you will terminate and your Line of Credit will terminate if at any time during the term of this Agreement: (a) we learn that any of you are subject to bankruptcy proceedings; or (b) you are forty-five or more days delinquent in the making of any payment due to us hereunder; or (c) we learn that you do not then own the secured real property, or that the property has been materially destroyed; or (d) we learn that a Notice of Federal or State Tax Lien has been filed for record against the secured real property or that any statutory lien superior to our Mortgage has been filed for record against the secured real property; or (e) we have received a written request from any of you to close or restrict your Line of Credit account; or (f) we have given you sixty days prior written notice of our election to terminate your Line of Credit; or (g) we learn that any representation or warranty made by you, as required by this Agreement, was false at the time it was made.

COVENANTS: Borrower and Lender covenant and agree as follows:

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due, in accordance with the terms of the Agreement, the principal and interest on the indebtedness evidenced by the Agreement, together with any late charges or other charges imposed under the Agreement.

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UNOFFICIAL COPY

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24. TAXES. In the event of the passage after the date of the 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 taxes, so as to affect the interest of Lender, then and in such event Borrower shall pay the full amount of such taxes.

25. 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 "moratorium 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 or under it, waives any and all right to have the Property and estates comprising the property marshalled upon any foreclosure of lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Borrower hereby waives any and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights herein granted, on behalf of the Mortgagor and each and every person acquiring 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.

26. EXPENSE OF LITIGATION. In any suit to foreclose the line of this Mortgage or enforce any other remedy of the Lender under this Mortgage or the Agreement, there 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 Borrower for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' 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, Torrens certificates, and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or value of the Property. All expenditures 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 Lender in any litigation or proceeding affecting this Mortgage, the Agreement or the Property or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower, with interest thereon at the default interest rate.

27. CAPTIONS. The captions of this Mortgage are for convenience and reference only. They in no way define, limit or describe the scope or intent of this Mortgage. In this Mortgage, whenever the context so requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

28. CONFORMITY WITH LAW. Lender and Borrower intend their relationship to conform to the definition of "revolving credit" set forth in Illinois Revised Statutes, Chapter 17, paragraph 6105.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

Paulette Woodington DATE: 11/2
J. J. Wurber DATE: 11/2
Paulette Woodington DATE: 11/2
J. J. Wurber DATE: 11/2

Jayaraju Gummadi DATE: 11-20-90
Bhadrakali Gummadi DATE: 11-2-90
~~XXXXXXXXXX~~ Gummadi
BHADRAKALI

STATE OF ILLINOIS)
COUNTY OF COOK)

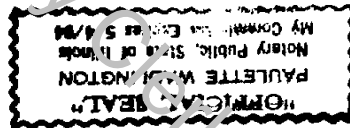
The foregoing instrument was acknowledged before me this 21 day of NOVEMBER, 1990 by JAYARAJU & BHADRAKALI GUMMADI

Paulette Woodington
Notary Public

My Commission Expires: MAY 4, 1994

This instrument prepared by:

Ford Motor Credit Co.
Attorney
11311 Cornell Park Drive
Cincinnati, Ohio 45242
Attn: Tricia Parrott



LEGAL DESCRIPTION

Parcel 1: The North 1/2 of Lot 12 (except the West 198.51 feet thereof) in Dempster Garden Homes Subdivision, a Subdivision of part of the Southeast 1/4 of section 15, Township 41 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2: Easements Appurtenant to and for the benefit of Parcel 1 as set forth and defined in the plat of Subdivision recorded as document No. 17877299 and as corrected by the Certificate of Correction recorded as Document No. 18104793, for ingress and egress, all in Cook County, Illinois.

Also known as: 8911 Robin Drive, Des Plaines, Illinois 60016

Permanent Tax ID.#:0-915-411-063

Box 14

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23. ACTUAL KNOWLEDGE: For purposes of this Mortgage and the Agreement, Lender will not be deemed to have received actual knowledge of the information required to be conveyed to Lender in writing by Borrower until the date of actual receipt of such information at [redacted] (or such other address specified by Lender to Borrower). Such date shall be conclusively determined by reference to the return receipt in possession of Borrower. If such return receipt is not available, such date shall be conclusively determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent. With regard to other events or information not provided by Borrower under the Agreement, Lender will be deemed to have actual knowledge of such events or information as of the date Lender receives a written notice of such event or information from a source Lender reasonably believes to be reliable, including but not limited to a court or other governmental agency, institutional lender, or title company. The actual date of receipt shall be determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent.

22. TIME OF ESSENCE: Time is of the essence in this Mortgage and the Agreement. All of the terms, conditions and provisions of the Agreement are hereby incorporated herein as if set forth in full. Any Event of Default under the Agreement shall constitute an Event of Default hereunder without further notice to Borrower.

20. REQUEST FOR NOTICES: Borrower requests that copies of notices of default, sale and foreclosure from the holder of any lien which has priority over this Mortgage be sent to Lender's address, as set forth on page one of the Mortgage.

19. 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 Lender shall release this Mortgage. Borrower shall pay all cost of recordation, if any.

18. ASSIGNMENT OF RENTS: APPOINTMENT OF RECEIVER; LENDER IN POSSESSION: As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that prior to acceleration under paragraph 17 hereof or the occurrence of an Event of Default hereunder, Borrower shall have the right to collect and retain such rents as they become due and payable. Upon acceleration under paragraph 17 hereof, or abandonment of the Property, Borrower shall have the right to collect and retain such rents as they become due and payable. Lender or its agent, or by judicially appointed receiver, and without regard to adequacy of any security for the rents of the Property, including those past due. All rents collected by Lender 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, lawyer's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. Lender 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.

17. ACCELERATION; REMEDIES: Upon the existence of an Event of Default, Lender may, at its sole option, determine the time, 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. Lender 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.

16. TRANSFER OF THE PROPERTY: The Borrower, or beneficiary of a Trust, if any, sells, conveys, assigns or transfers, or promises or contracts 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 amends or terminates any ground leases affecting the Property, or any direct or indirect interest therein, or amends, or terminates, or terminates the Property or any direct or indirect interest therein, or amends, or terminates, or terminates the Property, shall constitute a separate Event of Default. As an alternative to declaring all sums secured by this Mortgage to be immediately due and payable, Lender may waive its option to accelerate and agree in writing, prior to close of the sale or transfer or the promise or the attempt to sell, convey, assign or transfer, to cancel further advances or accelerate the outstanding balance of the loan or credit. Lender's acceptance of the transfer of the Property, or any part of the beneficial interest in the Trust, if any, or amends or terminates any ground leases affecting 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 amount under the Agreement and 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 thirty (30) 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 after Borrower's sale, transfer, or promise to sell or transfer the Property or any direct or indirect interest therein, or any attempt to sell or transfer the Property, shall constitute a separate Event of Default. As an alternative to declaring all sums secured by this Mortgage to be immediately due and payable, Lender may waive its option to accelerate and agree in writing, prior to close of the sale or transfer or the promise or the attempt to sell, convey, assign or transfer, to cancel further advances or accelerate the outstanding balance of the loan or credit. Lender's acceptance of the transfer of the Property, or any part of the beneficial interest in the Trust, if any, or amends or terminates any ground leases affecting 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 amount under the Agreement and 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 thirty (30) 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 after Borrower's sale, transfer, or promise to sell or transfer the Property or any direct or indirect interest therein, or any attempt to sell or transfer the Property, shall constitute a separate Event of Default.

15. EVENTS OF DEFAULT: Set forth below is a list of events which, upon the happening of the applicable grace period, if any, will constitute Events of Default: (a) Application of the Mortgage to Borrower or Grace Period: An Event of Default will occur hereunder upon the expiration of the applicable grace period, if any, after Lender gives written notice to Borrower of Borrower's breach or violation of the Agreement and upon Borrower's failure to cure such breach or violation, during that grace period, if any, with evidence reasonably satisfactory to it of such cure. In each case, the grace period begins to run on the day after the notice is given, and expires at 11:59 p.m., 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 the Borrower's breach or violation; (2) the action, if any, required to cure such breach or violation; (3) the applicable grace period, if any, during which such breach or violation must 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 potential foreclosure of this 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 acceleration.

14. REMEDIES CUMULATIVE: Lender may exercise all of the rights and remedies provided in this Mortgage and in the Agreement or which may be available to Lender by law, and all such rights and remedies shall be cumulative and concurrent, and may be pursued singly, successively or together, at Lender's sole discretion, and may be exercised as often as occasion herefor shall occur.

13. BORROWER'S COPY: Borrower shall be furnished a confirmed copy of the Agreement and of this Mortgage at the time of execution or after recordation hereof.

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