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AVONDALE PRIME LOAN

MORTGAGE  
(Individual)

LOAN NUMBER: 700018168 M

THIS MORTGAGE is made July 5, 1991, between the Mortgagor,  
HOWARD KROM, DIVORCED AND NOT SINCE REMARRIED  
(herein "Borrower"),  
and the Mortgagee, AVONDALE FEDERAL SAVINGS BANK it successors and/or  
assigns, a federally chartered savings bank, whose address is 20 North  
Clark Street, Chicago, Illinois 60602 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of  
SIXTY EIGHT THOUSAND SEVEN HUNDRED AND 00/100-----, Dollars  
( \$68700.00 ) ("Maximum Amount"), or so much of that sum as may be  
advanced pursuant to the obligation of Lender (whichever is lesser), and  
evidenced by Borrower's Note, providing for monthly payments of principal  
and/or interest and, with the balance of the indebtedness, if not sooner  
paid, due and payable on July 4, 1996; ("Maturity Date") unless  
extended pursuant to paragraph 22 hereof.

TO SECURE to Lender the repayment of the indebtedness evidenced by  
the Note (Including, but not limited to, such obligatory future advances  
("Future Advances") as are described in paragraph 18 hereof), 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 the Borrower herein contained, Borrower does  
hereby mortgage, grant and convey to Lender the property legally described  
in the attached Exhibit "A" located in the County of COOK, State of  
Illinois, which has the address of 3085 PHEASANT CREEK DRIVE UNIT 211, NORTH  
BROOKFIELD, ILL. 60062 ("Property Address").

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TOGETHER with all the improvements now or hereafter existing on the  
property, and all easements, rights, appurtenances, rents, royalties,  
mineral, oil and gas rights and profits, water, water rights and water  
stock, 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 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 herein referred to as "Property".

Borrower covenants that Borrower is lawfully seized of the estate  
hereby conveyed and has the right to mortgage, grant and convey the  
Property, that the Property is unencumbered with the exception of those  
items, if any, listed in a schedule of exceptions to coverage in any title  
insurance policy insuring Lender's interest in the Property, and that  
Borrower will warrant and defend generally the title to the Property  
against all claims and demands, subject to any encumbrances, declarations,  
easements or restrictions listed in a schedule of exceptions to coverage  
in any title insurance policy insuring Lender's interest in the Property.

**BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:**

- 1. PAYMENT OF PRINCIPAL AND INTEREST:** Borrower shall promptly pay when due without set-off, recoupment, or deduction, the principal of and the interest on the indebtedness evidenced by the Note, and late charges as provided in the Note, including the principal of and interest on any Future Advances secured by this Mortgage.
- 2. APPLICATION OF PAYMENTS:** All payments received by Lender under the Note and paragraph 1 hereof, shall be applied by lender first in payment of interest due on the Note, then to principal of the Note, including any amounts considered as added thereto under the terms hereof.
- 3. CHARGES, LIENS:** Borrower shall promptly pay all obligations secured by a mortgage or trust deed affecting the Property, taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, when due. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage with respect to any sum, including, but not limited to, Future Advances.
- 4. HAZARD INSURANCE:** Borrower shall keep the improvements now

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existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage and all other mortgages and trust deeds with respect to the Property.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonable withheld. All premiums on insurance policies shall be paid by Borrower when due.

All insurance policies and renewals thereof shall be in form acceptable to lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. 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, provided such restoration or repair is economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraph 1 hereof or change the amount of such installments. If under paragraph 16 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

5. PRESERVATION AND MAINTENANCE OF PROPERTY, LEASEHOLDS, CONDOMINIUMS, PLANNED UNIT DEVELOPMENTS: Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development, and constituent documents. If a Condominium or Planned Unit Development Rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such Rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the Rider were a part hereof.

6. PROTECTION OF LENDER'S SECURITY: If Borrower fails to perform the covenants and agreements contained in this Mortgage, or any mortgage or trust deed affecting the property, or if any action or proceeding is commenced which materially affects Lender's interest in the property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs.

Any amounts disbursed by Lender pursuant to this paragraph 6 with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be considered as so much additional principal due under the Note payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note

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unless payment of interest at such rate would be contrary to applicable law. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. **INSPECTION:** Lender may make or cause to be made reasonable entries upon and inspections of the Property, providing that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Lender's interest in the Property.

8. **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, 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, with the excess, if any, paid to the Borrower. In the event of a partial taking of the property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sum secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds 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 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

9. **BORROWER NOT RELEASED:** 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, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor 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 and Borrower's successors in interest.

10. **FORBEARANCE BY LENDER NOT A WAIVER:** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

11. **REMEDIES CUMULATIVE:** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. **SUCCESSORS AND ASSIGNS BOUND, JOINT AND SEVERAL LIABILITY, CAPTIONS:** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. All covenants and agreements of Borrower shall be joint and several. The captions 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.

13. **NOTICE:** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice addressed to Borrower by regular first class mail at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

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14. GOVERNING LAW, SEVERABILITY: This Mortgage shall be governed by the law of Illinois. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict 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. Time is of the essence of this Agreement.

15. TRANSFER OF THE PROPERTY, ASSUMPTION: If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage which does not relate to a transfer of rights of occupancy in the Property, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or tenant by the entirety, (d) the grant of any leasehold interest of three years or less not containing an option to purchase, (e) a transfer, in which the transferee is a person who occupies or will occupy the Property, which is (1) a transfer to a relative resulting from Borrower's death, (2) a transfer where the Borrower's spouse or child(ren) becomes an owner of the Property, or (3) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the Borrower's spouse becomes an owner of the Property, or (f) a transfer to an inter vivos trust in which the Borrower is and remains the beneficiary and occupant of the Property, unless as a condition precedent to such transfer, the Borrower refuses to provide the lender with reasonable means acceptable to the Lender by which the Lender will be assured of timely notice of any subsequent transfer of the beneficial interest or change in occupancy, Lender may, at Lender's option, and without notice to Borrower, declare all the sums secured by this Mortgage to be immediately due and payable. Lender is hereby subrogated to the lien of any mortgage or other lien discharged, in whole or in part, by the proceeds of the loan hereby secured.

16. ACCELERATION, REMEDIES. Upon Borrower's default in the performance of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender may at its option, and without notice to Borrower, declare due and payable all sums secured by this Mortgage and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect after default, all estimated and actual expenses incurred by reason of said default, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts, and title reports.

17. 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 Borrower shall, prior to acceleration under paragraph 16 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 16 hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following judicial sale, 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. All 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 then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

18. FUTURE ADVANCES: The Holder of the Note secured by this Mortgage is obligated to make advances of principal as requested from time to time for a period no longer than the maturity date stated on the reverse side, or unless extended pursuant to paragraph 22, unless the amount requested when added to the then outstanding principal balance would exceed the Maximum Amount, or there shall then exist a default under the terms of the Note or Mortgage, or there shall then exist a federal, state, or local statute, law, or ordinance, or a decision by any tribunal which (in the reasonable opinion of any Holder of the Note) adversely affects the priority or validity of the Note or this Mortgage, or the Borrower shall no longer own the Property, or the Borrower is involved in bankruptcy or insolvency proceedings. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the



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## EXHIBIT "A"

### LEGAL DESCRIPTION:

Parcel 1: Unit Number 211 in Pheasant Creek Condominium Association Number 4, as delineated on survey of the following described parcel of real estate: Part of Lots 'A' and 'B' in White Plains Unit 7, being a subdivision in Section 8, Township 42 North, Range 12, East of the Third Principal Meridian, which survey is attached as Exhibit 'B' to the Declaration of Condominium Ownership made by Chicago Title and Trust Company, a Corporation of Illinois, as Trustee under Trust Agreement dated January 24, 1978 and known as Trust Number 1071489 recorded in the office of the Recorder of Deeds of Cook County, Illinois, as Document 24738005 together with a percentage of the common elements appurtenant to said unit as set forth in said Declaration, in Cook County, Illinois.

Also

Parcel 2: Easements appurtenant to and for the benefit of Parcel 1, as set forth in the Pheasant Creek Association Declaration of Covenants, Conditions and Restrictions recorded as Document 22648903, as supplemented from time to time, for ingress and egress, in Cook County, Illinois.

PIN # 04-08-200-031-1026

PROPERTY ADDRESS: 3085 PHEASANT CREEK DRIVE, UNIT 211  
NORTHBROOK, IL, 60062

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AVONDALE PRIME LOAN

LOAN NUMBER: 700018168 <sup>M</sup>

## CONDOMINIUM RIDER (Individual)

THIS CONDOMINIUM RIDER is made this July 5, 1991 and is incorporated into and shall be deemed to amend and supplement a Mortgage (herein "security instrument") dated of even date herewith, given by the undersigned (herein "Borrower") to secure Borrower's Note to AVONDALE FEDERAL SAVINGS BANK its successors and/or assigns, a federally chartered savings bank located at 20 North Clark Street, Chicago, Illinois 60602 (herein "Lender") and covering the Property described in the security instrument and located at: 3085 PHEASANT CREEK DRIVE, UNIT 211, NORTHBROOK, IL, 60062

(Property Address)

The Property comprises a unit in, together with an undivided interest in the common elements of, a condominium project known as PHEASANT CREEK CONDO ASSOCIATION

(Name of Condominium Project)

(Herein "Condominium Project").

CONDOMINIUM COVENANTS: In addition to the covenants and agreements made in the security instrument, Borrower and Lender further covenant and agree as follows:

A. ASSESSMENTS: Borrower shall promptly pay, when due, all assessments imposed by the Owners Association or other governing body of the Condominium Project (herein "Owners Association") pursuant to the provisions of the declaration, by-laws, code of regulations or other constituent document of the Condominium Project.

B. HAZARD INSURANCE: So long as the Owners Association maintains a "master" or "blanket" policy on the Condominium Project which provides insurance coverage against fire, hazards included within the term "extended coverage", and such other hazards as Lender may require, and in such amounts and for such periods as Lender may require, then:

(i) Borrower's obligation under Covenant 4 to maintain hazard insurance coverage on the Property is deemed satisfied; and

(ii) the provisions in Covenant 4 regarding application of hazard insurance proceeds shall be superseded by any provisions of the declaration, by-laws, code of regulations or other constituent document of the Condominium Project or of applicable law to the extent necessary to avoid a conflict between such provisions and the provisions of Covenant 4. For any period of time during which such hazard insurance coverage is not maintained, the immediately preceding sentence shall be deemed to have no force or effect. Borrower shall give Lender prompt notice of any lapse in such hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any such proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the security instrument, with the excess, if any, paid to Borrower.

C. LENDER'S PRIOR CONSENT: Borrower shall not, except after notice to Lender and with Lender's prior written consent, partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination provided by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

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