

UNOFFICIAL COPY



MORTGAGE

DEPT-01 RECORDING 127.00  
 TH9999 TRAN 3649 06/05/92 11:27:00  
 #9130 # 1F \*--92--397715  
 COOK COUNTY RECORDER

THIS MORTGAGE made this 12th day of May  
 Jerome Ratigan and Peggy C. Ratigan

, 19 92 , between

("Borrower") and First Colonial Bank Northwest "Bank"

WITNESSETH, that:

Borrower is indebted to Bank in the maximum principal sum of Nineteen Thousand and No/100ths-----~~XXXX~~

(\$ 19,000.00-----

) DOLLARS, or

the aggregate amount of all advances made by Bank pursuant to that certain Home Equity Line of Credit Agreement between Bank and Borrower ("Loan Agreement") of even date herewith, whichever is less, which indebtedness is evidenced by the Loan Agreement and the Home Equity Line of Credit Variable Interest Rate Promissory Note of even date herewith ("Note") 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 on demand on or after five (5) years from the date of this Mortgage. However, in no event shall the final payment of the Note, including the total outstanding principal balance and any accrued and unpaid interest, fees and charges, be due later than fifteen (15) years from the date hereof. Bank will provide Borrower with a final payment notice at least 90 days before the final payment must be made.

Interest on the Note is determined for each monthly billing period by applying a daily periodic rate to each day's ending loan balance. The daily periodic rate may vary from month to month; it is set at the beginning of each monthly billing period and remains constant during that monthly billing period. The daily periodic rate is 1/365th (or 1/366th in the case of leap years) of the Annual Percentage Rate applicable to that monthly billing period (carried to five decimal places). The ANNUAL PERCENTAGE RATE will be determined by adding a margin of one percent ( 1.00 %) per annum to the Prime Rate as reported in the Money Rates section of *The Wall Street Journal* on the first business day of such billing period (the "Prime Rate"). The maximum interest rate shall not exceed 18% per annum. Except for this 18% "cap," there is no limit on the amount by which the rate can change during any one-year period.

TO SECURE to Bank (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced in accordance herewith to protect the security of this Mortgage; and (c) the performance of the covenants and agreements of the Borrower herein contained, the Borrower does hereby MORTGAGE, GRANT AND CONVEY to the Bank the following described property located in Cook County, Illinois, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois:

**Lot 389 in Greenbrier in the Village Green Unit Number 9, a Subdivision of part of the East 1/2 of the Southwest 1/4 and part of the West 1/2 of the Southeast 1/4 of Section 18, Township 42 North, Range 11, East of the Third Principal Meridian, in the Village of Arlington Heights, Wheeling Township, in Cook County, Illinois.**

which has the common address of 1934 Shenandoah, Arlington Heights, Illinois 60004

("Property Address"); and the permanent index number of 03-18-305-032

TOGETHER with all the improvements now or hereafter erected on or attached to the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and 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."

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, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. There is a prior mortgage from Borrower to First Colonial Bank Northwest

dated

and recorded as document number

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 to whether or not there is any indebtedness outstanding at the time any advance is made.

The Borrower has the right to prepay the principal amount outstanding of the Note, in whole or in part, at any time during the term thereof, without penalty.

**COVENANTS.** Borrower and Bank covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Bank, Borrower shall pay to Bank on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attach priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Bank on the basis of assessments and bills and reasonable estimates thereof.

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The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Bank if Bank is such an institution). Bank shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Bank may not charge for so holding and applying the funds, analyzing said account, or verifying and compiling said assessments and bills, unless Bank pays Borrower interest on the Funds and applicable law permits Bank to make such a charge. Borrower and Bank may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid. Bank shall not be required to pay Borrower any interest or earnings on the Funds. Bank shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Bank, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Bank any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Bank to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Bank shall promptly refund to Borrower any Funds held by Bank. If under paragraph 18 hereof the property is sold or the Property is otherwise acquired by Bank, Bank shall apply, no later than immediately prior to the sale of the Property or its acquisition by Bank, any Funds held by Bank at the time of application as a credit against the sums secured by this Mortgage.

The requirement of this paragraph 2 shall not be applicable if the property is encumbered by a prior first lien mortgage.

**3. Application of Payments.** Unless applicable law provides 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 7 and 18 hereof, then to interest payable on the Note, and then to the principal of the Note.

**4. Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall fully and timely perform all of the Borrower's obligations under any mortgage, deed of trust or other security agreement which has or appears to have any priority over this Mortgage, including Borrower's covenants to make any payment when due. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage in the manner provided under Paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, at least ten (10) days before due, directly to the payee thereof. Borrower shall promptly furnish to Bank all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Bank receipts evidencing such payments.

**5. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss or damage by fire, hazards included within the term "extended coverage", and such other hazards (collectively "Hazards") as the Bank may require. Borrower shall maintain Hazard Insurance for the 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 amounts of the Line of Credit evidenced by the Note and secured by this Mortgage, plus the amount of any obligation secured in priority over this Mortgage. The insurance carrier providing the insurance shall be chosen by Borrower subject to Bank's approval which shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier. All insurance policies and renewals thereof shall be in a form acceptable to the Bank and shall include a standard mortgage clause acceptable to the Bank. Bank shall have the right to hold the policies and renewals thereof, subject to the rights and terms of any mortgage, deed of trust or other security agreement with a lien that has or appears to have priority over this Mortgage. Borrower shall promptly furnish to Bank all receipts of paid premiums and renewal notices. In the event of a loss, Borrower shall give prompt notice to the insurance carrier and the Bank. The 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 that has or appears to have priority over this Mortgage, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with any excess paid to Borrower. If Borrower abandons the Property, or if Borrower fails to respond to Bank within 30 days from the date notice is mailed by Bank to Borrower that the insurance carrier offers to settle a claim, Bank is authorized to collect and apply the insurance proceeds at Bank's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

If under paragraph 18 hereof, the Property is acquired by Bank, all right, title and interest of Borrower to any insurance policies and to the proceeds thereof resulting from damage to the Property prior to the sales or acquisition shall pass to Bank to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

**6. 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 by-laws 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.

**7. Protection of Lender's Security.** If Borrower fails to perform any of the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects the Bank'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 Bank at Bank's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Bank's interest, including, but not limited to, disbursements of reasonable attorneys' fees and entry upon the property to make repairs. If Bank 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. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Bank pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Bank agree to other terms of payment, such amounts shall be payable upon notice from Bank to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Bank to incur any expense or take any action hereunder.

**8. Inspection.** Bank may make or cause to be made reasonable entree upon and inspections of the Property, provided that Bank shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

**9. 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 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 irrevocably authorized to apply or release such moneys received or make settlement for such moneys in the same manner and with the same effect as provided in this Mortgage for disposition or settlement of proceeds of Hazard insurance. No settlement for condemnation damages shall be made without Bank's prior written approval.

**10. Borrower Not Released.** Extension of the time for payment, acceptance by Bank of payments other than according to the terms of the Note or modification in payment terms of the sums secured by this Mortgage granted by Bank 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. Bank 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.

**11. Forbearance by Lender Not a Waiver.** Any forbearance by Bank 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. A waiver as to one event shall not be construed as continuing or as a waiver as to any other event.

**12. 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.

**13. Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein shall bind, and the rights hereunder shall inure to, the respective heirs, legatees, devisees, successors and assigns of the Bank and Borrower, subject to the provisions of paragraph 17 hereof. 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.

**14. Notices.** Except to the extent any notice shall be required under applicable law to be given in another manner, (a) any notice to Borrower shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to the Bank as provided herein, and (b) any notice to the Bank shall be given by certified mail to the Bank's address stated herein or to such other address as the Bank may designate by notice to Borrower as provided herein. Unless otherwise specifically provided, any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Bank when given in the manner designated herein.

**15. Governing Law; Severability.** This Mortgage shall be governed by Federal law and the law of Illinois. In the event that any provision or clause of this Mortgage or the Note shall be adjudged invalid, illegal or unenforceable by any court, such provision or clause shall be deemed stricken from this Mortgage and 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. As used herein, "costs," "expenses," and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

**16. Borrower's Copy.** Borrower shall be given a conformed copy of the Note, the Loan Agreement and this Mortgage at the time of execution or after recordation hereof.

**17. Transfer of the Property; Due on Sale.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Bank's prior written consent, Bank may, at its option, require immediate payment in full of all sums secured by this Mortgage.

If Bank exercises this option, Bank shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Bank may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

The option granted to Bank under this paragraph 17 shall not be exercised by Bank if such exercise is prohibited by Federal law.

**18. Default; Acceleration.** Borrower shall be in default under this Mortgage if: (i) Borrower engages in fraud or material misrepresentation in connection with the ELC; (ii) Borrower does not meet the repayment terms for any outstanding balance as provided in the Note, the Loan Agreement or this Mortgage; (iii) Borrower's action or inaction adversely affects the Property or the Bank's rights in the Property securing the ELC; (iv) the value of Property declines significantly below its appraised value for purposes of the ELC; (v) the Bank reasonably believes that the Borrower will not be able to meet the repayment requirements due to a material change in Borrower's financial circumstances; (vi) Borrower is in default of a material obligation under the Note, the Loan Agreement or this Mortgage; (vii) government action prevents the Bank from imposing the annual percentage rate provided for in the Loan Agreement or impairs the Bank's security interest such that the value of the interest is less than 120 percent of the credit line; or (viii) a regulatory agency has notified the Bank that continued Advances would constitute an unsafe and unsound practice.

In the event of a default under subparagraphs (i), (ii) or (iii) above, Bank may refuse to make any further Advances and may terminate the Loan Agreement and, at Bank's option, declare the entire Principal amount outstanding under the Note and accrued interest thereon to be immediately due and payable and foreclose the Mortgage by judicial proceedings. The Bank may exercise the option to accelerate during any such default by Borrower regardless of any prior forbearance. During any default under subparagraphs (iv), (v), (vi), (vii) or (viii), or during any period in which the ANNUAL PERCENTAGE RATE corresponding to the periodic rate reaches the maximum rate allowed under the Loan Agreement (the "cap"), the Bank may refuse to make any additional extensions of credit or reduce Borrower's credit limit.

**19. Borrower's Right to Reinstate.** Notwithstanding Bank's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Bank to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Bank all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Bank in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Bank's remedies as provided in paragraph 18 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Bank may reasonably require to assure that the lien of this Mortgage, Bank's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

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**20. Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, Borrower hereby assigns to Bank the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 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 18 hereof, or abandonment, and at any time prior to the expiration of any period of redemption following judicial sale, Bank, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of, and manage the Property, and collect the rents of the Property, including those past due. All rents collected by Bank 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, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. Bank and the receiver shall be liable to account only for those rents actually received.

**21. Time of Essence.** Time is of the essence of this Mortgage, the Note and the Loan Agreement.

**22. Release.** Upon payment of all sums secured by this Mortgage and termination of the Loan Agreement, Bank shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordings of any documentation necessary to release this Mortgage.

**23. Waiver of Homestead.** Borrower hereby waives all right of homestead exemption in the Property.

**24. Loan Charges.** If the loan secured by this Mortgage is subject to a law which sets maximum charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Bank may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower.

IN WITNESS WHEREOF, the undersigned has signed this Mortgage on the day and year first above written at Wheeling, Illinois.

BORROWER

NAME: Jerome Ratigan

NAME: Peggy C. Ratigan

STATE OF ILLINOIS

SS.

COUNTY OF Cook

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Jerome Ratigan and Peggy C. Ratigan personally known to me to be the same person(s) whose name(s), (he) (she) subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instruments as their (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 notarial seal this 12th day of May, 1992.

L. Allen R. Wold  
NOTARY PUBLIC

My commission expires: 8/2/94

THIS INSTRUMENT WAS PREPARED BY:  
First Colonial Bank Northwest  
800 S. Wheeling Road  
Wheeling, IL 60090

RETURN TO:  
First Colonial Bank Northwest  
800 S. Wheeling Road  
Wheeling, IL 60090