

UNOFFICIAL COPY 93472859

HOME EQUITY REVOLVING LINE OF CREDIT MORTGAGE

THIS MORTGAGE is made this 14 day of June, 1993 between Michael G. Stephens & Laura J. Stephens, husband & wife, as joint tenants ("Borrower") and BANK OF NORTHERN ILLINOIS, a state banking corporation, with offices at 1301 Waukegan Road, Glenview, Illinois 60025 ("Bank").

WITNESSETH, that

Michael G. Stephens & Laura J. Stephens is indebted to Bank for the lesser of the maximum principal sum of Twenty Five Thousand and No/100 *****DOLLARS (\$ 25,000.00) ("Principal"), or the aggregate amount of all advances made by Bank pursuant to that certain Equity Credit Power Agreement ("Note") between Bank and Borrower of even date herewith, providing for monthly installments of interest, with the principal balance of the indebtedness and all outstanding interest and charges due and payable on the Maturity Date as set forth in the Note or any renewal, extension or modification thereof, if not sooner paid by acceleration, termination, or otherwise. The Note is incorporated herein by reference.

TO SECURE to Bank (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications thereof, and as to the Note, not only the existing indebtedness but also such future advances as are made within twenty (20) years from the date hereof to the same extent as if such future advances were made on the date of execution hereof; (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:

The South 1/2 of Sec 4: in block 40, in Forest Hills of Western Springs, Cook County, IL, a subdivision by Henry Einfeldt & Georg L. Bruckert of the E 1/2 of section 7, T 38 N, R 12, E of the 3rd principal meridian and that part of blocks 12, 13, 14 & 15 in "the Highlands", being a subdivision of the NW 1/2 of the W 800 feet of the N 144 ft SW 1/2 of section 7, T 38 N, R 12, E of the 3rd principal meridian, in Cook County, IL, lying E of a line 33ft W of and parallel with the E line of said NW 1/2 of said section 7.

Said Property has the common address of: 5328 Woodland, Western Springs, IL ("Property Address"); and the permanent index number of: 18-07-414-037.

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 and that the Property is unencumbered, except for the First Mortgage, if any, defined below. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject only to the First Mortgage. There is a prior lien and/or mortgage from Borrower only to Chase Home Mortgage Corp.

dated 2/21/92 and recorded as document number 92129107 ("First Mortgage") (insert "none" if not applicable).

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

COVENANTS:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, together with all other charges imposed by the Note of the Mortgage.

2. **Funds for Taxes and Insurance.** Upon execution of this mortgage, Borrower shall evidence to Bank the existence and currency of an insurance and real estate tax reserve as described below, which may be on deposit with Borrower's First Mortgage lender. If such a reserve has not been established, and subject to applicable law or to a written waiver by Bank, Borrower shall pay to Bank on the day monthly installments of principal and/or interest are payable under the Note, until the Note is paid in full, a sum therein ("Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of the yearly premium installments for hazard insurance, plus one-twelfth of the 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.

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 sum secured by this 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 this Mortgage, then to any sums advanced by Bank to protect the security of this Mortgage, then to any sums chargeable under the Note, 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 represents that this is a valid mortgage against the Property and that only the first Mortgage, if identified above, is prior to this Mortgage as a lien against the Property.

Borrower shall cause to be paid 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 in Paragraph 2 hereof, or if not paid in such a manner, by Borrower making payment, when due, directly to the taxing or assessing authorities. Borrower shall promptly furnish to Bank all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly or such payments shall be made by the First Mortgagee, Borrower shall furnish to Bank receipts evidencing such payments on or before the date such payments are due.

Borrower shall promptly deliver to Bank all notices received of any defaults or events of default under any prior encumbrance or ground lease. Borrower shall also keep the Property free from mechanic's or other liens not expressly subordinate to the lien hereof. Borrower shall also pay or cause to be paid when due all water, sewer and

ALL MORTGAGES TITLE COVENANTS

DEPT-01 RECORDINGS \$27.50
T#0011 TRAN 5178 06/21/93 13:53:00
#8683 # -93-472859

COOK COUNTY RECORDER

93472859

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Form 9023 Bankers, Inc.



Bank of Northern Illinois
1301 Waukegan Road
Glenview, Illinois 60025

Prepared by and mail to after recording:

NOTARY PUBLIC

Given under my hand and Notarial Seal this _____ day of _____, 19____.

the uses and purposes therein set forth.

of said Bank to said instrument as his own free and voluntary act and as the free and voluntary act of said Bank for then and there acknowledged that he, as custodian of the corporate seal of said Bank, did affix the said corporate seal and voluntary act of said Bank as trustee, for the uses and purposes therein set forth; and the said Trust Officer did also acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and instrument as such _____ and _____ respectively appeared before me this day in person and (Trust Officer) of said Bank, personally known to me to be the same persons whose names are subscribed to the foregoing banking association _____ of the _____, Illinois, a _____, a Notary Public in and for said County in the state aforesaid, DO HEREBY CERTIFY that _____

STATE OF ILLINOIS)
COUNTY OF Cook)
SS.)

Notary Public



GIVEN under my hand and notarial seal this 4th day of June, 1993.

Josephine L. Pouch
NOTARY PUBLIC

do hereby certify that _____, a Notary Public in and for said County, in the state aforesaid, whose name _____ (is/are) subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that _____ signed, sealed and delivered the said instrument as _____ free and voluntary act, for the uses and purposes therein set forth.

STATE OF ILLINOIS)
COUNTY OF Cook)
SS.)

Individual Notary

Michael G. Stearns
BORROWER

Michael G. Stearns
Laura J. Stearns

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

26. The terms and conditions of all riders attached hereto are expressly incorporated herein by reference.

by, this Mortgage.

credit limit shown in the Note plus all other amounts owing under the Note and/or secured by, or which may be secured to all subsequent liens and encumbrances even if there is no indebtedness owing under the Note to the extent of the effect the priority of the lien of this Mortgage as it exists on the date of the Mortgage. This Mortgage shall be prior was made on the date of this Mortgage, and the fact that there is no outstanding indebtedness under the Note shall not (whether such advances or indebtedness represent obligatory or discretionary advances) within 20 years from the date principal, plus the interest accrued thereon and all other indebtedness outstanding under the Note from time to time 25. Future Advances. This Mortgage secures advances of principal, and upon repayment readvances of defenses which borrower may have against the parties who supply labor, materials or services in connection with improvements made to the Property.

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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. Any Borrower who co-signs this Mortgage but does not execute the Note (a) warrants his interest in the Property to Bank and his release of homestead rights and (b) agrees that Bank and any other Mortgagor hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without Bank's consent and without releasing the Borrower or modifying this Mortgage as to that Borrower's interest in the Property. 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 hand delivery or by mailing such notice 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 when received by certified mail to Bank's address as stated herein or to such other address as the Bank may designate by notice to Borrower as provided herein. Any notice to Borrower shall be effective on the date of delivery if hand delivered, or 3 days after the date of mailing shown on any proof of service by mail.

15. **Governing Law; Severability.** This Mortgage shall be governed by the law of the State 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 provisions or clause shall be deemed stricken from this Mortgage and shall not affect the 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 copy of the Note and this Mortgage at the time of execution or after recording hereof.

17. **Transfer of the Property or of a Beneficial Interest in Mortgage.** It shall be an immediate default hereunder if, without the prior written consent of Bank, which consent shall be granted or withheld at Bank's sole discretion, Borrower shall create, effect or consent to or shall suffer or permit any conveyance, sale (including installment sale), assignment, transfer, lien, pledge, mortgage (other than the First Mortgage), security interest or other encumbrance or alienation (collectively "Transfer") of the Property or any part thereof or interest therein or of all or a portion of the beneficial interest of Borrower if Borrower is a land trust. In the event of such default, Bank may declare the entire unpaid balance, including interest, immediately due and payable, provided, however, that the foregoing provisions of this Paragraph 17 shall not apply to the lien of current taxes and assessments not yet due and payable. This option shall not be exercised by Bank if exercise is prohibited by law as of the date of this Mortgage.

18. **Default; Acceleration; Receive.**

(a) "Default" means: (i) failure of Borrower to make timely payment of any amount due under this Mortgage or the Note secured hereby; (ii) the Borrower's act or failure to act in connection with any phase of this Mortgage or the Note which amounts to fraud or material misrepresentation; (iii) Borrower's action or inaction which adversely affects the Property or the Bank's rights in the Property including but not limited to (a) failure to maintain required insurance on the Property and its improvements; (b) any prohibited transfer of the Property as set forth in paragraph 17; (c) failure to maintain the Property or use of the Property in a destructive manner; (d) commission of waste; (e) failure to pay taxes on the Property or other failure to act causing a lien to be filed against the Property that is senior to this Mortgage; (f) Borrower's or any Guarantor's death; (g) the Property is taken through eminent domain; (h) a judgment is entered against Borrower or Guarantor and subjects Borrower and the Property to action that adversely affects the Bank's interest; or (i) a prior lien holder forecloses on the Property and as a result the Bank's interest is adversely affected.

(b) In the event of a default, and after any applicable cure period as provided in the Note, all sums secured hereby with interest thereon shall, at the option of Bank, become immediately due and payable after any notice provided for herein or in the Note. Bank may immediately thereafter foreclose this Mortgage.

19. **Assignment of Rents; Appointment of Receiver; Bank in Possession.** The Court in which any foreclosure of this Mortgage is proceeding or pending, may, either before or after sale without notice to Borrower, and without requiring bond, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the Property, or whether the same shall be occupied as homestead, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon whether the loan hereby secured is made), for the benefit of Bank, with power to collect the rents, issues and profits of the Property, due and to become due, during foreclosure and the full statutory period of redemption, notwithstanding any redemption. The receiver, out of such rents, issues and profits then collected, may pay costs incurred in the management and operation of the Property, prior and co-ordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due and thereafter accruing, and may make and pay for any necessary repairs to the Property. All rents collected by Bank or the receivership shall be applied first to the 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.

20. **Time of Essence.** Time is of the essence of this Mortgage and the Note.

21. **Release.** Upon payment of all sums secured by this Mortgage, Bank shall release this Mortgage at Bank's expense.

22. **Waiver of Homestead.** Borrower hereby waives all right of homestead exemption in the Property. If Borrower is a land trust, then the land trustee as Borrower hereunder warrants that the foregoing waiver is made at the direction of all beneficiaries to said trust.

23. **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.

24. **Home Improvement.** Borrower shall fulfill all of his obligations under any home rehabilitation, improvement, repair, or other loan agreement which the Borrower may enter into with Bank. Bank, at Bank's option, may require Borrower to execute and deliver to Bank, in form acceptable to Bank, an assignment of any rights, claims or

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other charges, fines and impositions attributable to the Property which may gain priority over this Mortgage and provide satisfactory evidence of said payment on or before their due date.

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 hazard (collectively "hazards") as the Bank may require. Borrower shall maintain hazard insurance for the term of the Note or such other period as Bank may require and in an amount equal to the lesser of (a) the maximum insurable value of the Property or (b) the maximum amount of the line of credit evidenced 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 shall include a standard mortgage clause acceptable to the Bank and shall provide for thirty (30) days written notice to lender prior to cancellation or material change in coverage. 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, 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 1 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 sale or acquisition shall pass to Bank to the extent of unpaid sums secured by this Mortgage immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Leases; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment of the Property and shall comply with the provisions of any lease if this Mortgage is on leasehold. Borrower shall promptly restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or destroyed whether or not such loss is covered by insurance. Borrower shall comply with all requirements of law or municipal ordinances with respect to the use, operation and maintenance of the Property, and shall make no material alterations in the Property except as required by law, municipal ordinance, or otherwise, without the prior written consent of Bank. 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 covenant creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

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, merger, 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 advances, disbursements and take such action as is necessary to protect Bank's interest, including, but not limited to, disbursements or reasonable attorneys' fees, costs, charges upon the property to make repairs, full or partial payment or discharge of prior encumbrances, payment, settling or discharge of tax liens, payment of ground rents (if any), and procurement of insurance. Bank, in making said authorized payments of taxes and assessments may do so in accordance with any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of the same or into the validity of any tax, assessment, sale, forfeiture, tax lien, or title or claim thereof. 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, or if not paid in such manner, by Borrower making payment when due, directly to the insurance carrier.

Any amount disbursed by Bank pursuant to this Paragraph 7, with interest thereon, at the rate applicable under the Note shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Bank agree to other terms, 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, and inaction by Bank shall never be considered a waiver of any right accruing to Bank on account of any provisions in this paragraph.

8. Inspection. Bank may make or cause to be made reasonable entries upon and inspections of the Property, provided that Bank shall give Borrower notice prior to any such inspection specifying reasonable cause therefore related to Bank'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 collect the proceeds, and at Bank's sole discretion, to apply said proceeds either to restoration or repair of the Property or to sums secured by this Mortgage. 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 a modification in payment terms of the sum secured by this Mortgage granted by Bank to Borrower, shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successor in interest.

11. Forfeiture by Lender Not a Waiver. Any forfeiture 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. Any acts performed by Bank to protect the security of this Mortgage, as authorized by Paragraph 7, including but not limited to the procurement of insurance, the payment of taxes or other liens, rents or charges, or the making of repairs, shall not be a waiver of Bank's right to accelerate the maturity of the indebtedness secured by the Mortgage.