

UNOFFICIAL COPY

FIRST DEPOSIT NATIONAL BANK
RIDER TO MORTGAGE
SELECT EQUITY ACCOUNT

93276125

Loan Number _____ Date April 6, 1993

FOR VALUE RECEIVED, the undersigned ("Borrower(s)") agree that the following provisions shall be incorporated into the Mortgage of even date to which this Rider is attached, including any other riders which might amend said Mortgage (hereinafter collectively the "Mortgage").

So long as this Rider shall remain in effect, to the extent that its provisions are inconsistent with the provisions of the Mortgage or the Select Equity Account Agreement dated October 25, 1990, as amended by the Addendum thereto of even date herewith (herein collectively referred to as the "Agreement") the provisions of this Rider shall prevail and shall supercede such inconsistent provisions. While the Agreement or any part of the indebtedness evidenced by the Agreement is held by the Federal Home Loan Mortgage Corporation or the Federal National Mortgage Association, or their successors, the provisions of this Rider shall be of no force or effect during the period of time that the Agreement, or any part of the indebtedness evidenced by the Agreement, is so held.

1. **EFFECTIVENESS OF PROVISIONS.** Except as otherwise provided in this Rider, all of the provisions of the Agreement and the Mortgage shall remain in full force and effect.

2. **OPEN-END CREDIT.** The Agreement, executed by Borrower in favor of Lender, provides that for the first 10 years after the date of the Agreement, the credit secured by the Property, as defined in the Mortgage, is an open-end revolving line of credit. At any particular time, the outstanding obligation of Borrower to Lender under the Agreement may not exceed Forty Two Thousand Six Hundred & no dollars (\$ 42,600.00) (the "Credit Limit"). Borrower's obligations under the Agreement, Mortgage and Rider shall be released and a satisfaction of mortgage shall be furnished to Borrower upon the occurrence of the following events: (i) receipt by Lender of a written request to close the Select Equity Account; (ii) the return of all Select Equity checks in the possession of Borrower; (iii) the Select Equity Account being paid in full by Borrower; (iv) the blocking of the account by Lender; and (v) proper accounting for all checks in transit.

It is understood that Lender will not be liable for the dishonor of any checks in transit after receipt of a demand for payoff on the account. In the event Lender does honor any check processed after receipt of a demand for payoff, or even subsequent to delivery to Borrower of a certificate of satisfaction of mortgage, Borrower shall be liable for the payment of such check.

3. **CONVERSION OF ACCOUNT.** At the end of 10 years from the date of the Mortgage, any amounts owed and outstanding under the Agreement will convert to an adjustable rate, adjustable payment non-revolving five year term loan, as provided in the Agreement, with a maturity date of October 25, 2005. All outstanding interest is due and payable no later than the conversion date. The Property will continue to secure payment of all sums owed under the terms of the Agreement.

4. **IMPOUND ACCOUNTS.** So long as Borrower pays prior to delinquency all yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over the Mortgage and ground rents on the Property, if any, plus all premiums for hazard insurance and mortgage insurance, if any, Lender waives the requirements of Covenant 2 of the Mortgage. Said waiver is revoked if such payments are not timely made.

5. **NOTICE TO BORROWER.** Any notice to Borrower provided for in the Agreement, Mortgage, or this Rider shall be deemed given when it is deposited in the United States mail, postage prepaid, addressed to Borrower at the address of Borrower as it appears in Lender's records pertaining to the loan evidenced by the Agreement at the time the notice is given.

6. **RELEASE.** The Mortgagee named in the Mortgage, or any successor Mortgagee thereunder, may charge a reasonable release fee for each full or partial release of the Mortgage Instrument if permitted under applicable law at the time of any release.

7. **FEE FOR SERVICES.** Lender or Mortgagee may charge Borrower a reasonable fee for any services rendered to Borrower or on Borrower's behalf pursuant to the Mortgage, the Agreement or this Rider. Any such charge shall be secured by the Mortgage, and Borrower agrees to pay the same upon demand, together with interest thereon from the date of such charges at the rate payable from time to time on outstanding principal under the Agreement.

93276125

APR 14 1993

57 108

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

8. **DEFAULT; ACCELERATION.** Covenant 17 of the Mortgage is deleted in its entirety and the following provision is substituted in lieu thereof. For the purposes of this section, "You" and "Your" shall refer to Borrower and "We" and "Us" shall refer to Lender:

17. DEFAULT; SUSPENSION OF CREDIT PRIVILEGES; ACCELERATION.

You understand and agree that if you take certain action(s), or fail to take certain action(s), in violation of this Mortgage, the Rider(s) hereto or the Agreement, you will be in default under this Mortgage and the Agreement. If you are in default, we may either (1) refuse to make additional extensions of credit, reduce your Credit Limit, or both, or (2) terminate your Select Equity Account, require you to pay us the entire outstanding balance in one payment, and charge you certain fees. Which of these course(s) of action we take will depend on the nature of your default.

We may refuse to make additional extensions of credit, reduce your Credit Limit, or both, if:

- The value of the Property declines significantly below its appraised value.
- We reasonably believe you will not be able to meet the repayment requirements due to a material change in your financial circumstances.
- You are in default of a material obligation in this Mortgage or the Agreement.
- Government action prevents us from imposing the annual percentage rate provided for or impairs our security interest such that the value of the interest is less than 120% of your Credit Limit.
- A regulatory agency has notified us that continued advances would constitute an unsafe and unsound practice.
- The maximum annual percentage rate is reached.
- You breach any obligation of Section 20 of the Agreement.

We may terminate your Select Equity Account, require you to pay us the entire outstanding balance in one payment, and charge you certain fees if:

- You fail to make any payment when due.
- You make any false or misleading statements on any application or financial statement provided to us in connection with your Select Equity Account.
- You die.
- Any action or inaction on your part impairs our security interest in the Property.
- You fail to keep current under prior mortgages on the Property.
- Any change occurs in any laws, regulations or interpretations that would impair our security interest in the Property.
- You allow a public nuisance to exist on the Property.
- The Property becomes subject to any other lien that adversely affects our security interest in the Property.
- Any action occurs that permits us, under this Mortgage, to, at our option, declare immediately due and payable all sums secured by this Mortgage if all or any part of the Property is sold or transferred by you without our written consent (the "Due-on-Sale Clause").
- You fail to maintain at all times proper insurance on the Property against fire, flood (if required), and other casualties in an amount and by an insurance company acceptable to us and naming First Deposit National Bank as loss payee.

We may, after employing the appropriate legal procedures required by law, sell the Property in accordance with the laws of the jurisdiction in which the Property is located. We will apply sale proceeds: first, to all reasonable costs; then to sums secured by the Agreement; and then to the persons legally entitled to it. "Costs" include attorneys' fees (including fees for attorneys employed by us or our agents); Mortgagee's fees, expenses of attempted collection, protecting the Property, providing insurable title to a purchaser, and other expenses we incur to enforce the Mortgage, the Rider(s) hereto or the Agreement. If we have not acted under this section, we may be required to advance funds to cover your transactions even if you are in default.

9. **BORROWER'S RIGHT TO REINSTATE.** Covenant 18 of the Mortgage is deleted in its entirety and the following provision is substituted in lieu thereof:

18. BORROWER'S RIGHT TO REINSTATE.

Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued within ninety (90) days following the service of a summons on Borrower if:

(a) Borrower pays Lender all sums which would be then due under this Mortgage, and the Agreement which it secures including all advances, had no acceleration occurred; (b)

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in Paragraph 17 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender'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. However, this right to reinstate shall not apply in the case of acceleration under Paragraph 16.

10. **INJURY TO PROPERTY.** All causes of action of Borrower, whether accrued before or after the date of the Mortgage, for damage or injury to the Property described in the Mortgage or any part hereof, or in connection with the transaction financed in whole or in part by the funds loaned to Borrower by Lender, or in connection with or affecting the Property or any part thereof, including causes of action arising in tort or contract and causes of action for fraud or concealment of material fact are, at Lender's option, assigned to Lender, and the proceeds thereof shall be paid to Lender who, after deducting therefrom all its expenses, including reasonable attorneys' fees, may apply such proceeds to the sums secured by the Mortgage or to any deficiency under the Mortgage or may release any moneys so received by it or any part thereof, as Lender may elect. Lender may, at its option, appear in and prosecute in its own name any action or proceeding to enforce any such cause of action and may make any compromise or settlement thereof. Borrower agrees to execute such further assignments and other instruments as from time to time may be necessary to effectuate the foregoing provisions and as Lender shall request.

11. **GOVERNING LAW; SEVERABILITY.** Covenant 13 of the Mortgage is deleted in its entirety and the following is substituted in lieu thereof:

13. **GOVERNING LAW, SEVERABILITY.**

Subject to the principles governing choice of law, the Agreement is made pursuant to and shall be construed and governed by, the laws of the United States and the laws of the State of New Hampshire and this Mortgage is made pursuant to, and shall be construed and governed by, the laws of the United States and the ~~in rem~~ rights, remedies and procedures of the State of Illinois and by the rules and regulations promulgated thereunder. If any paragraph, clause or provision of this Mortgage or the Agreement or any other obligations secured by this Mortgage is construed or interpreted by a court of competent jurisdiction to be void, invalid or unenforceable, such decision shall affect only those paragraphs, clauses or provisions so construed or interpreted and shall not affect the remaining paragraphs, clauses and provisions of this Mortgage or the Agreement or other obligations secured by this Mortgage.

12. **SUBSTITUTION OF MORTGAGEE.** Lender may, from time to time, by instrument in writing, substitute a successor or successors to any Mortgagee named in the Mortgage or acting thereunder, which instrument executed and acknowledged by Lender and recorded in the office of the recorder of the county or counties where the Property secured by the Mortgage is situated shall be conclusive proof of the proper substitution of such successor Mortgagee or Mortgagees, who shall, without conveyance from the predecessor Mortgagee, succeed to all its title, estate, rights, powers and duties. The procedure herein provided for substitution of Mortgagees shall not be exclusive of other provisions for substitutions permitted by law.

13. **OFFSETS.** No indebtedness secured by the Mortgage shall be deemed to have been offset or to be offset or compensated by all or part of any claim, cause of action, or counterclaim, whether liquidated or unliquidated, which Borrower now or hereafter may have or may claim to have against Lender.

14. **ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** Covenant 19 of the Mortgage is deleted in its entirety and the following provision is substituted in lieu thereof:

19. **GRANT OF LIEN ON RENTS IN POSSESSION.** As additional security hereunder, Borrower hereby grants a lien to Lender on the rents of the Property, provided that Borrower shall, prior to acceleration under Paragraph 17 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 17 hereof or abandonment of the Property, 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

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to receiver's fees, any premium 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.

IN WITNESS WHEREOF, Borrower has executed this Rider on this 6th day of April, 19 93.

Lucila M. Mahoney
Borrower
Lucila M. Mahoney

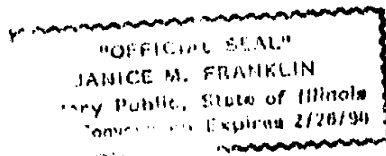
Borrower

NOT SINCE REMARRIED

State of Illinois COOK County SS:
I, THE UNDERSIGNED, a Notary Public in and for said county and state, do hereby certify that LUCILA M. MAHONEY, DIVORCED AND / personally known to me to be the same person(s) whose name(s) she subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed and delivered the said instrument as her free voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 6th day of April, 19 93
My Commission expires:

Notary Public Janice M. Franklin



UNOFFICIAL COPY

Property of Cook County Clerk's Office