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This document was prepared by:
DOUGLAS SAVINGS BANK
14 N. Dryden
Arlington Heights, Illinois 60004

RECORDING OFFICE
14001 S. LAKE ST. #97-26/97 12:18:00
COOK COUNTY RECORDER
14001 S. LAKE ST. #97-46197
COOK COUNTY RECORDER
14001 S. LAKE ST. #97-01/97 13:11:00
COOK COUNTY RECORDER
14001 S. LAKE ST. #97-55947
COOK COUNTY RECORDER

State of Illinois

Space Above This Line For Recording Data

MORTGAGE (With Future Advance Clause)

1. **DATE AND PARTIES.** The date of this Mortgage (Security Instrument) is JUNE 20, 1997 and the parties, their addresses and tax identification numbers, if required, are as follows:

MORTGAGOR: JAMES S. KORNELLY AND TERESA A. KORNELLY, HIS WIFE

1729 WEST LINCOLN STREET
MOUNT PROSPECT, ILLINOIS 60056

PERMANENT INDEX NUMBER 08-10-411-001

LENDER:

DOUGLAS SAVINGS BANK
14 N. DRYDEN
ARLINGTON HEIGHTS, ILLINOIS 60004

this document is being rerecorded
to deregister the property from
Torrens.

2. **CONVEYANCE.** For good and valuable consideration, the receipt and sufficiency of which is acknowledged, and to secure the Secured Debt (defined below) and Mortgagor's performance under this Security Instrument, Mortgagor grants, bargains, sells, conveys, mortgages and warrants to Lender the following described property:

LOT ONE (1) IN COLONIAL HEIGHTS - 6TH ADDITION, A SUBDIVISION OF PART OF LOTS 2 AND 3 IN OWNERS DIVISION, BEING A SUBDIVISION OF THE SOUTHEAST QUARTER (1/4) EXCEPT THE WEST HALF (1/2) OF THE SOUTHWEST QUARTER (1/4) THEREOF OF SECTION 10, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO PLAT OF SAID COLONIAL HEIGHTS 6TH ADDITION REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS ON MAY 24, 1963, AS DOCUMENT NUMBER 209277.

The property is located in COOK at

1729 WEST LINCOLN STREET MOUNT PROSPECT Illinois 60056
(Address) (City) (ZIP Code)

Together with all rights, easements, appurtenances, royalties, mineral rights, oil and gas rights, all water and riparian rights, ditches, and water stock and all existing and future improvements, structures, fixtures, and replacements that may now, or at any time in the future, be part of the real estate described above (all referred to as "Property").

3. **SECURED DEBT AND FUTURE ADVANCES.** The term "Secured Debt" is defined as follows:

A. Debt incurred under the terms of all promissory note(s), contract(s), guaranty(s) or other evidence of debt described below and all their extensions, renewals, modifications or substitutions. (When referencing the debts below it is suggested that you include items such as borrower's names, note amounts, interest rates, maturity dates, etc.)

PRIME ADVANTAGE LINE OF CREDIT AGREEMENT DATED JUNE 20, 1997 IN THE AMOUNT OF SEVENTY FIVE THOUSAND DOLLARS AND NO/100THS (\$ 75,000.00)

BETWEEN (LENDER) DOUGLAS SAVINGS BANK, AND (BORROWER/S) JAMES S. KORNELLY AND TERESA A. KORNELLY, HIS WIFE

THE ABOVE OBLIGATION (MATURITY DATE) IS DUE AND PAYABLE ON JUNE 20, 2007

ILLINOIS - MORTGAGE (NOT FOR ENMA FORMS. PRACTICE USE)

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reasonable purpose for the inspection. Any inspection of the Property shall be entirely for Lender's benefit and Mortgagor will in no way rely on Lender's inspection.

9. AUTHORITY TO PERFORM. If Mortgagor fails to perform any duty or any of the covenants contained in this Security Instrument, Lender may, without notice, perform or cause them to be performed. Mortgagor appoints Lender as attorney in fact to sign Mortgagor's name or pay any amount necessary for performance. Lender's right to perform for Mortgagor shall not create an obligation to perform, and Lender's failure to perform will not preclude Lender from exercising any of Lender's other rights under the law or this Security Instrument. If any construction on the Property is discontinued or not earned or in a reasonable manner, Lender may take all steps necessary to protect Lender's security interest in the Property, including completion of the construction.

10. ASSIGNMENT OF LEASES AND RENTS. Mortgagor irrevocably grants, bargains, sells, conveys and warrants to Lender as additional security all the right, title and interest in and to any and all existing or future leases, subleases, and any other written or verbal agreements for the use and occupancy of any portion of the Property, including any extensions, renewals, modifications or substitutions of such agreements (all referred to as "Leases") and rents, issues and profits (all referred to as "Rents"). Mortgagor will promptly provide Lender with true and correct copies of all existing and future Leases. Mortgagor may collect, receive, enjoy and use the Rents so long as Mortgagor is not in default under the terms of this Security Instrument.

Mortgagor agrees that this assignment is immediately effective after default between the parties to this Security Instrument and effective as to third parties on the recording of the Security Instrument, and this assignment will remain effective during any period of redemption by the Mortgagor until the Secured Debt is satisfied. Mortgagor agrees that Lender may take actual possession of the property without the necessity of commencing legal action and that actual possession is deemed to occur when Lender, or its agent, notifies Mortgagor of default and demands that any tenant pay all future Rents directly to Lender. On receiving notice of default, Mortgagor will endorse and deliver to Lender any payment of Rents in Mortgagor's possession and will receive any Rents in trust for Lender and will not commingle the Rents with any other funds. Any amounts collected will be applied as provided in this Security Instrument. Mortgagor warrants that no default exists under the Leases or any applicable landlord/tenant law. Mortgagor also agrees to maintain and require any tenant to comply with the terms of the Leases and applicable law.

11. LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Mortgagor agrees to comply with the provisions of any lease if this Security Instrument is on a leasehold. If the Property includes a unit in a condominium or a planned unit development, Mortgagor will perform all of Mortgagor's duties under the covenants, by laws, or regulations of the condominium or planned unit development.

12. DEFAULT. Mortgagor will be in default if any party obligated on the Secured Debt fails to make payment when due. Mortgagor will be in default if a breach occurs under the terms of this Security Instrument or any other document executed for the purpose of creating, securing or guarantying the Secured Debt. A good faith belief by Lender that Lender at any time is insecure with respect to any person or entity obligated on the Secured Debt or that the prospect of any payment or the value of the Property is impaired shall also constitute an event of default.

13. REMEDIES ON DEFAULT. In some instances, federal and state law will require Lender to provide Mortgagor with notice of the right to cure or other notices and may establish time schedules for foreclosure actions. Subject to these limitations, if any, Lender may accelerate the Secured Debt and foreclose this Security Instrument in a manner provided by law if Mortgagor is in default. Upon default, Lender shall have the right, without declaring the whole indebtedness due and payable, to foreclose against all or part of the Property. This Mortgage shall continue as a lien on any part of the Property not sold on foreclosure.

At the option of Lender, all or any part of the agreed fees and charges, accrued interest and principal shall become immediately due and payable, after giving notice if required by law, upon the occurrence of a default or anytime thereafter. In addition, Lender shall be entitled to all the remedies provided by law, the terms of the Secured Debt, this Security Instrument and any related documents. All remedies are distinct, cumulative and not exclusive, and the Lender is entitled to all remedies provided at law or equity, whether or not expressly set forth. The acceptance by Lender of any sum in payment or partial payment on the Secured Debt after the balance is due or is accelerated or

Handwritten initials and a signature.

17. INSURANCE: Mortgagee shall keep Property insured against loss by fire, theft and other hazards and risks... The coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property according to the terms of this security instrument.

16. CONDEMNATION: Mortgagee will give Lender prompt notice of any pending or threatened action, by private or public entities to purchase or take any or all of the Property through condemnation, eminent domain, or any other means... Lender shall immediately notify Lender in writing as soon as Mortgagee has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

(A) Mortgagee shall immediately notify Lender in writing as soon as Mortgagee has reason to believe there is any pending or threatened investigation, claim, or proceeding relating to the release or threatened release of any Hazardous Substance or the violation of any Environmental Law.

(B) Except as previously disclosed and acknowledged in writing to Lender, Mortgagee and every tenant have occurred, and shall remain in full compliance with any applicable Environmental Law.

(C) Mortgagee shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on and/or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagee shall take all necessary remedial action in accordance with any applicable Environmental Law.

(D) Mortgagee shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on and/or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagee shall take all necessary remedial action in accordance with any applicable Environmental Law.

(E) Mortgagee shall immediately notify Lender if a release or threatened release of a Hazardous Substance occurs on and/or about the Property or there is a violation of any Environmental Law concerning the Property. In such an event, Mortgagee shall take all necessary remedial action in accordance with any applicable Environmental Law.

13. ENVIRONMENTAL LAWS AND HAZARDOUS SUBSTANCES: As used in this section, (1) Environmental Law means, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act (42 U.S.C. 9601 et seq.) and all other federal, state and local laws, regulations, ordinances, court orders, attorney general opinions or interpretive orders concerning the public health, safety, welfare, environment or a hazardous substance; and (2) Hazardous Substance means any toxic, radioactive or hazardous material, waste, pollutant or contaminant which has characteristics which render the substance, hazardous or potentially dangerous to the public health, safety, welfare or environment. The term includes, without limitation, any substance defined as "hazardous material," "toxic substances," "hazardous waste" or "hazardous substance" under any Environmental Law.

14. EXPENSES, ADVANCES ON COVENANTS, ATTORNEYS' FEES, COLLECTION COSTS: Except when prohibited by law, Mortgagee agrees to pay all of Lender's expenses if Mortgagee breaches any covenant in this Security Instrument. Mortgagee will also pay, on demand any amount incurred by Lender for insuring, inspecting, preserving or otherwise protecting the Property and Lender's security interest. These expenses will bear interest from the date of the payment until paid in full at the highest interest rate in effect as provided in the terms of the Security Instrument. Mortgagee agrees to pay all costs and expenses incurred by Lender in collecting, enforcing or protecting Lender's rights and remedies under this Security Instrument. This amount may include, but is not limited to, attorneys' fees, court costs, and other legal expenses. This Security Instrument shall remain in effect until released. Lender agrees to pay any recordation costs of such release.

15. FORECLOSURE: Proceedings are filed shall not constitute a waiver of Lender's right to require complete cure of any existing default. If not exercising any remedy on Mortgagee's default, Lender does not waive Lender's right to later consider the event a default if it continues or happens again.

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All insurance policies and renewals shall be acceptable to Lender and shall include a standard "mortgage clause" and, where applicable, "loss payee clause." Mortgagor shall immediately notify Lender of cancellation or termination of the insurance. Lender shall have the right to hold the policies and renewals. If Lender requires, Mortgagor shall immediately give to Lender all receipts of paid premiums and renewal notices. Upon loss, Mortgagor shall give immediate notice to the insurance carrier and Lender. Lender may make proof of loss if not made immediately by Mortgagor.

Unless otherwise agreed in writing, all insurance proceeds shall be applied to the restoration or repair of the Property or to the Secured Debt, whether or not then due, at Lender's option. Any application of proceeds to principal shall not extend or postpone the due date of the scheduled payment nor change the amount of any payment. Any excess will be paid to the Mortgagor. If the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property before the acquisition shall pass to Lender to the extent of the Secured Debt immediately before the acquisition.

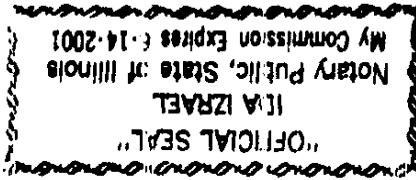
- 18. ESCROW FOR TAXES AND INSURANCE.** If otherwise provided in a separate agreement, Mortgagor may be required to pay to Lender funds for taxes and insurance in escrow.
- 19. FINANCIAL REPORTS AND ADDITIONAL DOCUMENTS.** Mortgagor will provide to Lender upon request, any financial statement or information Lender may deem reasonably necessary. Mortgagor agrees to sign, deliver, and file any additional documents or certifications that Lender may consider necessary to perfect, continue, and preserve Mortgagor's obligations under this Security Instrument and Lender's lien status on the Property.
- 20. JOINT AND INDIVIDUAL LIABILITY; CO-SIGNERS; SUCCESSORS AND ASSIGNS BOUND.** All duties under this Security Instrument are joint and individual. If Mortgagor signs this Security Instrument but does not sign an evidence of debt, Mortgagor does so only to mortgage Mortgagor's interest in the Property to secure payment of the Secured Debt and Mortgagor does not agree to be personally liable on the Secured Debt. If this Security Instrument secures a guaranty between Lender and Mortgagor, Mortgagor agrees to waive any rights that may prevent Lender from bringing any action or claim against Mortgagor or any party indebted under the obligation. These rights may include, but are not limited to, any anti-deficiency or one-action laws. Mortgagor agrees that Lender and any party to this Security Instrument may extend, modify or make any change in the terms of this Security Instrument or any evidence of debt without Mortgagor's consent. Such a change will not release Mortgagor from the terms of this Security Instrument. The duties and benefits of this Security Instrument shall bind and benefit the successors and assigns of Mortgagor and Lender.
- 21. APPLICABLE LAW; SEVERABILITY; INTERPRETATION.** This Security Instrument is governed by the laws of the jurisdiction in which Lender is located, except to the extent otherwise required by the laws of the jurisdiction where the Property is located. This Security Instrument is complete and fully integrated. This Security Instrument may not be amended or modified by oral agreement. Any section in this Security Instrument, attachments, or any agreement related to the Secured Debt that conflicts with applicable law will not be effective, unless that law expressly or impliedly permits the variations by written agreement. If any section of this Security Instrument cannot be enforced according to its terms, that section will be severed and will not affect the enforceability of the remainder of this Security Instrument. Whenever used, the singular shall include the plural and the plural the singular. The captions and headings of the sections of this Security Instrument are for convenience only and are not to be used to interpret or define the terms of this Security Instrument. Time is of the essence in this Security Instrument.
- 22. NOTICE.** Unless otherwise required by law, any notice shall be given by delivering it or by mailing it by first class mail to the appropriate party's address on page 1 of this Security Instrument, or to any other address designated in writing. Notice to one mortgagor will be deemed to be notice to all mortgagors.
- 23. WAIVERS.** Except to the extent prohibited by law, Mortgagor waives all appraisal and homestead exemption rights relating to the Property.

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JK

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Ilva Israel
Notary Public

My commission expires: 6-14-2001

by JAMES S. KORNELLY AND TERESA A. KORNELLY, HIS WIFE

This instrument was acknowledged before me this 20TH day of JUNE, 1997

STATE OF ILLINOIS COUNTY OF COOK

ACKNOWLEDGMENT

Signature: *James S. Kornelly* (Date): 6/20/97
Signature: *Teresa A. Kornelly* (Date): 6/20/97

SIGNATURES: By signing below, Mortgagor agrees to the terms and covenants contained in this Security Instrument and in any attachments. Mortgagor also acknowledges receipt of a copy of this Security Instrument on the date stated on page 1.
 If checked, refer to the attached Addendum incorporated herein, for additional Mortgagors, their signatures and acknowledgments.

Additional Terms
 Condominium Rider Planned Unit Development Rider Other
supplement and amend the terms of this Security Instrument. (Check all applicable boxes)
 Riders: The covenants and agreements of each of the riders checked below are incorporated into and of A portion of the Uniform Commercial Code.
 Future Piling: Mortgagor grants to Lender a security interest in all goods that Mortgagor owns now or in the future and that are or will become fixtures related to the Property. This Security Instrument suffices as a financing statement and any carbon, photographic or other reproduction may be filed of record for purposes of improvement in the Property.
 Construction Loan: This Security Instrument secures an obligation incurred for the construction of an improvement on the Property. This Security Instrument will remain in effect until released.
 Line of Credit: The Secured Debt includes a revolving line of credit provision. Although the Secured Debt may be reduced to a zero balance, this Security Instrument will remain in effect until released.

24. MAXIMUM OBLIGATION LIMIT: The total principal amount secured by this Security Instrument at any one time shall not exceed \$ 75,000.00. This limitation of amount does not include interest, attorneys fees, and other fees and charges validly made pursuant to this Security Instrument. Also, this limitation does not apply to advances made under the terms of this Security Instrument to protect Lender's security and to perform any of the covenants contained in this Security Instrument.

25. OTHER TERMS: If checked, the following are applicable to this Security Instrument:

26. DEF - 01 RECORDING \$31.00
14013 TRAN 0739 08/01/97 13:11:00
#5153 ÷ TB * -97 - 559473
COOK COUNTY RECORDER

PROPERTY OF COOK COUNTY CLERK'S OFFICE

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