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HOME EQUITY REVOLVING LINE OF CREDIT MORTGAGE

7/13

THIS MORTGAGE is made this 14th day of June, 1999, between Davy P. McDonald and Shirley A. McDonald, husband and wife ("Borrower") and the Bank of Northern Illinois, N.A. a national banking association, with offices at One South Genesee Street, Waukegan, Illinois 60085 ("Bank").

WITNESSETH, Davy P. McDonald and Shirley A. McDonald is indebted to Bank for the lesser of the maximum principal sum of Ten Thousand & 00/100 ----- DOLLARS (\$10,000.00) ("Principal"), or the aggregate amount of all advances made by Bank pursuant to that certain Home Equity Line of Credit Agreement and Note ("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 June 4, 2004 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:

Lot 64 in Central Park Unit 3 a Subdivision of part of South 120.12 Feet of the Southwest 1/4 of Section 35, Township 42 North, Range 12, East of the Third Principal Meridian, and part of the Northwest 1/4 of Fractional Section 7, Township 41 North, Range 13 East of the Third Principal Meridian, in Cook County Illinois.

Said Property has the common address of 1734 Culver Lane, Glenview, Illinois 60025 ("Property Address") and the permanent index number of: 10-07-108-005-0000

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

BOX 333-6

The insurance carrier providing the insurance shall be chosen by Borrower subject to Bank's approval which shall not be unreasonably withheld. All premium 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 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. 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, as determined by the sole and absolute discretion of the Bank, or if the security would be impaired, the insurance proceeds shall be applied to the sum 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 remaining from damage to the Property prior to the sale of 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; Leaseholds; 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 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.

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 or reasonable attorneys' fees, entry 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 premium 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 in 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 of payment, such amounts shall be payable upon notice from Bank of 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. Notwithstanding anything contained herein to the contrary, the indebtedness secured by this Mortgage shall not exceed 200% of the Principal.

8. Inspection. Bank may make or cause to be made reasonable entries upon and inspecting 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 or 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. **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. 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.

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 the 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 of the Note without the co-signing Borrower'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 recordation 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

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