

UNOFFICIAL COPY

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| James P. Donlon Lulu B. Donlon 204 S. Pine Street Mt. Prospect, Illinois 60056 Borrower's Name and Address "You" means each borrower above, jointly and severally. | OAK BROOK BANK 3 2021 SPRING ROAD OAK BROOK, ILLINOIS 60522 Lender's Name and Address "We" or "us" means the lender named above. |
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|-----------------------------|---------------------------|-----------------------------|
| No. 048 583 400-6 | Minimum Advance \$ 500.00 | Triggering Balance \$ N/A |
| Date August 20 19 98 | Payment Date: 21st Day | Billing Cycle: Ends 1st Day |
| Trans. Acct. # | of every Month | of every Month |
| Line of Credit \$ 40,000.00 | | |

HOME EQUITY LINE OF CREDIT

GENERALLY: When we use the term "loan account balance" in this agreement, we mean the sum of the unpaid principal of loans made under this plan, plus unpaid finance charges which have accrued, plus credit insurance premiums which are due. The term "transaction account" means the account you have with us, the account number of which is listed at the top of the form on the line labeled "Trans. Acct. #". The term "Line of Credit" means the maximum amount we will ordinarily allow the unpaid principal of your loan account balance to be at any one time.

If any term in this agreement violates any law or for some other reason is not enforceable, that term will not be a part of this agreement. The other terms in this agreement will remain effective, however. This agreement is subject to the laws of the state where we are located.

REQUESTING A LOAN: You request a loan under this plan whenever you:
 • write a check for at least the minimum advance listed above using one of the special checks you have for that purpose.

HOW THE LOAN IS ADVANCED: When you request a loan by one of these methods, we will advance exactly the amount you request, so long as the requested amount equals or exceeds the minimum advance listed above. We will make the advance by depositing the amount in your transaction account, by advancing the money directly to you, or by paying a designated third person or account, depending on how we agree to make the advance. We will record the amount as a loan in your loan account.

If your request is for less than the minimum advance, we may, at our option, grant the request. However, granting the request does not mean we will be required to grant requests for less than the minimum advance in the future. We always have the option to deny any such request.

However, we will not ordinarily grant any request for a loan which would cause the unpaid principal of your loan account balance to be greater than the Line of Credit listed above. We may, at our option, grant such a request without obligating ourselves to do so in the future.

HOW FINANCE CHARGES ARE COMPUTED: Finance charges begin to accrue immediately when we make a loan to you. To figure the finance charge, we will apply a periodic rate of finance charge each billing cycle to the "average daily balance" of your loan account for the billing cycle. The "average daily balance" is computed as follows: First, we take your loan account balance at the beginning of the day and subtract any unpaid finance charges and credit insurance premiums (if any) that are due. Next, we subtract the portion of any payments or credits received that day which apply to the repayment of your loans. (A portion of each payment you make is applied to finance charges and credit insurance premiums (if any).) Then we add any new loans made that day. This gives us the daily balance. Then we add up all the daily balances for the billing cycle and divide the total by the number of days in the billing cycle. This gives us the "average daily balance".

The periodic rate of FINANCE CHARGE is 8.75 % which is equal to an ANNUAL PERCENTAGE RATE of 10.5 %.

VARIABLE RATE: The annual percentage rate may change, and will always be 1/2 percentage point above the following "base rate": equal to the prime rate as quoted in The Wall Street Journal - Money Rate section. If at any time The Wall Street Journal - Money Rate section quotes more than one prime rate and/or quotes a range of prime rates, the interest rate being charged will be equal to the highest prime rate then being quoted in The Wall Street Journal - Money Rate section. The annual percentage rate may increase if this "base rate" increases. An increase will take effect on the first day of each month. An increase will result in an increase in the finance charge and it may have the effect of increasing your periodic minimum payment. The annual percentage rate will not increase more often than once a month. A decrease will have the opposite effect of an increase disclosed above.

If the base rate changes more frequently than the annual percentage rate, we will always use the base rate in effect on the day we adjust the annual percentage rate to determine the new annual percentage rate. In such a case, we will ignore any changes in the base rate that occur between annual percentage rate adjustments.

The "annual percentage rate" referred to in this section is the annual rate which corresponds to the periodic rate applied to the balance as described above. This corresponding ANNUAL PERCENTAGE RATE will never exceed 16.9 %, and also will never exceed the highest allowable rate for this type of agreement as determined by applicable state or federal law.

If at any time The Wall Street Journal - Money Rate section no longer quotes a prime rate, then the bank will choose a new interest rate index which is based upon comparable information and give the borrower notice of its choice.

HOW YOU REPAY YOUR LOANS: You agree to pay accrued finance charges and credit insurance premiums (if any) on each payment date listed at the top of the form. The unpaid principal of loans made under this plan will be due August 20, 19 98. You can prepay all or any part of what you owe at any time. However, even if you prepay part of what you owe, you will still have to pay accrued finance charges and credit insurance premiums (if any) on the next scheduled payment date.

You authorize us to automatically withdraw your payment from your transaction account on each payment date (see top of form).
 Check one: (other) Monthly billing.

SECURITY: To secure the payment of what you owe, we have the right of set-off. This means we can pay the amount you owe us out of money that we are required to pay you (such as money in your savings or checking account). However, we cannot use in this way money in your IRA or other tax-deferred retirement account. State law may further limit our right of set-off.

However, we will have no right of set-off if you can obtain credit under this plan by using a debit or a credit card.
 We have also secured your obligations under this plan by taking a security interest (by way of a separate security agreement, mortgage or other instrument) dated August 20, 19 98 in the following property, described by item or type:

Mortgage on the property commonly known as 204 S. Pine Street, Mt. Prospect, Illinois 60056 and held in the name of James P. Donlon and Lulu B. Donlon, his wife.

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If checked, collateral securing other loans you have with us may also secure loans under this agreement. Filing fees: \$ _____
 If this agreement is secured by real property, we agree to pay any expenses involved in releasing the security interest.
 You may buy property insurance from anyone you want who is acceptable to us. If you buy the insurance from or through us, your premium will be _____.

CHANGING THE TERMS OF THIS AGREEMENT: We reserve the right to change any term in this agreement. Such change will be effective immediately or upon the expiration of any required notice period. If we are required to send notice of a change in terms, we will send the notice to your address listed above. (You should inform us of any change in address.)
 This agreement can be ended by you or by us at any time, upon giving notice. However, you still must pay all you owe under this agreement even if it is ended.

ADDITIONAL FEES: You agree to pay the following additional fees:
 • A late charge on any payment not paid within 10 days of the payment date of 5% of the payment or \$8.00, whichever is less.
 • A charge of \$10.00 for any advance made in an amount less than the minimum advance.
 • The following closing costs: appraisal \$ _____; title search \$ _____; documentation fees \$ _____;
 (other) Application Fee \$ 250.00
 • A fee of \$20.00 per year in order to participate in this plan. We will add this amount to your loan account balance on an annual basis.

ATTORNEY'S FEES: You agree to pay all our costs, including reasonable attorney's fees, that we incur in legal proceedings to collect or enforce this debt should you be in default.

NOTICE: See the reverse side for additional terms and for information about your rights in the event of a billing error.

OAK BROOK BANK
 By: Andrew M. Baryan, V.P.

SIGNATURES: By signing below, you agree to the terms on both sides of this agreement and you promise to pay any amounts you owe under this agreement. You also state that you received a completed copy of the agreement on today's date.

Signature James P. Donlon
 Signature Lulu B. Donlon

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1. **Payments.** I agree to make all payments on the secured debt in accordance with the schedule of payments set forth in the promissory note. I agree to pay all interest, principal, and any other amounts due on the secured debt (including interest on interest or principal, accrued, to interest and for my benefit) that I am obligated to pay on the secured debt in full on the date of payment until the secured debt is paid in full.

2. **Claims against Title.** I will pay all taxes, assessments, liens and other encumbrances on the property when due and will defend the title to the property against any claims which would impair the title to the property. You may require me to assign any rights, claims or defenses which I may have against a third party who claims an interest in the property.

3. **Insurance.** I will keep the property insured under terms acceptable to you at my expense and for your benefit. You will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within your discretion, to either the restoration or repair of the damaged property or to the secured debt. If you require mortgage insurance, I agree to maintain such insurance for as long as you require.

4. **Property.** I will keep the property in good condition and make all repairs reasonably necessary.

5. **Expenses.** I agree to pay all your expenses, including reasonable attorney's fees if I break any covenants in this mortgage or in any obligation secured by this mortgage. Attorney's fees include those awarded by an appellate court. I will pay those amounts to you as provided in Covenant 10 of this mortgage.

6. **Default and Acceleration.** If I fail to make any payment when due or break any covenants under this mortgage, any other mortgage or any other obligation secured by this mortgage, you may accelerate the maturity of the secured debt and demand immediate payment of any other remedy available to you. You may foreclose this mortgage in the manner provided by law.

7. **Assignment of Rights and Profits.** I assign to you the rents and profits of the property. Unless we have agreed otherwise in writing, I may not assign or otherwise dispose of the property. I agree to execute any documents necessary to carry out this assignment. I may not assign or otherwise dispose of the property until the secured debt is paid in full.

8. **Waiver of Homestead.** I hereby waive all right of homestead exemption in the property.

9. **Leaseholds; Conditional Sales; Planned Unit Developments.** I agree to comply with the provisions of any lease if the mortgage is on a leasehold, or if the mortgage is on a unit in a condominium or a planned unit development. I will perform all my duties under the covenants, by-law, or regulations of the condominium or planned unit development.

10. **Authority of Mortgagee to Perform for Mortgagee.** If I fail to perform any of my duties under this mortgage, you may perform the duties or cause them to be performed or pay any amount if necessary for performance. If any connection on the property is discontinued or not carried on in a reasonable manner, you may do whatever is necessary to protect your security interest in the property. This may include completing the construction.

Your failure to perform will not prejudice you from exercising any of your other rights under the law or this mortgage.

Any amount paid by you to protect your security interest will be secured by this mortgage. Such amounts will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect on the secured debt.

11. **Inspection.** You may enter the property to inspect if you give me notice beforehand. The notice must state the reasonable cause for your inspection.

12. **Condemnation.** I assign to you the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the property. Such proceeds will be applied as provided in Covenant 1. This assignment is subject to the terms of any prior security agreement.

13. **Waiver.** By executing any remedy available to you, you do not give up your right to later use any other remedy. By not exercising any remedy, if I default, you do not waive your right to later exercise or to later consent to later consent or to later consent again.

14. **Joint and Several Liability; Co-assignment; Successors and Assignments Bound.** All duties under this mortgage are joint and several. If I co-assign this mortgage but do not co-sign the underlying debt I do so only as mortgagee. My interest in the property under the terms of this mortgage, I also agree that you and any party to this mortgage may extend, modify or make any other changes in the terms of this mortgage or the secured debt without my consent. Such a change will not release me from the terms of this mortgage.

The duties and benefits of this mortgage shall bind and benefit the successors and assigns of either or both of us.

15. **Notice.** Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by certified mail addressed to me at the Property Address or any other address that I tell you. I will give any notice to you by certified mail to your address on the front side of this mortgage, or to any other address which you have designated.

Any notice shall be deemed to have been given to either of us when given in the manner stated above.

16. **Transfer of the Property or a Beneficial Interest in the Mortgage.** If all or any part of the property or any interest in it is sold or transferred without your prior written consent, you may demand immediate payment of the secured debt. You may also demand immediate payment of the secured debt if the property or any interest in it is sold or transferred in the above situations if it is prohibited by federal law as of the date of this mortgage.

17. **Holdsafe.** When I have paid the secured debt, you will discharge this mortgage without charge of any cost to record this mortgage.

Property

