

This document prepared by
Richard L. Becker,
State Bank of Lake Zurich
35 W. Main Street
Lake Zurich, IL 60047

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State Bank of Lake Zurich
35 WEST MAIN STREET, LAKE ZURICH, ILLINOIS 60047. Phone 312-416-1265
"Continuous Service Since 1916" Member FDIC

MY INTEREST RATE WILL
NEVER BE GREATER THAN
20%

3818191

REVOLVING CREDIT MORTGAGE

VARIABLE RATE - WSJ PRIME

THIS MORTGAGE, dated July 21, 19 89, is between
A. Richard Lane and Marie E. Lane, husband and wife

("Mortgagor") and State Bank of Lake Zurich, Lake Zurich, Illinois ("Mortgagee").

WITNESSETH:

Mortgagor has executed a Revolving Credit Note dated the same date as this Mortgage payable to the order of Mortgagee (the "Note"), in the principal amount of \$ 25,000.00 (the "Credit Line"). Payments of accrued interest on the Note shall be due and payable monthly beginning August 20, 19 89, and continuing on the same day of each month thereafter, and the entire unpaid balance of principal and interest shall be due and payable on July 20, 19 94. Interest on the Note shall be calculated on the daily unpaid principal balance of the Note at the per annum rate equal to ONE (1.0) percent per annum in excess of the Variable Rate Index (defined below). Interest after Default (defined below), or maturity of the Note, whether by acceleration or otherwise, shall be calculated at the per annum rate equal to FOUR (4.0) percent per annum in excess of the Variable Rate Index. Mortgagor has the right to prepay all or any part of the aggregate unpaid principal balance of the Note at any time, without penalty. The undersigned promises to pay a late charge assessment of \$25.00 for any monthly interest payment not received within 15 days after the payment is due.

To secure payment of the indebtedness evidenced by the Note and the Liabilities (defined below), including any and all renewals and extensions of the Note, Mortgagor does by these presents CONVEY, WARRANT and MORTGAGE unto Mortgagee, all of Mortgagor's estate, right, title and interest in the real estate situated, lying, and being in the county of Cook, and State of Illinois, legally described as follows:

Lot 22 in Cedar Knolls, a Subdivision in the Northwest 1/4 of Section 8, Township 42 North, Range 10 East of the Third Principal Meridian, According to the plat thereof, registered in the Office of the Registrar of Titles of Cook County, Illinois, July 16, 1970 as Document No. 2512056, Commonly known as 188 Betty Drive, Inverness, IL.

RETURN TO:
NORTH AMERICAN TITLE
14 GRANT STREET
CRYSTAL LAKE IL 60014

which is referred to herein as the "Premises", together with all improvements, buildings, tenements, hereditaments, appurtenances, gas, oil, minerals, easements located in, on, over or under the Premises, and all types and kinds of fixtures, including without limitation, all of the foregoing used to supply heat, gas, air conditioning, water, light, power, refrigeration or ventilation (whether single units or centrally controlled) and all screens, window shades, storm doors and windows, floor coverings, awnings, stoves and water heaters, whether now on or in the Premises or hereafter erected, installed or placed on or in the Premises. The foregoing items are and shall be deemed a part of the Premises and a portion of the security for the Liabilities. The Permanent Index Number of the Premises is 02-08-102-013 & 02-08-102-016. The common address of the Premises is 188 Betty Drive, Barrington, IL 60010

The Note evidences a "revolving credit" as defined in Illinois Revised Statutes Chapter 17, Paragraph 6405. The lien of this Mortgage secures payment of any existing indebtedness and future advances made pursuant to the Note, to the same extent as if such future advances were made on the date of the execution of this Mortgage, without regard to whether or not there is any advance made at the time this Mortgage is executed and without regard to whether or not there is any indebtedness outstanding at the time any advance is made.

Further, Mortgagor does hereby pledge and assign to Mortgagee, all leases, written or verbal, rents, issues and profits of the Premises, including without limitation, all rents, issues, profits revenues, royalties, bonuses, rights and benefits due, payable or accruing, and all deposits of money as advance rent or for security, under any and all present and future leases of the Premises, together with the right, but not the obligation, to collect, receive, demand, sue for and recover the same when due or payable. Mortgagee by acceptance of this Mortgage agrees, as a personal covenant applicable to Mortgagor only, and not as a limitation or condition hereof and not available to anyone other than Mortgagee, that until a Default shall occur, which under the terms hereof shall give to Mortgagee the right to foreclose this Mortgage, Mortgagor may collect, receive and enjoy such avails.

Further, Mortgagor does hereby expressly waive and release all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois.

Further, Mortgagor covenants and agrees as follows:

1. Mortgagor shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep the Premises in good condition and repair, without waste, and, except for this Mortgage, free from any encumbrances, security interests, liens, mechanical liens or claims for lien; (c) pay when due any indebtedness which may be secured by a lien or charge on the Premises, and upon request exhibit satisfactory evidence of the discharge of such lien or charge to Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time on process of construction upon the Premises; (e) comply with all requirements of all laws or municipal ordinances with respect to the Premises and the use of the Premises; (f) make no material alterations in the Premises, except as required by law or municipal ordinance, unless such alterations have been previously approved in writing by Mortgagee; (g) refrain from impairing or diminishing the value of the Premises.
2. Mortgagor shall pay, when due and before any penalty attaches, all general taxes, special taxes, special assessments, water taxes or charges, drainage taxes or charges, sewer service taxes or charges, and other taxes, assessments or charges against the Premises. Mortgagor shall, upon written request, furnish to Mortgagee duplicate paid receipts for such taxes, assessments and charges. To prevent Default hereunder Mortgagor shall pay in full under protest, in the manner provided by statute any tax assessment or charge which Mortgagor may desire to contest prior to such tax assessment or charge becoming delinquent.
3. Upon the request of Mortgagee, Mortgagor shall deliver to Mortgagee all original leases of all or any portion of the Premises, together with assignments of such leases from Mortgagor to Mortgagee, which assignments shall be in form and substance satisfactory to Mortgagee. Mortgagor shall not, without Mortgagee's prior written consent, procure, permit or accept any payment, discharge or compromise of any rent or release any tenant from any obligation, at any time while the indebtedness secured hereby remains unpaid.
4. Any award of damages resulting from condemnation proceedings, exercise of the power of eminent domain, or the taking of the Premises for public use are hereby transferred, assigned and shall be paid to Mortgagee, and such awards or any part thereof may be applied by Mortgagee, after the payment of all of Mortgagee's expenses, including costs and attorneys' and paralegals' fees, to the reduction of the indebtedness secured hereby and Mortgagee is hereby authorized, on behalf and in the name of Mortgagor, to execute and deliver valid acquittances and to appeal from any such award.
5. No remedy or right of Mortgagee hereunder shall be exclusive. Each right or remedy of Mortgagee with respect to the Liabilities, the Mortgage or the Premises shall be in addition to every other remedy or right now or hereafter existing at law or in equity. No delay by Mortgagee in exercising, or omitting to exercise, any remedy or right accruing on Default shall impair any such remedy or right, or shall be construed to be a waiver of any such Default, or acquiescence therein, or shall affect any subsequent Default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

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6. Mortgages shall keep the Promises, and if the mortgagee is in a better situation than the mortgagor, the mortgagor shall keep the Promises against loss or damage by fire, lightning, windstorm, vandalism and malicious mischief, and shall keep the mortgagee indemnified against loss or damage by fire, lightning, windstorm, vandalism and malicious mischief. The mortgagee shall keep the mortgagor indemnified against loss or damage by fire, lightning, windstorm, vandalism and malicious mischief. Each insurance policy shall be issued by a company acceptable to the mortgagee. All policies shall be issued by companies acceptable to the mortgagee. Each insurance policy shall contain a lender's payable clause or endorsement in favor of the mortgagee. The mortgagee shall deliver to the mortgagor renewal policies not more than ten days prior to the respective dates of expiration. Each insurance policy shall not be cancelled by the insurance company without at least 30 days' prior written notice to the mortgagor.

7. Upon Default by the mortgagor hereunder, the mortgagee may, but need not, make any payment or perform any act required of the mortgagor hereunder in any form and manner required by the mortgagee, and the mortgagor may, but need not, make any payment or perform any act required of the mortgagor hereunder in any form and manner required by the mortgagor. The mortgagee may purchase, discharge, compromise or settle any tax lien or title claim thereof, or redeem from any tax sale or forfeiture affecting the Premises, or any other fund advanced by the mortgagee to protect the Premises or the lien hereof, plus reasonable compensation to the mortgagee for each matter concerning which such action may be taken, shall be so much additional indebtedness secured hereby and shall become immediately due and payable with it notice and with interest thereon at a per annum rate equivalent to the post maturity rate set forth in the Note. Inaction of the mortgagee shall never be considered as a waiver of any right accruing to the mortgagee on account of any Default hereunder on the part of the mortgagor.

8. The mortgagor makes any payment authorized by this Mortgage relating to taxes, assessments, charges, liens, security interests or other encumbrances on the Premises may do so according to any statement or estimate received from the appropriate party in reliance on the accuracy or validity of such bill, statement or estimate and in reliance on the validity of the lien, encumbrance, security interest, tax, assessment, charge, lien, security interest or other encumbrance.

9. Upon Default by the mortgagor hereunder, the mortgagee, the Note and/or any other Liabilities shall become immediately due and payable and the mortgagor shall pay all expenses of the mortgagee, including attorneys' fees and expenses incurred in connection with this Mortgage and all expenses incurred in the enforcement of the mortgagee's rights in the Premises and other costs incurred in connection with the disposition of the Premises. The mortgagee shall be entitled to the full meaning and effect of the Note and includes the failure of the mortgagor to completely cure any Cause of Default and to deliver to the mortgagee written notice of the complete cure of the Cause of Default within ten (10) days after the mortgagor mails written notice to the mortgagee that a Cause for Default has occurred and is existing. Default under the Note shall be Default under this Mortgage. The term "Cause for Default" as used in this paragraph means any one or more of the events, conditions or acts defined as a "Cause of Default" in the Note, including but not limited to the failure of the mortgagor to pay the Note or Liabilities in accordance with their terms or failure of the mortgagor to comply with or to perform in accordance with any representation, warranty, term, provision, condition, covenant or agreement contained in this Mortgage, the Note or any instrument, agreement or writing securing any Liabilities.

10. Notwithstanding any other provisions of this Mortgage, no sale, lease, mortgage, trust deed, grant by mortgagor of an encumbrance of any kind, conveyance, transfer of occupancy or possession, contract to sell, or transfer of the Premises, or any part thereof, or sale or transfer of ownership of any beneficial interest or power of direction in a land trust which holds title to the Premises, shall be made without the prior written consent of the mortgagee.

11. "Liabilities" means any and all liabilities, obligations and indebtedness of the mortgagor or any other maker of the Note to the mortgagee for payment of any and all amounts due under the Note or this Mortgage, whether heretofore, now owing or hereafter arising or owing, due or payable, howsoever created, arising or evidenced hereunder or under the Note, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, whether existing or arising, together with attorneys' and paralegals' fees relating to the mortgagee's rights, remedies and security interest hereunder, including advising the mortgagee or drafting any documents for the mortgagee at any time. Notwithstanding the foregoing or any provisions of the Note, the liabilities secured by this Mortgage shall not exceed the principal amount of the Note, plus interest thereon, and any disbursements made for the payment of taxes, special assessments, or insurance on the property subject to this Mortgage, with interest on such disbursements, and if permitted by law, disbursements made by the mortgagee which are authorized hereunder and attorneys' fees, costs and expenses relating to the enforcement of the Note and this Mortgage, plus interest as provided herein.

12. "Variable Rate Index" means the rate of interest, or the highest rate if more than one, published in The Wall Street Journal in the "Money Rate" column on the last business day of each month as the "Prime Rate" for the preceding business day. The effective date of any change in the Variable Rate Index will be the first day of the next billing cycle after the date of the change in the Variable Rate Index. The Variable Rate Index will fluctuate under the Note from month to month with or without notice by the Bank to the undersigned. Any change in the Variable Rate Index will be applicable to all the outstanding indebtedness under the Note whether from any past or future principal advances thereunder. In the event The Wall Street Journal discontinues the publication of the "Prime Rate" in the "Money Rates" column, the Variable Rate Index shall be the interest rate published in the Federal Reserve Statistical Release H 15 for the last business day of the month as the "Bank Prime Loan" interest rate.

13. When the indebtedness secured hereby shall become due whether by acceleration or otherwise, the mortgagee shall have the right to foreclose the lien of this Mortgage. In any suit to foreclose the lien of this Mortgage, there shall be allowed and included as additional indebtedness in the judgment of foreclosure all expenditures and expenses which may be paid or incurred by or on behalf of the mortgagee for attorneys' and paralegals' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs and costs of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, tax and lien searches, and similar data and assurances with respect to title as the mortgagee may deem to be reasonably necessary either to prosecute the foreclosure suit or to evidence to bidders at any foreclosure sale. All of the foregoing items, which may be expended after entry of the foreclosure judgment, may be estimated by the mortgagee. All expenditures and expenses mentioned in this paragraph, when incurred or paid by the mortgagee shall become additional indebtedness secured hereby and shall be immediately due and payable, with interest thereon at a rate equivalent to the post maturity interest rate set forth in the Note. This paragraph shall also apply to any expenditures or expenses incurred or paid by the mortgagee or on behalf of the mortgagee in connection with (a) any proceeding, including without limitation, probate and bankruptcy proceedings, to which the mortgagee shall be a party, either as plaintiff, claimant or defendant, by reason of this Mortgage or any indebtedness secured hereby, or (b) any preparation for the commencement of any suit for the foreclosure of this Mortgage after accrual of the right to foreclose whether or not actually commenced or preparation for the commencement of any suit to collect upon or enforce the provisions of the Note or any instrument which secures the Note after Default, whether or not actually commenced; or (c) any preparation for the defense of any threatened suit or proceeding which might affect the Premises or the security hereof, whether or not actually commenced.

14. The proceeds of any foreclosure sale shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all the items that are mentioned in the immediately preceding paragraph; second, all other items which under the terms of this Mortgage constitute indebtedness secured by this Mortgage additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note and the Liabilities (first to interest and then to principal); fourth, any surplus to the mortgagor or the mortgagor's heirs, legal representatives, successors or assigns, as their rights may appear.

15. Upon, or at any time after filing of a complaint to foreclose this Mortgage, the court in which such suit is filed may appoint a receiver of the Premises. The receiver's appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of the mortgagor at the time of application for the receiver and without regard to the then value of the Premises or whether the Premises shall be then occupied as a homestead or not. The mortgagee may be appointed as the receiver. Such receiver shall have power to collect the rents, issues and profits of the Premises during the pendency of the foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further times when the mortgagee, except for the intervention of the receiver, would be entitled to collect the rents, issues and profits. Such receiver shall also have all other powers which may be necessary or are usual for the protection, possession, control, management and operation of the Premises. The court in which the foreclosure suit is filed may from time to time authorize the receiver to apply the net income in the receiver's hands in payment in whole or in part of the indebtedness secured hereby, or secured by any judgment foreclosing this Mortgage, or any tax, special assessment or other lien or encumbrance which may be or become superior to the lien hereof or of the judgment, and the deficiency judgment against the mortgagor or any guarantor of the Note in case of a foreclosure sale and deficiency.

16. No action for the enforcement of the lien or of any provision of this Mortgage shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note.

17. The mortgagee shall have the right to inspect the Premises at all reasonable times and access thereto shall be permitted for that purpose.

18. The mortgagee agrees to release the lien of this Mortgage and pay all expenses, including recording fees and otherwise, to release the lien of this Mortgage, if the mortgagor renders payment in full of all Liabilities secured by this Mortgage.

19. This Mortgage and all provisions hereof, shall extend to and be binding upon the mortgagor and all persons or parties claiming by, under or through the mortgagor. The word "mortgagor" when used herein shall also include all persons or parties liable for the payment of the indebtedness secured hereby by any part thereof, whether or not such persons or parties shall have executed the Note or this Mortgage. Each mortgagor shall be jointly and severally obligated hereunder. The singular shall include the plural, the plural shall mean the singular and the use of any gender shall be applicable to all genders. The word "Mortgagee" includes the successors and assigns of the mortgagee.

20. In the event the mortgagor is a land trustee, then this Mortgage is executed by the undersigned, not personally, but as trustee in the exercise of the power and authority conferred upon and vested in it as the trustee, and insofar as the trustee is concerned, is payable only out of the trust estate which is being secured by the payment hereof, and through enforcement of the provisions of the Note and any other collateral or guaranty from time to time securing payment hereof; no personal liability shall be asserted or be enforceable against the undersigned, as trustee, because or in respect of this Mortgage or the making, issue or transfer thereof, all such personal liability of the trustee, if any, being expressly waived in any manner.

21. This Mortgage has been made, executed and delivered to the mortgagee in Lake Zurich, Illinois and shall be construed in accordance with the laws of the State of Illinois. Wherever possible, each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law. If any provisions of this Mortgage are prohibited by or determined to be invalid under applicable law, such provisions shall be ineffective to the extent of such prohibitions or invalidity, without invalidating the remainder of such provisions or the remaining provisions of this Mortgage.

WITNESS the hand and seal of Mortgagor the day and year set forth above

STATE OF ILLINOIS }
 COUNTY OF Lake } SS
 A. RICHARD LANE
 Marie E. Lane
 MARIE E. LANE

I, Patricia J. Diener, a Notary Public in and for said county and state, do hereby certify that A. Richard Lane and Marie E. Lane his wife personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes herein set forth.

Given under my hand and official seal, this 21st day of July, 19 89
 My commission Expires: 04-30-92
 Notary Public