

UNOFFICIAL COPY

Home Equity Line of Credit Revolving Credit Mortgage

Old Kent Bank - Chicago Sears Tower Chicago, Illinois 60606

THIS MORTGAGE IS dated as of December 5, 1990.

and is between Edward A. Michalski and Karen Michalski,

his wife ("Mortgagor") and Old Kent Bank - Chicago, 233 south Wacker Drive, Chicago, Illinois ("Mortgagee").

NOTE IDENTIFIED

WITNESSETH

Mortgagor has executed a Home Equity Line of Credit Revolving Credit Note, dated of even date herewith and payable to the order of the Mortgagee (the "Note"), in the principal amount of Ten Thousand & 00/100**

Dollars (\$ 10,000.00) (the "Credit Limit"). Interest on the Note shall be calculated and payable as provided therein. The entire unpaid balance of principal and interest shall be due and payable five (5) years after the date of this Mortgage. The Note and this Mortgage are made pursuant to a certain Home Equity Line of Credit Agreement and Federal Truth in Lending Disclosures, dated of even date herewith (the "Loan Agreement"), between Mortgagee and Mortgagee.

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 and the Loan Agreement, Mortgagee does by these presents CONVEY, WARRANT and MORTGAGE unto Mortgagee, all of Mortgagee'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 14 in Block 2, in New England Village Unit One, a Subdivision of part of the Fractional Southwest 1/4 of Section 18, Township 41 North, Range 10, East 1/2 of the Third Principal Meridian, according to plat thereof registered in the Office of the Registrar of Titles of Cook County, Illinois on August 20, 1976 as Document Number 2889027, in Cook County Illinois.

Property Index No.: 07-18-303-014

Property Address: 1 Whitehall Ct. Streamwood, Illinois 60107

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, apparatus, machinery and equipment, 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, and whether or not physically attached to the Premises. The foregoing items are and shall be deemed a part of the Premises and a portion of the security for the Liabilities.

Further, Mortgagee 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 or future leases of the Premises, together with the right, but not the obligation, to collect, demand, sue for and recover the same when due or payable; Mortgagee by acceptance of this Mortgage agrees, as a personal covenant applicable to Mortgagee only, and not as a limitation or condition hereof and not available to anyone other than Mortgagee, that until a Default shall occur or an event shall occur, which under the terms hereof shall give to Mortgagee the right to foreclose this Mortgage, Mortgagee may collect, receive and enjoy such avails.

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. All advances hereunder shall have the same priority.

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, Mortgagee covenants and agrees as follows:

- 1. Mortgagee 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, keep the Premises free from any encumbrances, security interests, liens, mechanics' 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 in 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; and (g) refrain from impairing or diminishing the value of the Premises.

- 2. Mortgagee 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. Mortgagee shall, upon written request, furnish to Mortgagee duplicate paid receipts for such taxes, assessments and charges. To prevent Default hereunder, Mortgagee shall pay in full under protest, in the manner provided by statute, any tax assessment or charge which Mortgagee may desire to contest prior to such tax, assessment or charge becoming delinquent.

- 3. Upon the request of Mortgagee, Mortgagee shall deliver to Mortgagee all original leases of all or any portion of the Premises, together with assignments of such leases from Mortgagee to Mortgagee, which assignments shall be in form and substance satisfactory to Mortgagee; Mortgagee shall not, without Mortgagee's prior written consent, procure, permit or accept any prepayment, 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 legal fees, to the reduction of the indebtedness secured hereby and Mortgagee is hereby authorized, on behalf and in the name of Mortgagee, to execute and deliver valid acquittances and to appeal from any such award.

No remedy or right of Mortgagee hereunder or under the Loan Agreement shall be exclusive. Each right or remedy of Mortgagee with respect to the Liabilities, this 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 of 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.

Mortgagee shall maintain, with respect to the Premises and all buildings and improvements now or hereafter situated on the Premises, property damage insurance which shall cover, without limitation, loss or damage by fire, lightning, windstorm, vandalism and malicious damage and such other hazards as may from time to time be designated by Mortgagee. If the Premises is located in a flood hazard zone, Mortgagee shall keep all buildings and improvements now or hereafter situated on the Premises insured against loss or damage by flood. Each insurance policy shall be for an amount sufficient to pay in full the cost of replacing or repairing the buildings and improvements on the Premises, which amount shall in no event be less than the sum of the principal amount of the Note and the principal amount of all prior notes secured in whole or in part by the Premises. Mortgagee shall also obtain liability insurance with respect to the Premises in an amount which is acceptable to Mortgagee. All policies shall be issued by companies satisfactory to Mortgagee and Mortgagee shall deliver same to Mortgagee. Each insurance policy shall be payable, in case of loss or damage, to Mortgagee. Each insurance policy shall contain a lender's loss payable clause or endorsement, in form and substance satisfactory to Mortgagee. In the event that Mortgagee fails to provide any such required insurance or if such insurance is not acceptable to Mortgagee, Mortgagee may obtain such insurance and the cost thereof shall be paid by Mortgagee as provided in the Loan Agreement. In case of insurance about to expire, Mortgagee shall deliver to Mortgagee renewal policies not less than ten days prior to the respective dates of expiration. Each insurance policy shall not be cancellable by the insurance company without at least 30 days' prior written notice to Mortgagee.

- 7. Upon Default by Mortgagee hereunder, Mortgagee may, but is not required to, make any payment or perform any act required of Mortgagee hereunder in any form and manner deemed expedient by Mortgagee, and Mortgagee may, but is not required to, make full or partial payments of principal or interest on any encumbrances, liens or security interests affecting the Premises and Mortgagee may purchase, discharge, compromise or settle any tax lien or other lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including legal fees, and any other funds advances by Mortgagee to protect the Premises or the lien hereof, plus reasonable compensation to Mortgagee for each matter concerning which action herein authorized may be taken, shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at a per annum rate equivalent to the past maturity rate set forth in the Note. Inaction of Mortgagee shall under no circumstances be considered a waiver of any right accruing to Mortgagee on account of any Default hereunder on the part of the Mortgagee.

- 8. If Mortgagee makes any payment authorized by this Mortgage relating to taxes, assessments, charges, liens, security interests or encumbrances, Mortgagee may do so according to any bill, statement or estimate received from the appropriate party claiming such funds without inquiry into the accuracy or validity of such bill, statement or estimate or into the validity of the lien, encumbrance or security interest, tax, assessment, sale, forfeiture, tax lien or claim of any of the foregoing.

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9. Upon a Default, at the sole option of Mortgagee, the Note and/or any other Liabilities shall become immediately due and payable and Mortgagee may exercise any rights or remedies it may have at law or equity. Upon a Default, Mortgagor shall pay all expenses of Mortgagee, including legal fees and expenses incurred in connection with this Mortgage and all expenses incurred in the enforcement of Mortgagee's rights in the Premises and the costs incurred in connection with the disposition of the Premises. The term "Default" when used in this Mortgage shall mean written notice has been given to Mortgagor by Mortgagee that any one or more of the following events, conditions or acts have occurred: (i) Mortgagor fails to make payment of any amount due hereunder, under the Loan Agreement or under the Note within

20 days of the due date of such amount. (ii) Mortgagor fails or neglects to comply with or to perform any term, obligation or agreement in this Mortgage, the Note, the Loan Agreement, or any other document relating thereto; (iii) any application or statement furnished to the Bank by Mortgagor is found to be materially false or incorrect; (iv) the death or insolvency of Mortgagor (however expressed or indicated) or the inability of Mortgagor to pay any of its and/or their respective debts as they mature; (v) the filing of a petition in bankruptcy or for the adjustment of debt, of, by or against Mortgagor; (vi) if all or any part of the Premises or any interest in it is sold, leased, transferred, or further encumbered or a transfer of occupancy or possession occurs, or contract to sell or transfer the Premises or any part thereof is entered into, or a sale or transfer of ownership of any beneficial interest in a land trust which holds title to the Premises occurs, in each case without the Mortgagee's prior written consent; (vii) any judgment, attachment, lien, execution or levy against Mortgagor or against Premises in any amount which is not promptly paid, discharged, released, bonded or otherwise fully satisfied; (viii) the enactment or expiration of any applicable law which has the effect of rendering unenforceable any provision of this Mortgage, the Note, the Loan Agreement or any other instrument, document, agreement or other writing relating thereto; or (ix) a default under any prior mortgage on the Premises. Without limitation of the foregoing, a Default under the Note or the Loan Agreement shall constitute Default under this Mortgage.

10. Notwithstanding any other provisions of this Mortgage, no sale, lease, mortgage, trust deed, grant by Mortgagor of an encumbrance of any kind, or a 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 Mortgagor or any other maker of the Note to Mortgagee for payment of any and all amounts due under the Note, the Loan Agreement or this Mortgage, whether heretofore, now owing or hereafter arising or owing due or payable, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, primary or secondary, joint or several, whether existing or arising, together with legal fees resulting from a Default by the Mortgagor and relating to the Mortgagee's rights, remedies and security interests hereunder, including advising the Mortgagee or drafting any documents for the Mortgagee arising or resulting from any Default by the Mortgagor. Notwithstanding any other provisions of this Mortgage, the Note, or the Loan Agreement, the Liabilities secured by this Mortgage shall not exceed an amount equal to 200% of the principal amount of the Note, plus interest thereon and any other charges provided for in the Loan Agreement relating to the maintenance of the revolving line of credit secured hereby, 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 Mortgagee which are authorized hereunder or under the Loan Agreement, and legal fees, costs and expenses relating to the enforcement of the Note, the Loan Agreement and this Mortgage, plus interest as provided herein.

12. When the Liabilities shall become due whether by acceleration or otherwise, 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 Mortgagee for legal 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 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 Mortgagee. All expenditures and expenses mentioned in this paragraph, when incurred or paid by 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 Mortgagee or on behalf of Mortgagee in connection with (a) any proceeding, including without limitation probate and bankruptcy proceedings, in which Mortgagee shall be a party or as plaintiff, defendant or defendant, by reason of this Mortgage or any indebtedness secured hereby; and any preparation for the same; (b) any proceeding or the foreclosure of this Mortgage after acceleration of the debt, or foreclosure whether or not actually commenced or preparation for the commencement of any suit to collect upon or enforce the provisions of the Loan Agreement, the Note, this Mortgage 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 hereon, whether or not actually commenced.

Upon, or at any time after, the 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. The court may, in its discretion, order the sale of Mortgagor at the time of liquidation of the receiver and without regard to the then value of the Premises or whether or not the Premises shall be

then occupied as a homestead. 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 deficiency, during the full statutory period of redemption, if any, whether there be redemption or not, as well as during any further times when Mortgagor, 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 Liabilities 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 Mortgagor or any guarantor of the Note in case of a foreclosure sale and deficiency.

14. 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.

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

16. Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage without charge to Mortgagor. Mortgagee shall pay costs of recordation, if any.

17. This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagor and all persons or parties claiming by, under or through Mortgagor. The word "Mortgagor" when used herein shall also include all persons or parties liable for the payment of the indebtedness secured hereby or any part thereof, whether or not such persons or parties shall have executed the Note, the Loan Agreement 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 Mortgagee.

18. This Mortgage has been made, executed and delivered to Mortgagee in Chicago, 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.

19. Any notice required to be given by Mortgagor or Mortgagee under this Mortgage shall be given as provided in the Note.

Edward A. Michalski
Edward A. Michalski
Karen Michalski
Karen Michalski
STATE OF ILLINOIS

COUNTY OF Cook
Edward Paul

a Notary Public in and for the County and State aforesaid, do hereby certify that

Edward A. Michalski personally known to me
Karen Michalski *not seen*
to be the same person(s) whose names subscribed to the foregoing instrument, appeared before me this day in person(s) and acknowledged to me that they have signed and delivered said instrument as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 18th day of December, 1990
Edward Paul
NOTARY PUBLIC

My Commission Expires: _____
This document prepared by: Old Kent Bank-Chicago

Submitted by 233 S. Wacker Dr.
Chicago, Illinois 60606

This document should be returned to:
Old Kent Bank-Chicago
Real Estate Department
Sears Tower
233 South Wacker Drive
Chicago, Illinois 60606

Attn: Ruth Painter

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