

UNOFFICIAL COPY

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Cook County Recorder 37.50



00400207

This Document Prepared By:

Northrop Grumman Federal Credit Union

LOAN #: 18076700-66

MAIL TO:

Northrop Grumman Federal Credit Union
879 West 190th Street, Suite 800
Gardena, CA. 90248

OPEN END MORTGAGE

THIS MORTGAGE is made June 1 2000 between the
Mortgagor, Edward A. Jamnik and Anita L. Jamnik, his wife as joint tenants

“Borrower”), and the Mortgagee, Northrop Grumman Federal Credit Union, 879 West 190th Street, Gardena, California 90248, P.O. Box 5011, Hawthorne, California 90251-5011 (herein “Lender”).

Whereas, Borrower has entered into a Home Equity Secured Open-End Variable Rate Loan Agreement and Truth In Lending Disclosure Statement (herein “Agreement”) with the Lender dated of even date, which, by this Mortgage is made to secure to the Lender the payment of indebtedness due and to become due under, and performance of the terms and conditions of the Agreement, and all modifications, extensions and renewals thereof, executed by the Borrower in favor of the Lender, or other. The Agreement contemplates a series of advances, of a revolving nature, to be made, repaid and remade, from time to time, under the terms of the Agreement, with all such advances to be secured by this mortgage. The total outstanding principal balance owing at any time under this Agreement shall not exceed \$ 53,000.00, which sum is referred to in the Agreement as the “Credit Limit.” The outstanding principal balance does not include finance charges, late charges or other costs which may accrue under the Agreement.

The entire indebtedness under the Agree, if not paid sooner, is due and payable on June 1, 2015. See Attachment “A” attached hereto incorporated by reference for terms regarding interest rate changes and the Lender’s right to accelerate the loan in the event of default, sale, transfer conveyance or alienation of the property described herein.

TO SECURE to Lender the repayment of any and all loan advances which Lender may make now or in the future under the Agreement, with interest and other charges thereon, together with the payment of all other sums advanced in accordance herewith to protect the security of this Mortgage, as well as all late charges, costs and attorney’s fees; and the performance of all the covenants and

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agreements of Borrower herein contained. Borrower does hereby grant and convey to Lender and Lender's successors and assigns, with power to sell, the following described property located in the County of Cook, State of Illinois:

The land is known as:

Lot 5 in Block 4 in Westbury Unit 2, being a subdivision of parts of Blocks 2, 3, 4, 5, 6, 8, 13 and 14 vacated streets in Howie in The Hills Unit 1, subdivision in Section 19, Township 42 North, Range 10, East of the Third Principal Meridian, in Cook County, Illinois.

PIN: 02-19-223-005 which has the address of 4469 Sundance Circle
Hoffman Estates, Illinois, 60195 (herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property; and all easements, rights, appurtenances and rents all of which 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 (or the leasehold estate if this Mortgage is on a leasehold) 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 convey the Property, and that the Property is unencumbered, except for encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands subject to encumbrances of record filed prior to the date of filing of this Mortgage.

Uniform Covenants, Borrower and Lender covenant and agree as follows:

- 1. Payment of Aggregate Principal and Interest.** Borrower shall promptly pay when due the total indebtedness evidenced by the Agreement which includes principal, interest and other charges.
- 2. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Agreement and *Paragraph 1* hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower for interest and charges under the Agreement, and then to the principal under the Agreement.

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3. **Prior Mortgages and Deeds of Trust; Charges; and Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust to other security agreement with a lien which has priority over this Mortgage, including Borrowers covenants to make payments when due. Borrower shall pay or cause to be paid all taxes, assessments, fines and other charges attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any.

4. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject agreement with a lien which has priority over this Mortgage.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

5. **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 or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. 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.

6. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest. If Lender requires mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to *Paragraph 6*, with interest thereon, at the Agreement rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless

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Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in *Paragraph 6* shall require Lender to incur any expense or take any action hereunder.

7. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause thereof related to Lender's interest in the Property.

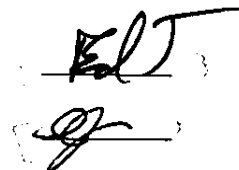
8. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

9. **Borrower Not Released; Forbearance by Lender Not A Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successor in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender 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.

10. **Successors and Assigns Bound; Joint and Several Liability Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of *Paragraph 15* hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Agreement, (a) is co-signing this Mortgage only to mortgage, grant and convey that borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Agreement or under this Mortgage, and © agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Agreement without that Borrower's consent and with releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

11. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

12. **Governing Law; Severability.** The state and local laws applicable to this mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit

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the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Agreement which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Agreement 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.

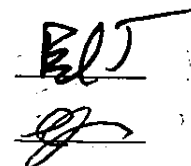
13. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Agreement and of this Mortgage at the time of execution or after recordation hereof.

14. **Rehabilitation Loan Agreement.** Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials, or services in connection with improvements made to the Property.

15. **Transfer of Property.** If Borrower sells or transfers all or any part of the Property or an interest therein, excluding (a) the creation of lien or encumbrance subordinate to this Mortgage, (b) a transfer by devise, descent, or by operation of law upon the death of a joint tenant, or (c) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may declare all of the sums secured by this Mortgage to be immediately due and payable. If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with *Paragraph 11* thereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed or delivered within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by *Paragraph 16* hereof.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

16. **Acceleration; Remedies.** Except as provided in *Paragraph 16* hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, or in the Agreement, including the covenants to pay when due any sums secured by this Mortgage, Lender, prior to acceleration, shall give notice to Borrower as provided in *Paragraph 11* hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the Notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.



17. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage and the Agreement had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in *Paragraph 16* hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

18. **Assignment of Rents; Appointment of Receiver.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under *Paragraph 16* hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under *Paragraph 16* hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

19. **Release.** Upon payment of all sums secured by this Mortgage, and upon receipt of its reasonable release charges, Lender, upon Borrower's written request, shall release this Mortgage

20. **Waiver of Homestead.** Borrower hereby waives all rights of homestead exemption in the Property.

NOTICE TO THIRD PARTIES AND SUBSEQUENT JUNIOR LIEN HOLDERS

21. **Revolving Line.** This Mortgage secures a revolving line of credit calling for advances up to the amount set forth in the Mortgage. The formula for computing interest, original index rate, loan margin, maximum change per period, maximum APR, minimum APR, minimum payment calculations, annual minimum payment adjustments, are all set forth on Attachment "A" to this Mortgage, which is incorporated by reference herein.

22. **Future Advances.** This Mortgage shall secure all future advances made within twenty (20) years from the date of this Mortgage as set forth in Illinois Compiled Statutes, 205 ILCS 305/46 and as amended. However, no advances will be made beyond the 7th year of the term of this Mortgage.

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23. Priority of Future Advances. All future advances shall have the same priority as if advanced at the date of this Mortgage.

REQUEST FOR NOTICE OF DEFAULT
AND FORECLOSURE UNDER SUPERIOR
MORTGAGES OR DEEDS OF TRUST

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

Edward A. Jannik 6/1/00
Edward A. Jannik Date

Anita L. Jannik 6/1/00
Anita L. Jannik Date

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

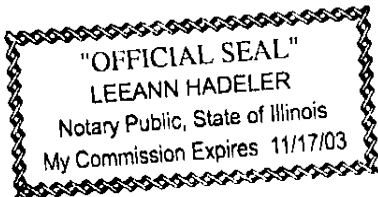
_____ (seal) _____ (seal)

STATE OF ILLINOIS

COUNTY OF COOK

I, the undersigned, a Notary Public in and for said County and State, do hereby certify that Edward A. Jannik & Anita L. Jannik personally known to me to be the same persons whose names 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 therein set forth.

Given under my hand and official seal, on 6/1, 2000



Leeann Hadelers
Notary Public

UNOFFICIAL COPY ATTACHMENT "A"

Members Name: Edward & Anita Jamnik
Account Number: 18076700-66

Changes in the Annual Percentage Rate and Finance Charge.

A. Variable Rate

1 - Original Index Rate	2-Loan Margin	3-Maximum Change per period	4-Maximum APR	5-Minimum APR
5.500%	2.750%	3.000%	14.250%	2.750%

B. Variable Rate.

I agree that you will have the right to increase or decrease the Annual Percentage Rate and its corresponding daily periodic rate, subject to the terms of this Agreement, either.

1. In direct relationship to changes during the term of this Agreement in the Index described below, or,
2. If my Annual Percentage Rate is higher or lower than the index applicable to each current month plus the "Margin" as specified in (D) below, then my Annual Percentage Rate shall move towards the Current Index plus the "Margin" as specified in (E) below. The annual percentage rate includes only interest and no other costs.

C. Change Dates.

The Annual Percentage rate may change on the 5th day of each month during the term of this Agreement. Each date on which the Annual Percentage Rate could change is called a "Change Date."

D. The Index

Changes in the Annual Percentage Rate will be based upon changes in the Index. The Index is the average of the monthly Federal Homes Loan Bank 11th District Cost of Funds, as published by the Federal Home Loan Bank, and the weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of 1 year for the last week of the month, as published in the Federal Reserve Statistical Release H.15 published by the Federal Reserve Board, rounded to the nearest .25 percentage point. The ANNUAL PERCENTAGE RATE on my loan will be the rate of the Index plus the rate specified in Section A-2 called the "Margin" The first index figure for use under this Agreement is the rate specified in Section A-1, called the "Original Index." The Annual Percentage Rate referred to in Paragraph B above as the Initial Rate is the sum of the Original Index plus the "Margin" stated above. The most recent index figure before each Change Date is called the "Current Index." You will add the "Margin" stated above to the Current Index in determining the Annual Percentage Rate during the term of this Agreement. If the Index should become unavailable or is discontinued during the term of this Agreement, you will choose a successor or new index and margin with historical fluctuations similar to the Original Index and provided further that the new index and margin will produce a rate similar to the rate that was in effect at the time the Original Index became unavailable.

E. Calculation of Changes

Before each Change Date you will determine any change in the Annual Percentage rate and its corresponding daily periodic rate applicable to my account. You will calculate the amount of the difference, if any between the Current Index and the Original Index. If the Current Index is higher than the Original Index, you will add the difference to the Initial Rate. If the Current Index is lower than the Original Index, you will subtract the difference from the Initial Rate. Subject to the limits stated in Paragraph F, this amount as an Annual Percentage Rate and its corresponding daily periodic rate will be used to calculate the Finance Charges that I am required to pay. Payment adjustment will be calculated as set forth in subparagraph H.2

F. Limits On Charges

The Annual Percentage Rate will not increase above the maximum legally permissible rate. On any Change Date the ANNUAL PERCENTAGE RATE will not be increased or decreased by more than specified in section 1-3 from the rate applicable as of the most recent Annual Payment Adjustment Date specified in the Agreement. The maximum annual percentage rate will not exceed the rate specified in Section 1-4 or be less than the rate specified in Section A-5

G. Effective Date of Changes

The new Annual Percentage Rate and daily rate will become effective on each Change Date and will apply to the unpaid principal balance of my account until the rate is again changed or until the amounts that I owe to you have been paid in full. The amount of my payments will be adjusted annually on each anniversary of this Agreement as set forth in Paragraph H.3.

H. Effect of Changes

1. Generally.

An increase in the Annual Percentage Rate and its corresponding daily periodic rate will result in more Finance Charges and an increase in the amount of each of its remaining payments required to pay what I owe under this Agreement, and the final payment may be larger than the regular payment amount if necessary to pay in full the total balance which I owe, including principal and finance charges, on the final due date under this Agreement. A decrease in the Annual Percentage Rate and its corresponding daily periodic rate will result in less Finance Charges and a decrease in the amount of the payments required to pay what I owe under this Agreement.

2. Minimum Payment Calculation.

The amount of my minimum monthly, weekly, bi-weekly, or semi-monthly payment will be determined by using the ANNUAL PERCENTAGE RATE applicable to my loan, the original number of payment periods, the principal outstanding balance on the fifth day of the month after I received my last advance, and then rounded up to the next whole dollar. Upon my first advance request you will calculate my minimum payment and schedule my first payment not less than 20 days or more than 30 days after the advance date and you will provide me notice at least 15 days to the initial due date. On subsequent advances the new minimum payment will be calculated on the fifth day of the month after I received my last advance and the new payment will be due a minimum of 15 days after the recalculation. I understand that I have a choice of having my minimum payment based on the original number of periodic payments or the remaining term left to the final due date. I made this election at the time I signed the Agreement. I understand that I can change that election, if I choose, by notifying you in writing and it will be effective at the time of the next minimum payment calculation. In no event will my minimum payment be less than \$24 weekly, \$47 bi-weekly, \$50 semi-monthly, and \$100 monthly, unless the amount I owe is less in which case the minimum payment will be equal to the amount owed. I may make larger payments on my account any time and I may prepay all or any portion of the amount that I owe you at any time without penalty. All payments will first be applied to late charges, then to finance charges, then to my outstanding principal balance. The minimum payment for the Account may not fully repay the principal that is outstanding on my account at the end of the plan. I may then be required to pay the entire balance in a single "balloon" payment on the final due date.

3. Annual Minimum Payment Adjustments.

The minimum payments on my loan will be adjusted once a year during the term of this Agreement on my Annual Payment Adjustment Date specified in the Agreement. On my Annual Payment Adjustment date the remaining minimum payments will be adjusted to the minimum payment calculated as set forth in paragraph H.2 based upon the Annual Percentage Rate applicable to my loan as of the Change Date on the month prior to my Annual Payment Adjustment Date specified in the Agreement. You will calculate the amount of the new minimum payment and the result of the calculation will be the new minimum payment under this Agreement until the next adjustment to the minimum payment or until the amounts that I owe to you are paid in full, whichever first occurs. I understand that the final payment may be larger or smaller than the regular minimum payment amount necessary to repay the amounts owed under this Agreement on the Final Due Date. This may occur if there is a change in the Index after the last adjustment is made in the amount of the minimum payments under this Agreement. In addition, a larger final payment, known as a "balloon payment," will be required on the Final Due date when the minimum payments are not sufficient in amount to amortize the amounts that I owe under this Agreement by that date.

1. Notice of Changes.

You will mail me a periodic statement that includes rate information. In addition, you will mail or deliver to me annually a notice of any adjustment in my minimum payment at least 15 days before the adjustment becomes effective.

The Agreement secured by this Deed of Trust provides further as follows:

Consent Required.

I agree that in the event of sale, transfer, conveyance, or alienation of the property described in the Deed of Trust securing this Agreement, (the security) or any part thereof, or any interest therein, whether voluntary or involuntary you shall have the right, at your option to declare this Agreement and all sums which I may owe immediately due and payable. No waiver of this right shall be effective unless in writing. Consent by you to one such transaction shall not be a waiver of the right to require such consent to later transactions. I will notify you immediately if I enter into an Agreement to sell or transfer all or any part of the Security.