

MORTGAGE

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Cook County Recorder 29.50

PREPARED BY: PALLY PARRA

MAIL RECORDED MORTGAGE TO:  
Abbott Laboratories Employees Credit Union  
401 N. Riverside Drive  
Gurnee, IL 60031

23-06-303-050



O'Connor Title  
Services, Inc.

# 2207-021

THIS MORTGAGE is made this 22ND day of JULY, 2002, by the Mortgagor(s),  
OBIE E VARNADO AND VICKIE D VARNADO (herein "Borrower"),  
TENANTS BY THE ENTIRETY HUSBAND AND WIFE  
in favor of the Mortgagee, Abbott Laboratories Employees Credit Union, whose address is 401 N. Riverside Drive,  
Gurnee, Illinois 60031 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of FORTY THOUSAND AND 00/100  
Dollars, which indebtedness is evidenced by Borrower's  
Promissory Note of even date herewith, including any extensions, renewals or modifications (herein "Note"), providing  
for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and  
payable on 07/21/07

THIS MORTGAGE secures (i) the repayment of the debt evidenced by the Note with interest and all renewals,  
extension and modification, (ii) the payment of all other sums, together with all interest advanced, to protect the  
security of this Mortgage, (iii) the performance of Borrower's covenants and agreements under this Mortgage and the  
Note, and (iv) all costs and expenses of Lender, including without limitation reasonable attorneys' fees in enforcing its  
rights under the Note or this Mortgage, including any action or efforts pursued by Lender in a bankruptcy proceeding.

For this purpose, the Borrower does hereby mortgage, grant, and convey to the Lender the following described  
property located in COOK County, Illinois:  
"See Attached Exhibit A"

Permanent Index No. 23-06-303-050  
which has the address of 193 SANTA FE LANE  
"Property Address".

WILLOW SPRINGS IL 60480

TOGETHER WITH all the improvements and fixtures now or hereafter erected on the property, and all easements,  
rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures  
now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of  
the foregoing is referred to in this Mortgage as the "Property".

TO HAVE AND TO HOLD the Property unto the Lender, and the Lender's successors and assigns, forever, for the  
purposes, and upon the uses herein set forth, free from all rights and benefits under and by virtue of the Homestead  
Exemption Laws of the State of Illinois, which said rights and benefits the Borrower does herein expressly release and  
waive.

THE BORROWER COVENANTS that the 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. The Borrower warrants and will defend generally the title to the Property against all claims and demands,  
subject to any encumbrances of record.

UNIFORM COVENANTS. Borrower and the Lender covenant and agree as follows:

1. **Prior Mortgage.** This Mortgage is junior and subordinate to a first mortgage on the Property from the Borrower to  
MORTGAGE ELECTRONIC REGISTRATION dated 03/19/01 ("Prior Mortgage"). The Prior Mortgage secures a note  
("Prior Note") dated 03/08/01, in the original principal amount of TWO HUNDRED FIFTY THREE THOUSAND  
NINE HUNDRED AND 00/100 Dollars (\$ 253,900.00), made by the Borrower and

payable to the holder of the Prior Note and the Prior Mortgage. Borrower covenants and agrees to perform all of its obligations under the Prior Note, the Prior Mortgage and all other documents and instruments, if any, related to the loan ("Prior Loan") evidenced by the Prior Note, including but not limited to all of the Borrower's obligations to make payments thereunder when and as they become due. Any default under the Prior Mortgage or Prior Note shall constitute a default hereunder. In the event the holder of the Prior Note and the Prior Mortgage exercises its rights to declare all sums remaining unpaid under the Prior Loan immediately due and payable, then Lender may (a) declare all remaining unpaid interest and principal under the Note secured by this Mortgage to be immediately due and payable, or (b) tender payment on the Prior Note or make any other payment reasonably necessary to protect the security of this Mortgage, and said payments shall be secured by this Mortgage and shall be deemed additional advances of principal. Borrower covenants and agrees not to amend, extend or modify a Prior Mortgage or Prior Note without Lender's prior written consent.

**2. Payment of Principal and Interest.** The Borrower shall promptly pay monthly the principal of and interest on the indebtedness evidenced by the Note and all other amounts owing under the Note, and each indebtedness which may be secured by a lien or charge on the Property superior to the lien hereof.

**3. Payment of Taxes, Insurance and Other Charges.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Paragraph. Borrower shall make these payments directly and promptly furnish Lender receipts evidencing the payments. Borrower shall promptly discharge any lien which has priority over this Mortgage unless the Borrower (i) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, (ii) contests in good faith the lien, or defends against enforcement of the lien by legal proceedings which, in the Lender's opinion, operate to prevent the enforcement of the lien or forfeiture of any part of the Property, or (iii) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Mortgage. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, Lender may give Borrower written notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within ten (10) days of Lender's notice.

**4. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraph 2 hereof shall be applied by Lender first to interest payable in amounts disbursed by Lender under Paragraph 7, then to principal of the amounts disbursed by Lender under Paragraph 7, then to interest payable on the Note, and then to unpaid principal balance of the Note.

**5. Insurance.** Borrower shall keep the Property and the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and any other hazards and in such amounts and for such periods as Lender may require; provided that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage and Prior Mortgage, if any. The insurance carrier providing the insurance shall be chosen by the Borrower subject to Lender's approval, which approval shall not be unreasonably withheld. All insurance policies and renewals shall be acceptable to Lender, and shall include a standard mortgage clause which names the Lender as loss payee. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. Each policy of insurance shall include a provision to the effect that it shall not be cancelled or modified without thirty (30) days prior written notice to Lender. 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. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible or Lender's security is not impaired. If the restoration or repair is not economically feasible or Lender's security would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or fails to respond within thirty (30) days from the date notice is mailed from the Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. As determined by the Lender, Lender may use the proceeds to repair or restore the Property or to pay the sums secured by this Mortgage, whether or not then due. The thirty (30) day period will begin when notice is given. Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraph 2 hereof or change the amount of such payments. If the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to acquisition.

**6. Preservation and Maintenance of Property.** Borrower shall keep the Property in good repair, without waste and free from mechanics' liens or other liens or claims not expressly subordinated to the lien hereof, unless otherwise herein provided for, and shall comply with all requirements of law or municipal ordinances with respect to the Property and the use thereof. 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 of 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. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

**7. Protection of Lender's Security and Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if there is action or proceeding that materially affects Lender's security and rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may, upon notice to Borrower, do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include, but shall not be limited to, paying any sum secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and costs and entering on the Property to make repairs. Although Lender may take action under this Paragraph 7, Lender shall not be required to do so. Any amounts disbursed by Lender under Paragraph 7, including interest thereon, shall become additional indebtedness of the Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice to Borrower requesting payment and these amounts shall bear interest from the date of disbursement at the rate(s) set forth in the Note, unless payment of interest at such rate would be contrary to applicable laws, in which event such amount shall bear interest at the highest rate permissible.

**8. Inspection.** Lender, or its agent, may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

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**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured by this Mortgage immediately before the taking, as the numerator and (b) the fair market value of the Property immediately before the taking, as the denominator. Any balance shall be paid to Borrower. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due. Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraph 2 hereof or change the amount of such payments.

**10. 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 or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest 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 or 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 other right or remedy. The procurement of Insurance or payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

**11. Successors and Assigns.** The covenants and agreements of this Mortgage shall bind and the rights shall benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any person who co-signs this Mortgage but does not execute the Note, (i) is co-signing this Mortgage under the terms of this Mortgage, (ii) is not personally obligated to pay the sums secured by this Mortgage, and (iii) agrees that Lender and any other Borrower may agree to extend, modify, forebear or make any accommodation with regard to the terms of this Mortgage or the Note without that Borrower's consent.

**12. Loan Charges.** If the interest or other loan charges collected or to be collected in connection with the loans made under the Note exceed permitted limits as finally interpreted by a court of competent jurisdiction, any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge.

**13. Legislation Affecting Lender's Rights.** If the enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, Lender, at its option, upon ninety (90) days prior notice to Borrower may require immediate payment in full of all sums secured by this Mortgage and may include any remedies permitted by Paragraph 17 hereof.

**14. Notices.** Any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing it by registered or certified mail, unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by written notice to Lender. Any notice to Lender shall be given by registered or certified mail to the Lender's address stated herein, or any other address Lender designates by written notice to Borrower. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given as provided in this Paragraph.

**15. Governing Law.** This Mortgage shall be governed by the laws of the State of Illinois. In the event that any provision or clause of this Mortgage conflicts with applicable law, such conflict shall not affect other provisions of the Mortgage which can be given effect without the conflicting provision. To this end the provisions of this Mortgage are declared to be severable.

**16. Due on Sale.** If all or any part of the Property or any interest in it is sold, conveyed, transferred or leased (or if a beneficial interest in Borrower is sold, conveyed, transferred or leased and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law as of the date of this Mortgage. If Borrower fails to immediately pay these sums, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

**17. Acceleration and Remedies.** The occurrence of any one or more of the following events of default, at the sole option of the Lender, and upon notice to Borrower as herein provided will result in all sums secured by this Mortgage becoming immediately due and owing and the possible forced sale of the Property: (1) any failure to pay any amount owing under the Note when due; (2) any default, breach or nonperformance of an obligation under the Note or this Mortgage; (3) any default with respect to any prior mortgage(s) on the Property; (4) any application or statement furnished by Borrower which Lender finds to be materially false; (5) Borrower's death or insolvency (however expressed or indicated); (6) the filing of a petition in bankruptcy or for the adjustment of debts, of, by, or against Borrower; (7) the sale, conveyance, lease, or transfer of all or any part of the Property or any interest in it without the Lender's prior written consent; (8) the enactment or expiration of any applicable laws which renders any provision of this Mortgage or the Note unenforceable according to its terms; or (9) any action or inaction by the Borrower which adversely affects the Lender's security under this Mortgage or Lender's rights in such security. Prior to acceleration, Lender shall mail notice to Borrower as provided herein specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 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 non-existence 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 the costs of documentary evidence, abstracts and title reports.



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18. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued 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 Note, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements 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 herein, including, but not limited to reasonable attorneys' fees; and (d) Borrower takes such action and pays all expenses 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.

19. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration as provided herein or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration as provided herein or abandonment of the Property, and at any time prior to the expiration of any period of redemption following judicial sale, Lender, in person, by agent or by judicially appointed receiver, shall be entitled 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 Lender or 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's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

20. Release. Upon payment of all sums secured by this Mortgage and performance of all obligations hereunder, Lender shall release this Mortgage to Borrower, and Borrower shall pay all costs of recordation, if any.

21. Waiver of Homestead. Borrower waives all rights of homestead exemption in the Property.

22. Assumption. This Mortgage is not assumable by any party purchasing the Property.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants in this Mortgage and in any rider(s) executed by Borrower and recorded with this Mortgage. Borrower shall be provided a confirmed copy of this Mortgage at the time of execution or after recordation hereof.

IN WITNESS WHEREOF, Borrower has executed this Mortgage at the address of Abbott Laboratories Employees Credit Union first set forth.

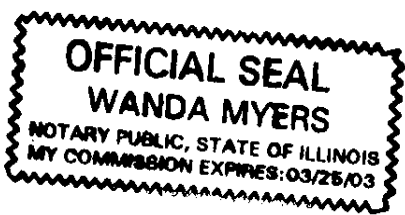
Borrower [Signature]  
OBIE E VARNADO

Borrower [Signature]  
VICKIE D VARNADO

STATE OF ILLINOIS )  
                                  )SS  
COUNTY OF LAKE     )

The undersigned, a notary Public in and for the said county and state, does hereby certify that Obie E Varnado and Vickie D Varnado are personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing Mortgage, appeared before me this day in person, and acknowledge them signed and delivered this Mortgage as their free and voluntary act, including waiver and release of homestead.

Given under my hand and official seal this 22nd day of July 2002.



[Signature]  
Notary Public

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## EXHIBIT "A"

PN: 23-06-303-050

Property Address: 193 Santa Fe Lane, Willow Springs IL 60480

That part of Lot 42 described as follows: Commencing at the Southeast corner of said Lot 42, thence North 27 degrees 55 minutes 18 seconds West along the Easterly line of said Lot 42, a distance of 50.60 feet; thence South 82 degrees 11 minutes 38 seconds West 136.13 feet to the center line of a party wall; thence North 07 degrees 48 minutes 22 seconds West along said center line, 55.00 feet to the point of beginning; thence South 82 degrees 11 minutes 38 seconds West, 20.71 feet; thence South 07 degrees 48 minutes 22 seconds East 15.70 feet to the center line of a party wall; thence North 82 degrees 11 minutes 38 seconds East along said center line, 7.17 feet; thence South 07 degrees 48 minutes 22 seconds East along said center line, 6.83 feet; thence North 82 degrees 11 minutes 38 seconds East along said center line, 20.29 feet to the center line of a party wall; thence North 07 degrees 48 minutes 22 seconds West along said center line 25.06 feet to the point of the beginning;

Together with that part of said Lot 42 lying above the elevation of 629.02 and described as follows:

Commencing at the Southeast corner of said Lot 42, thence North 27 degrees 55 minutes 18 seconds West along the Easterly line of said Lot 42, a distance of 50.60 feet; thence South 82 degrees 11 minutes 30 seconds West 134.13 feet to the point of beginning; thence North 07 degrees 48 minutes 22 seconds West, 57.00 feet to a point, said point having a top of foundation elevation of 618.24 feet; thence North 82 degrees 11 minutes 38 seconds East, 20.54 feet; thence South 07 degrees 48 minutes 22 seconds East, 20.55 feet to the center line of a party wall; thence North 82 degrees 11 minutes 38 seconds East, 7.17 feet along said center line; thence South 07 degrees 48 minutes 22 seconds East, 6.83 feet; along said center line; thence North 82 degrees 11 minutes 38 seconds East, 20.29 feet along said center line of a party wall thence South 07 degrees 48 minutes 22 seconds East along said center line, 29.34 feet; thence South 82 degrees 11 minutes 38 seconds West 48.00 feet to the point of the beginning; in Cook County, Illinois.

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