

UNOFFICIAL COPY

Doc#: 0336301101
 Eugene "Gene" Moore Fee: \$40.00
 Cook County Recorder of Deeds
 Date: 12/29/2003 09:59 AM Pg: 1 of 9

AW83596195
 23176091
 3d3

RETURN BY MAIL TO:

GHS Mortgage, LLC d/b/a Windsor Mortgage
 Home Equity Funding
 4 Walnut Grove Drive
 Horsham, PA 19044-0963

Account No.: 0316114
 Branch No.: 920
 Loan Product: 90% CLT/Piggyback

MIN 1000697-0000031617-5

MORTGAGE TO SECURE ADVANCES UNDER YOUR HOME EQUITY LINE OF CREDIT AGREEMENT

NOTICE: THIS MORTGAGE MAY SECURE ADVANCES MADE AFTER A TRANSFER OF PROPERTY.

THIS MORTGAGE, as amended and extended (*this "Mortgage"*) is signed to secure advances under a GHS Mortgage, LLC Home Equity Line of Credit Agreement (*this "Agreement"*); it is dated as of **November 14, 2003**, and is made by Gary C. Klopfenstein and Candice J. Klopfenstein, Husband and Wife, who reside(s) at 2222 Orrington Avenue Evanston, Illinois 60201 as mortgagor(s), who irrevocably mortgages, grants and conveys to GHS Mortgage, LLC d/b/a Windsor Mortgage, 100 Witmer Road, Horsham, PA 19044-0963 (herein "GHS") and the Mortgage Electronic Registration Systems, Inc., P.O. Box 2026, Flint, MI 48501-2026 ("MERS") acting solely as nominee for GHS and GHS' successors and assigns under this Mortgage, as mortgagee.

Throughout this Mortgage, "we", "us" and "our" refer to mortgagor(s) and any Illinois land trust ("*Trust*") that holds title to the property described below. "GHS Mortgage, LLC" refers to GHS Mortgage, LLC d/b/a Windsor Mortgage or its assigns. The "Account" refers to the Home Equity line of credit account established by GHS Mortgage, LLC under the Agreement. "Borrower" refers to each person who signs the Agreement as borrower. The Agreement, this Mortgage and the Security Agreement and Collateral Assignment from Borrowers to GHS Mortgage, LLC (if the Property is held in Trust), taken together, are called the "Credit Documents." "Signer" refers to any person (other than GHS Mortgage, LLC) who has signed a Credit Document.

DESCRIPTION OF SECURITY

By signing this Mortgage, we grant, bargain, sell, convey, and mortgage (unless mortgagor is a Trust, in which event the Trust conveys, mortgages and quitclaims) to MERS acting solely as a nominee for GHS Mortgage, LLC, subject to the terms of this Mortgage, (a) the real estate located at 2222 Orrington Avenue, Evanston, County of Cook, State of Illinois 60201, more fully described in Schedule A; (b) all buildings and other structures on the property; (c) all rights we may have in any road, alley, easement or license regarding the property or in any mineral, oil, gas or water which is part of the property; (d) all rents and royalties from the property; (e) all proceeds of any insurance on the property and all refunds of premiums on such insurance; (f) all proceeds of any taking (or threatened taking) of the property by any governmental authority ("*condemnation*"); and (g) all fixtures on the property at any time (*collectively, the "Property"*).

The Property includes all rights and interests which we now have or which we may acquire in the future. For example, if the security mortgaged under this Mortgage is a leasehold estate and we subsequently acquire fee title to the Property, the rights and interests granted to MERS acting solely as a nominee for GHS Mortgage, LLC by this Mortgage will include the fee title that we acquire. This Mortgage is also a Security Agreement under the Illinois Uniform Commercial Code and we hereby grant MERS acting solely as a nominee for GHS Mortgage, LLC a security interest in the personal property described in (d) through (g) above.

GHS Mortgage, LLC-IL

BOX 333-CTI

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SECURED OBLIGATIONS

We have signed this Mortgage to secure payment to GHS Mortgage, LLC of up to \$217,000.00, plus FINANCE CHARGES and any other amounts due GHS Mortgage, LLC under the Agreement (*the "Total Balance Outstanding"*) and to secure performance by Borrower under the Agreement and our performance of the covenants of this Mortgage (*collectively, the "Secured Obligations"*).

PRIORITY OF ADVANCES

The lien of this Mortgage will attach on the date this Mortgage is recorded and will not be impaired prior to termination of the Agreement by virtue of our repayment in full of the Total Balance Outstanding at any time.

REPRESENTATIONS AND DUTIES

We promise that, except for Permitted Liens: (a) we own the Property; (b) we have the right to mortgage the Property to GHS Mortgage, LLC; and (c) there are no outstanding claims or charges against the Property. The term "Permitted Lien" means (x) any mortgage, deed to secure debt or deed of trust (*"security instrument"*) disclosed to GHS Mortgage, LLC by any Signer in applying for the Account, to the extent that the amount secured by such security instrument does not exceed the amount disclosed on such application; and (y) any liens, claims and restrictions of record that do not individually or collectively have a material adverse impact upon GHS Mortgage, LLC's security, the value of the Property or the Property's current use.

Each of us, except any Trust, gives a general warranty of title to GHS Mortgage, LLC. This means that each of us will be fully responsible for any losses which GHS Mortgage, LLC suffers because someone has rights in the Property other than Permitted Liens. We promise that we will defend our ownership of the Property against any claims of such right.

We will neither take nor permit any action to partition, subdivide or change the condition of title to all or any part of the Property. We will not amend any Permitted Lien without GHS Mortgage, LLC's prior written consent.

CERTAIN PROVISIONS OF THE AGREEMENT

We understand that GHS Mortgage, LLC may, under certain circumstances set forth in the Agreement, cancel its obligation to make future advances and/or require repayment at once of all sums due under the Credit Documents (*the "Total Balance Outstanding"*).

Under the Agreement, FINANCE CHARGES are based on the "prime rate" published in The Wall Street Journal or in certain circumstances the "prime rate" published in The New York Times or a similar index selected by GHS Mortgage, LLC. The rate of FINANCE CHARGES changes on a daily basis as the index or the amount outstanding under the Agreement increases or decreases. We understand that Borrower will not receive advance notice of such changes.

PROMISES AND AGREEMENTS

We agree with GHS Mortgage, LLC as follows:

- 1. TIMELY PAYMENT.** Except as limited by paragraph 10 below, Borrower shall pay when due all sums owed GHS Mortgage, LLC under the Credit Documents.
- 2. APPLICATION OF PAYMENTS.** All payments shall be applied by GHS Mortgage, LLC as set forth in the Agreement.
- 3. MORTGAGES AND DEEDS OF TRUST; CHARGES; LIENS.** We shall make payments when due and perform all our obligations under any mortgage, deed of trust or other security agreement on the Property.

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We shall pay or cause to be paid when due all loans, taxes, assessments, charges, fines, impositions and rents of any kind relating to the Property ("*Assessments*"). Receipts evidencing such payments shall be delivered to GHS Mortgage, LLC upon its request. Except for Permitted Liens, we shall not allow any encumbrance, charge or lien on the Property to become prior to this Mortgage.

4. HAZARD INSURANCE; CONDEMNATION.

(a) We shall, at our cost, keep all improvements on the Property insured against loss caused by hazards included in the term "extended coverage" or by other hazards GHS Mortgage, LLC may reasonably specify. Hazard insurance shall be in an amount equal to the lesser of (i) the full replacement cost of the building that is part of the Property or (ii) the amount of this Mortgage plus the total amount of all Permitted Liens; but never less than the amount necessary to satisfy any coinsurance requirement contained in the insurance policy.

We may choose the insurance company, subject to approval by GHS Mortgage, LLC which may not be unreasonably withheld. All insurance policies and renewals must be in form acceptable to GHS Mortgage, LLC and must include a standard mortgagee clause in favor of GHS Mortgage, LLC. GHS Mortgage, LLC shall have the right to hold the policies and renewals, subject to the terms of any Permitted Liens. If we pay the premiums directly, we shall provide GHS Mortgage, LLC with all renewal notices and, if requested by GHS Mortgage, LLC, all receipts for premiums. If policies and renewals are held by any other person, we shall supply copies of them to GHS Mortgage, LLC within ten calendar days after they are issued.

In the event of loss, we shall give prompt notice to the insurance company and GHS Mortgage, LLC. GHS Mortgage, LLC may file a proof of loss if we fail to do so promptly.

(b) The proceeds of any condemnation of the Property shall be paid to GHS Mortgage, LLC, subject to any Permitted Liens. We shall give GHS Mortgage, LLC notice of any threatened condemnation and sign all documents required to carry out this paragraph 4. No condemnation settlement may be made without GHS Mortgage, LLC's prior written approval which shall not be unreasonably withheld.

(c) Subject to the terms of any Permitted Liens, GHS Mortgage, LLC may elect that the proceeds of any insurance or condemnation (after payment of all reasonable costs, expenses and attorneys' fees paid or incurred by GHS Mortgage, LLC and us) shall be applied to pay the Secured Obligations, to repair or reconstruct the Property, and/or pay us for our loss. In the event that such proceeds are not used entirely for repair and reconstruction, we shall provide GHS Mortgage, LLC with a new appraisal or valuation of the Property, conducted by a person or entity and in a form reasonably acceptable to GHS Mortgage, LLC, unless GHS Mortgage, LLC waives this requirement in writing. The receipt of proceeds shall not cure or waive any default or notice of default under this Mortgage or invalidate any act done pursuant to such notice.

If the Property is abandoned by us, or if we fail to respond to GHS Mortgage, LLC in writing within 30 calendar days from the date notice of a proposed insurance or condemnation settlement is given to us, GHS Mortgage, LLC may settle the claim, collect the proceeds and apply them as set forth above.

If the Property is acquired by GHS Mortgage, LLC, all of our right, title and interest in and to any insurance or condemnation proceeds shall become the property of GHS Mortgage, LLC to the extent of the sums secured by this Mortgage.

5. MAINTENANCE OF THE PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. We shall: use, improve and maintain the Property in compliance with law; keep the Property in good repair and pay when due all repair costs; prevent waste, impairment and/or deterioration of the Property; and comply with the provisions of any lease of the Property.

If the Property is part of a condominium project or a planned unit development, we shall promptly perform all of our obligations under the governing documents of the project or development.

6. PROTECTION OF GHS Mortgage, LLC SECURITY. We shall appear in and defend any action or proceeding which may affect the security of GHS Mortgage, LLC under this Mortgage or result in a violation of paragraph 3 above. If such an action is filed, we violate this Mortgage or Borrowers violate the Agreement, then GHS Mortgage, LLC may disburse funds and do whatever it believes necessary to protect the security of this Mortgage. In doing so, GHS Mortgage, LLC shall give us notice but it need not make demand or release us from any obligation.

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Any amounts paid by GHS Mortgage, LLC under this paragraph 6, with FINANCE CHARGES at the variable rate in effect under the Agreement, shall be paid by us upon demand. Until paid by us, such amounts are secured by this Mortgage. GHS Mortgage, LLC is not required to incur any expense or take any action under this Mortgage and no action taken shall release us from any duty.

7. INSPECTION. Representatives of GHS Mortgage, LLC may inspect the Property from time to time. Except in an emergency, GHS Mortgage, LLC must first give notice specifying reasonable cause for the inspection.

8. FINANCE CHARGES AFTER END OF ACCOUNT AND/OR JUDGMENT. To the extent permitted by law, we agree that FINANCE CHARGES after the end of the Account and/or after a judgment is entered shall continue to accrue at the rates and in the manner specified in the Agreement.

9. OUR CONTINUING DUTIES AND GHS Mortgage, LLC'S RIGHTS; WAIVERS. No waiver of any GHS Mortgage, LLC right under the Credit Documents shall release or limit our liability, Borrower's liability, or that of our successors or Borrower's successor, nor shall any waiver affect the lien or priority of this Mortgage. GHS Mortgage, LLC shall not be required to start proceedings against any successor or modify payment terms by reason of any demand made by us or any successor.

No GHS Mortgage, LLC act or failure to act shall waive any right under this Mortgage. All waivers must be in writing and signed by GHS Mortgage, LLC; they shall apply only to the extent and with respect to the event specified in the writing. Obtaining insurance, or paying taxes, other liens or charges shall not be a waiver of GHS Mortgage, LLC's right to demand payment at once of the sums secured by this Mortgage in the event of a default under the Credit Documents.

10. SUCCESSORS AND ASSIGNS; JOINT AND SEVERAL LIABILITY; CO-SIGNERS. This Mortgage shall bind us and our respective successors and permitted assigns for the benefit of GHS Mortgage, LLC and its successors and assigns. All agreements made by us or any successor are joint and several and may be enforced against each of us or any successor.

Any Signer who does not execute the Agreement (a) is co-signing only to encumber that person's interest in the Property and to waive all homestead, dower, curtesy, appraisement, valuation, redemption, reinstatement, stay, extension, exemption and moratorium laws now existing or hereafter enacted, (b) is not personally liable under the Credit Documents, and (c) agrees that GHS Mortgage, LLC and any Signer may modify either Credit Document, without consent and without modifying the interests of the rest of us under this Mortgage.

11. NOTICES. All notices shall be in writing. Except where applicable law requires otherwise:

(a) GHS Mortgage, LLC notices shall be hand delivered or mailed by first class, registered or certified mail to the address of the Property or to such other address specified by the addressee in a written notice given to GHS Mortgage, LLC. Any GHS Mortgage, LLC notice shall be considered given on the day it is deposited in the U.S. mail or is hand-delivered.

(b) Our notices shall be mailed to GHS Mortgage, LLC by first class, registered or certified mail to the address for such notices specified on our most recent monthly statement under the Agreement or to such other address specified by GHS Mortgage, LLC in a written notice given to us. Any such notice shall be considered given on the day it is received by GHS Mortgage, LLC.

12. GOVERNING LAW. This Mortgage will be governed by federal and Illinois law. If any provision is invalid, illegal, or unenforceable, this Mortgage shall be interpreted as if such provision had never been included.

13. COPIES. We shall receive copies of the Credit Documents at the time they are signed or after this Mortgage is recorded.

14. EXERCISING REMEDIES. GHS Mortgage, LLC may exercise all of the rights and remedies provided by the Credit Documents or law, and any of these rights and remedies may be exercised individually or jointly, once or a number of times. The parties to this document are subject to the provision for Arbitration as set forth in the Agreement which is incorporated by reference as if set forth at length herein.

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15. EVENTS OF DEFAULT.

(a) The events set forth in paragraph 15(b) are Events of Default if and when GHS Mortgage, LLC gives any Signer notice of default. We agree to notify GHS Mortgage, LLC promptly upon the happening of any event that would be an Event of Default under either Credit Document upon the giving of notice by GHS Mortgage, LLC.

(b) After giving notice of default, GHS Mortgage, LLC may end the Account and/or demand repayment at once of the Total Balance Outstanding in any of the following events:

- (i) There has been fraud or material misrepresentation by any Signer in connection with the Account;
- (ii) Borrowers have failed to meet the repayment terms of the Agreement for any amount outstanding; or
- (iii) Any action or inaction by any Signer has adversely affected the Property or any right of GHS Mortgage, LLC in the Property; to the extent permitted by law, this will include, but not be limited to, any Signer (or any legal representative or successor of any Signer) agreeing to sell, transfer or assign or selling, transferring or assigning any interest in the Property, without the prior written consent of GHS Mortgage, LLC.

(c) Notwithstanding any language in this Mortgage to the contrary, GHS Mortgage, LLC will not give notice of default unless permitted by applicable law and GHS Mortgage, LLC will give us any grace period, right to cure and/or reinstatement right required by applicable law. This paragraph 15 is intended to give GHS Mortgage, LLC all rights permitted by applicable law.

16. REMEDIES. IF BORROWERS DO NOT REPAY AT ONCE THE TOTAL BALANCE OUTSTANDING WHEN DUE, GHS Mortgage, LLC MAY EXERCISE ANY REMEDY AVAILABLE TO IT UNDER APPLICABLE LAW, INCLUDING FORECLOSURE.

17. ASSIGNMENT OF RENTS; RECEIVERS; GHS Mortgage, LLC POSSESSION OF THE PROPERTY. As additional security, we hereby assign to GHS Mortgage, LLC any rents due on the Property after an Event of Default or abandonment of the Property. In any action to foreclose this Mortgage, GHS Mortgage, LLC shall be entitled to the appointment of a receiver.

If an Event of Default occurs or we abandon the Property, GHS Mortgage, LLC, without notice, may enter upon, take possession of, and manage the Property. GHS Mortgage, LLC may then collect or sue in its own name for any rents due on the Property. All rents so collected shall be applied first to payment of the reasonable costs of operation and management of the Property (such as collection costs, receiver's fees, bond premiums and attorneys' fees) and then to the Total Balance Outstanding. GHS Mortgage, LLC and the receiver must account only for rents actually received.

Acts taken by GHS Mortgage, LLC under this paragraph 17 shall not cure or waive any Event of Default or invalidate any act done pursuant to notice of default.

We will not, without the written consent of GHS Mortgage, LLC, receive or collect rent from any tenant on the Property more than one month in advance. Upon an Event of Default, we will pay monthly in advance to GHS Mortgage, LLC or any receiver the fair and reasonable rental value of the Property or that part of the Property in our possession. If we fail to pay such rent, we will vacate and surrender the Property to GHS Mortgage, LLC or to such receiver. We may be evicted by summary proceedings.

18. RELEASE. Upon payment and discharge of all sums secured by this Mortgage and termination of the Account, this Mortgage shall be void and GHS Mortgage, LLC shall release this Mortgage without charge to us.

19. REQUEST FOR NOTICES. GHS Mortgage, LLC requests that copies of notices of default, sale and foreclosure from the holder of any lien which has priority over this Mortgage be sent to GHS Mortgage, LLC at 100 Witmer Road, Horsham, PA 19044-0963.

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20. EXHIBITS, SCHEDULES AND RIDERS, ETC. The terms of any Exhibit, Schedule or Rider attached to this Mortgage or executed and recorded with this Mortgage shall be treated as if fully set forth in this Mortgage. All of the terms of the Agreement are made part of this Mortgage.

21. TIME OF ESSENCE. Time is of the essence in this Mortgage.

22. ACTUAL KNOWLEDGE. For purposes of the Credit Documents, GHS Mortgage, LLC shall not be deemed to have actual knowledge of any fact until it actually receives notice as set forth in paragraph 11 or until it receives written notice thereof from a source GHS Mortgage, LLC reasonably believes to be reliable. The date of receipt shall be determined by reference to the "Received" date stamped on such written notice by GHS Mortgage, LLC or its agent.

23. TAXES. If new taxes on mortgages or the debts they secure are established after the date of this Mortgage, we shall pay the full amount of any such tax.

24. WAIVER OF STATUTORY RIGHTS. To the extent permitted by law, for ourselves and our successors and assigns, we hereby waive the benefit of all homestead, dower, curtesy, appraisement, valuation, redemption, reinstatement, stay, extension, exemption and moratorium laws now existing or hereafter enacted and any right to have the Property marshalled upon any foreclosure. We further agree that any court having jurisdiction to foreclose may order the Property sold as an entirety.

25. EXPENSES OF LITIGATION. In any proceeding to enforce any remedy of GHS Mortgage, LLC under the Credit Documents there shall be allowed and included, to the extent permitted by law, as additional indebtedness in the judgment or decree, any court costs and reasonable expenses which may be paid or incurred by GHS Mortgage, LLC for attorneys; appraisers; documentary and expert evidence; stenographers; publication; surveys; abstracts of title; title searches; title insurance policies; Torrens certificates; and similar items which GHS Mortgage, LLC reasonably considers necessary in such proceeding or to evidence to bidders at any sale the true condition of the title to or value of the Property. Such expenses may be estimated to the extent they will be incurred after entry of the decree. All such expenses, and those that may be incurred to protect and maintain the Property or the lien of this Mortgage, shall be payable upon demand.

26. CAPTIONS; GENDER; ETC. The headings in this Mortgage are not to be used to interpret or define its provisions. In this Mortgage, the masculine gender includes the feminine and/or neuter, singular numbers include the plurals, and plurals include the singular.

27. LIMITED LIABILITY OF TRUSTEE. If this Mortgage is executed by a Trust, the Trustee executes this Mortgage under authority vested in it as such Trustee. It is expressly understood and agreed by GHS Mortgage, LLC and its successors that (a) nothing contained in the Credit Documents shall be construed to create any liability on the Trustee personally to pay any indebtedness or to perform any covenants either express or implied contained in the Credit Documents, and (b) any recovery under the Credit Documents shall be solely against and out of the Property by enforcement of the provisions thereof. This waiver shall in no way affect the personal liability of any Borrower.

28. WRITTEN STATEMENTS. Within five calendar days upon request in person or within ten calendar days upon request by mail, we will furnish a duly acknowledged written statement of the amount due under the Credit Documents and state whether any offsets or defenses exist against the debt secured by this Mortgage.

29. MERS. Borrower understands and agrees that MERS holds only legal title to the interests granted by Borrower in this Mortgage, but, if necessary to comply with local law or custom MERS (as nominee for GHS and GHS' successors and assigns) has the right to exercise any or all of these interests, including, but not limited to, the right to foreclose and sell the property; and to take any action required of Lender including but not limited to, releasing and canceling this Mortgage.

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By signing this Mortgage, we agree to all of the above.

Gary C. Klopfenstein
Gary C. Klopfenstein
MORTGAGOR

Candice J. Klopfenstein
Candice J. Klopfenstein
MORTGAGOR

MORTGAGOR

MORTGAGOR

MORTGAGOR

MORTGAGOR

MORTGAGOR

STATE OF ILLINOIS)
COUNTY OF COOK ss.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Gary C. Klopfenstein and Candice J. Klopfenstein, Husband and Wife, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument appeared before me this day in person, and acknowledged that signed, sealed and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal this 14 day of NOV, 2003.

[Signature]

Notary Public

Commission expires:



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MORTGAGE

THIS INSTRUMENT PREPARED BY:

Melissa Stewart
GHS Mortgage, LLC d/b/a Windsor Mortgage
4 Walnut Grove Drive
Horsham, PA 19044-0963

Title No: _____

TO

Recorded At Request of
GHS Mortgage, LLC d/b/a Windsor Mortgage

RETURN BY MAIL TO:
GHS Mortgage, LLC d/b/a Windsor Mortgage
Home Equity Funding
4 Walnut Grove Drive
Horsham, PA 19044-0963

RESERVE THIS SPACE FOR USE OF RECORDING OFFICE

Property of Cook County Clerk's Office

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ORDER NO.: 1401 - AW8359619
ESCROW NO.: 1409 - 023176091

1

STREET ADDRESS: 2222 ORRINGTON

CITY: EVANSTON

ZIP CODE: 60201

COUNTY: COOK

TAX NUMBER: 11-07-122-025-0000

Property of Cook County Clerk's Office

LEGAL DESCRIPTION:

LOT 1 AND THE NORTH 15 FEET OF LOT 2 IN BLOCK 91 IN NORTHWESTERN UNIVERSITY SUBDIVISION OF THE NORTH HALF OF THE SOUTH HALF OF THE SOUTHWEST QUARTER LYING EAST OF SHERMAN AVENUE AND A STRIP 251 FEET EAST AND WEST OF AND ADJOINING THE NORTH HALF OF THE ABOVE DESCRIBED LAND OF SECTION 7, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS