

UNOFFICIAL COPY

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MORTGAGE

Colonial Bank and Trust Company of Chicago

5850 West Belmont Avenue / Chicago, Illinois 60634

15.00

THIS MORTGAGE made this THIRD day of JULY, 1987, between

LAWRENCE S. DOMAGALA and DONNA M. DOMAGALA, HIS WIFE

("Borrower") and COLONIAL BANK AND TRUST COMPANY OF CHICAGO, a state banking corporation with offices at 5850 West Belmont, Chicago, Illinois 60634 ("Bank").

WITNESSETH, that:

Borrower is indebted to Bank in the maximum principal sum of

FIFTEEN THOUSAND AND NO/100THS

(\$ 15,000.00

) DOLLARS, or

the aggregate amount of all advances made by Bank pursuant to that certain Home Equity Line of Credit Agreement between Bank and Borrower ("Loan Agreement") of even date herewith, whichever is less, which indebtedness is evidenced by the Loan Agreement and the Home Equity Line of Credit Variable Interest Rate Promissory Note of even date herewith ("Note") providing for monthly installments of interest, with the principal balance of the indebtedness, if not sooner paid or required to be paid, due and payable on demand on or after five (5) years from the date of this Mortgage. However, in no event shall the final payment of the Note, including the total outstanding principal balance and any accrued and unpaid interest, fees and charges, be due later than fifteen (15) years from the date hereof.

Interest on the Note is determined for each monthly billing period by applying a daily periodic rate to each day's ending loan balance. The daily periodic rate may vary from month to month; it is set at the beginning of each monthly billing period and remains constant during that monthly billing period. The daily periodic rate is 1/365th (or 1/366th in the case of leap years) of the Annual Percentage Rate applicable to that monthly billing period (carried to five decimal places). The Annual Percentage Rate will be determined by adding ONE percent (1.000000%) to the Prime Rate as reported in the Money Rate section of The Wall Street Journal on the first business day of such billing period (the "Prime Rate").

TO SECURE to Bank (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced in accordance herewith to protect the security of this Mortgage; and (c) the performance of the covenants and agreements of the Borrower herein contained, the Borrower does hereby MORTGAGE, GRANT AND CONVEY to the Bank the following described property located in COOK County, Illinois, hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois:

LOT 24 AND THE NORTH 10 FEET OF LOT 23 IN BLOCK 12 IN WESTWOOD, BEING MILLS AND SONS SUBDIVISION IN THE WEST 1/2 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 12

12-25-111-093

COOK COUNTY, ILLINOIS FILED FOR RECORD

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which has the common address of 3009 NORTH 78TH COURT, ELMWOOD PARK, ILLINOIS 60635

("Property Address"); and the permanent index number of: 12-25-111-093-0000

TOGETHER with all the improvements now or hereafter erected on or attached to the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock, insurance and condemnation proceeds, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, 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 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, that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. There is a prior mortgage from Borrower to ALLIANCE SAVINGS AND LOAN ASSOCIATION, A CORPORATION OF ILLINOIS

dated AUGUST 09, 1974

and recorded as document number 22819838

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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.

The Borrower has the right to prepay the principal amount outstanding of the Note, in whole or in part, at any time during the term thereof; without penalty.

**COVENANTS.** Borrower and Bank covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Bank, Borrower shall pay to Bank on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Bank on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Bank, if Bank is such an institution). Bank shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Bank may not charge for so holding and applying the funds, analyzing said account, or verifying and compiling said assessments and bills, unless Bank pays Borrower interest on the Funds and applicable law permits Bank to make such a charge. Borrower and Bank may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Bank shall not be required to pay Borrower any interest or earnings on the Funds. Bank shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Bank, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Bank any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Bank to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Bank shall promptly refund to Borrower any Funds held by Bank. If under paragraph 18 hereof the property is sold or the Property is otherwise acquired by Bank, Bank shall apply, no later than immediately prior to the sale of the Property or its acquisition by Bank, any Funds held by Bank at the time of application as a credit against the sums secured by this Mortgage.

The requirement of this paragraph 2 shall not be applicable if the property is encumbered by a prior first lien mortgage.

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Bank under the Note and this Mortgage shall be applied by Bank first in payment of amounts payable to Bank by Borrower under paragraphs 7 and 18 hereof, then to interest payable on the Note, and then to the principal of the Note.

4. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall fully and timely perform all of the Borrower's obligations under any mortgage, deed of trust or other security agreement which has or appears to have any priority over this Mortgage, including Borrower's covenants to make any payment when due. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage in the manner provided under Paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, at least ten (10) days before due, directly to the payee thereof. Borrower shall promptly furnish to Bank all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Bank receipts evidencing such payments.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss or damage by fire, hazards included within the term "extended coverage", and such other hazards (collectively "Hazards") as the Bank may require. Borrower shall maintain Hazard insurance for the term of the Note or such other periods as Bank may require and in an amount equal to the lesser of (a) the maximum insurable value of the Property or (b) the amount of the Line of Credit evidenced by the Note and secured by this Mortgage, plus the amount of any obligation secured in priority over this Mortgage. The insurance carrier providing the insurance shall be chosen by Borrower subject to Bank's approval which shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier. All insurance policies and renewals thereof shall be in a form acceptable to the Bank and shall include a standard mortgage clause acceptable to the Bank. Bank shall have the right to hold the policies and renewals thereof, subject to the rights and terms of any mortgage, deed of trust or other security agreement with a lien that has or appears to have priority over this Mortgage. Borrower shall promptly furnish to Bank all receipts of paid premiums and renewal notices. In the event of a loss, Borrower shall give prompt notice to the insurance carrier and the Bank. The Bank may make proof of loss if not made promptly by Borrower.

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21. **Time of Essence.** Time is of the essence of this Mortgage, the Note and the Loan Agreement.

22. **Release.** Upon payment of all sums secured by this Mortgage and termination of the Loan Agreement, Bank shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordings of any documentation necessary to release this Mortgage.

23. **Waiver of Homestead.** Borrower hereby waives all right of homestead exemption in the Property.

24. **Loan Charges.** If the loan secured by this Mortgage is subject to a law which sets maximum charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Bank may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower.

25. **Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, Bank, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 18. If Bank exercises this option, Bank shall take steps specified in the second paragraph of paragraph 17.

IN WITNESS WHEREOF, the undersigned has signed this Mortgage on the day and year first above written at

CHICAGO Illinois.

BORROWER

*Lawrence S. Domagala*

NAME: LAWRENCE S. DOMAGALA

*Donna M. Domagala*

NAME: DONNA M. DOMAGALA

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STATE OF ILLINOIS

COUNTY OF COOK

ss.

I, SOPHIA M. AVGOUSTAKIS

, a Notary Public in and for said County,

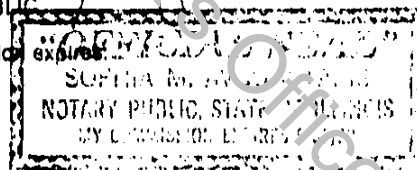
In the State aforesaid, DO HEREBY CERTIFY THAT LAWRENCE S. DOMAGALA and DONNA M. DOMAGALA, HIS WIFE personally known to me to be the same person(s) whose name(s) (he) (she) subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that LAWRENCE S. DOMAGALA and DONNA M. DOMAGALA, HIS WIFE signed, sealed and delivered the said instruments as THEIR 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 notarial seal this THIRD day of JULY, 19 87

*Sophia M. Avgoustakis*

NOTARY PUBLIC

My commission expires



THIS INSTRUMENT WAS PREPARED BY:

Douglas R. O'Dowd  
Colonial Bank and Trust Company  
of Chicago  
5850 West Belmont Avenue  
Chicago Illinois 60634

RETURN TO: BOX 333-GG 3

ATTN: Loan Operations Dept.  
Colonial Bank and Trust Company  
of Chicago  
5850 West Belmont Avenue  
Chicago Illinois 60634

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 CHICAGO Illinois.

BORROWER

*Lawrence S. Domagala*  
 NAME: LAWRENCE S. DOMAGALA

*Donna M. Domagala*  
 NAME: DONNA M. DOMAGALA

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STATE OF ILLINOIS

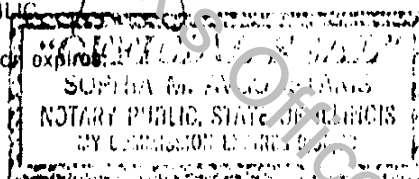
COUNTY OF COOK

SS.

I, SOPHIA M. AVGOUSTAKIS, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT LAWRENCE S. DOMAGALA and DONNA M. DOMAGALA, HIS 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 LAWRENCE S. DOMAGALA and DONNA M. DOMAGALA, HIS WIFE signed, sealed and delivered the said instruments as THEIR 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 notarial seal this THIRD day of JULY, 19 87

*Sophia M. Avgoustakis*  
 NOTARY PUBLIC  
 My commission expires



THIS INSTRUMENT WAS PREPARED BY:

Douglas R. O'Dowd  
 Colonial Bank and Trust Company  
 of Chicago  
 5850 West Belmont Avenue  
 Chicago Illinois 60634

RETURN TO: BOX 333 - GG 2

ATTN: Loan Operations Dept.  
 Colonial Bank and Trust Company  
 of Chicago  
 5850 West Belmont Avenue  
 Chicago Illinois 60634

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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.

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