

88443555

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Loan No. 2556-29 kc

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on September 20, 1988. The mortgagor is Delbert E. Downen, Divorced, and not since remarried. ("Borrower"). This Security Instrument is given to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF WESTCHESTER, which is organized and existing under the laws of The United States of America, and whose address is 2221 South Marabell Road, Westchester, Illinois 60153 ("Lender"). Borrower owes Lender the principal sum of Sixteen Thousand and 00/100 Dollars (U.S. \$ 16,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on September 20, 1998. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

Lot 12 in Block 9 in Midland Development Company's Northlake Village Unit #3, being a Subdivision of part of the South half (S 1/2) of Section 32, Township 40, North Range 12, East of the Third Principal Meridian in Cook County, Illinois.

Permanent Index No. 12-32-322-012

which has the address of 61 Country Club Drive Northlake, Illinois 60164 ("Property Address");

TOGETHER WITH all the improvements 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 Security Instrument. All of the foregoing is referred to in this Security Instrument 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 warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

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.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or 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 Security Instrument, 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 Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. 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 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 Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. **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 Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release 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 Security Instrument 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 shall not be a waiver or preclude the exercise of any right or remedy.

11. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. **Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan 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. 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 under the Note.

13. **Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class 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 notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. **Governing Law; Severability.** This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be given one conforming copy of the Note and of this Security Instrument.

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred 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 Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. **Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

UNOFFICIAL COPY

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. **Bank for Interest and Taxes.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, with the Note, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may arise primarily over this Security Instrument; (b) yearly mortgage insurance premiums; (c) any yearly hazard insurance premiums; and (d) yearly bank of correct data and charges for interest of funds of the Note.

3. **Bank of Correct Data and Charges for Interest of Funds of the Note.** Lender may estimate the Funds due on the bank of correct data and charges for interest of funds of the Note. These items are called "estimated items" and (d) yearly mortgage insurance premiums; (c) any yearly hazard insurance premiums; and (b) yearly one-twelfth of: (a) yearly taxes and assessments which may arise primarily over this Security Instrument; (b) yearly mortgage insurance premiums; (c) any yearly hazard insurance premiums; and (d) yearly bank of correct data and charges for interest of funds of the Note.

4. **Bank of Correct Data and Charges for Interest of Funds of the Note.** Lender may estimate the Funds due on the bank of correct data and charges for interest of funds of the Note. These items are called "estimated items" and (d) yearly mortgage insurance premiums; (c) any yearly hazard insurance premiums; and (b) yearly one-twelfth of: (a) yearly taxes and assessments which may arise primarily over this Security Instrument; (b) yearly mortgage insurance premiums; (c) any yearly hazard insurance premiums; and (d) yearly bank of correct data and charges for interest of funds of the Note.

5. **Hazard Insurance.** Borrower shall keep the improvements no existing or hereafter erected on the Property insured against loss by fire, hazards included within the extra "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. 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. 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 and Lender's security is not harmed, if the restoration or repair is not economically feasible or Lender's security would be harmed, the insurance proceeds shall be applied to the sum secured by this Security Instrument, whether or not the insurance is paid to Borrower. If Borrower abandons the Property, or if not for some reason, Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone paragraph 19 of the Property is required by Lender, Borrower's right to any insurance 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 Security Instrument immediately prior to the acquisition.

5. **Restoration and Maintenance of Property.** However, Lender shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or become unsafe, and if Borrower acquires fee title to a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees in writing.

7. **Protection of Lender's Right in the Property.** Lender shall have the right to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding to enforce laws or Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may 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 paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and acting on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts determined by Lender under this paragraph shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement, requesting payment.

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Paragraph 6 of the Note entitled "Call Option" provides in its entirety as follows:
"Without cause, Note Holder can either (a) cancel my right to any future advances
under my line of credit without requiring prompt repayment of my outstanding principal
balance (that is, "freeze" the line), or (b) cancel my right to any future advances
and also require prompt repayments of my outstanding principal balance plus accrued
interest and other charges imposed on my credit line (that is, "terminate" the line).

For the monthly billing period which began on September 01, 1988, the
daily periodic rate was .03014 % (which corresponds to an annual interest
rate of 11 %). The daily loan balance shall be computed by taking the principal
balance of all borrowings at the beginning of each day, adding any borrowings posted
to the account that day and subtracting any principal payments posted to the account
as of that date. The interest begins to accrue on the date that a borrowing is posted
to the account.

Conversely if the Prime Rate increases so will the annual interest rate and that
decreases in the annual interest rate are mandatory as the Prime Rate declines.
The annual interest rate will decrease
if the Prime Rate decreases and that may reduce the monthly interest payment.

The annual interest rate applied to the outstanding principal balance on this
Note is calculated daily and is equal to the Prime rate plus one (1) percentage
point. The Prime Rate is defined as the Prime Rate as reported in the Money Rate
section of The Wall Street Journal. In the event that The Wall Street Journal
stops reporting the Prime Rate, the Lender will select a comparable index as a
substitute for the Prime Rate and notify you of the change. If The Wall Street
Journal reports two different Prime Rates, the Lender will select the higher of the
two Prime Rates as the Prime Rate in determining the annual interest rate. The
interest is payable monthly and is due by the 20th day after the statement date.
The interest 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
change from month to month; it is set at the beginning of each monthly billing
period. The daily periodic rate is 1/365th of the annual interest rate applicable
to that monthly billing period (carried to five decimal places).
There is a maximum limit on increases in the annual interest rate to a maximum interest rate of 19.8%

The first three paragraphs of paragraph 6 of the Note entitled "Interest
(Variable Rate)" provide as follows:

Borrower acknowledges that the Note calls for a Variable Interest Rate and
that the Lender may, prior to the expiration of the term of the Note, cancel future
advances thereunder and/or require repayment of the outstanding balance under the
Note. In this regard, the Note provisions set forth herein below relate to the
variable interest rate and the Lender's option to require repayment prior to the
expiration of the term of the Note or to cancel future advances for reasons other
than default by the Borrower.

This Mortgage is to secure to Lender on consolidation of the repayment of the
Revolving line of credit indebtedness evidenced by a line of credit agreement and
Disclosure Statement (Agreement) of even date herewith and by borrower's Variable
Interest Rate Promissory Note ("Note") of even date herewith, in the principal sum
of U.S. \$ 16,000.00 or so much thereof as may be advanced and outstanding
with interest thereon, providing for monthly installments of interest with the
principal balance of the indebtedness; it not sooner paid or required to be paid, due
and payable (10) years from the date hereof the payment of all
other sums, with interest hereon advanced in accordance herewith to protect the
security of this Mortgage; any future advances must have the same priority of the
original loan amount, and the performance of the covenants and agreements of borrower
contained herein and in the agreement and the Note. The agreement, Note and this
Mortgage are collectively referred to as the "Credit Documents". The credit documents
contemplate, and this Mortgage pertains and secures future advances.

Any provision of said Mortgage or other such instruments executed in connection
with said indebtedness which are inconsistent with the provisions of this Rider,
including but not limited to the interest rate, monthly payment, notice to borrower
and prepayment are hereby amended or negated to the extent necessary to conform such
instruments to the provisions of this Rider.

In addition to covenants and agreements in the Security Instrument, Borrower
and Lender further agree as follows:

This Rider is made this 20th day of September, 19 88, and
is incorporated into and should be deemed to amend and supplement the Mortgage
(the Security Instrument) of the same date given by the undersigned (the "Borrower")
to secure Borrower's Note to First Federal Savings and Loan Association of
Westchester (the "Lender") of the same date (the "Note") and covering the property
described in the Security Instrument and located at 61 Country Club Drive,
Northlake, IL 60164.

LINE OF CREDIT RIDER

009244583

16.00

(Seal)

(Seal)

By signing this, the Borrower(s) agree(s) to all of the above.

Time is of the essence in this Mortgage and this Note and Agreement.

without further notice to Borrower.

under the Note or the Agreement shall constitute an Event of Default hereunder, these references incorporated herein as if set forth in full. Any Event of Default All of the terms, conditions and provisions of the Agreement and Note are by

and payable.

Upon default, the Note holder at its option may refuse to allow additional

portfolios and declare all amounts owing to the Note Holder to be immediately due

personal financial information upon request of the Note Holder from time to time.

obtain a writ of execution against the Borrower(s) (i) Borrower fails to furnish

hardest or any other creditor's claims are to be actually due) or (ii) Borrower

credit documents or other records are not maintained in accordance with the list

any credit information or record of credit standing or security a loan to Borrower

line of credit or other financial instrument or agreement; (ii) Borrower defaults under

concomitance in lender's financial institution; (iii) Borrower's responsibility for the

of the property or other assets which are the subject of this mortgage or

of the property or other assets which are the subject of this mortgage or

under any provision of any state or federal bankruptcy law in effect at the time

insisted against the Borrower and not satisfied within sixty (60) calendar days

for the Note; (iv) Borrower files for bankruptcy or bankruptcy proceedings are

initiated in any state or federal bankruptcy court; (v) Borrower's responsibility for the

signature of any credit document or other record of credit standing or security

not entered in the present account or other records or the other is not a

responsibly believes that the property or other assets which are the subject of this

is found to be partially exempt from the jurisdiction of the Note Holder

which secures the Note; (vi) any other event or circumstance which is not

payment; (vii) Borrower fails to comply with the terms of this Note or this mortgage

will constitute an Event of Default under the Note; (viii) Borrower fails to make any

covered in paragraph 17 of the mortgage agreement, or any other event which

any part of the property or other assets which are the subject of this mortgage

In addition, an Event of Default shall be deemed to have occurred by the sale or transfer of all or

EVENTS OF DEFAULT

the date principal repayment is due.

in this Note to give me a subsequent notice terminating it entirely, thus advancing

Note Holder will still have the right in accordance with and at the time specified

to repay my outstanding principal balance until the due date, provided, however, that

that Note Holder is freezing my line, rather than terminating it, I am not obligated

and twenty (20) calendar days after the notice is given, if the notice specifies

interest and other charges imposed on my credit line, no later than one hundred

I will be obligated to repay my outstanding principal balance, and all accrued

specifies that Note Holder is terminating my line, rather than merely freezing it,

15, my right to future advances will expire at 12:01 a.m. on May 26. If the notice

calendar day after the notice is given. For example, if the notice is given on May

my line of credit will expire as of 12:01 a.m. on the eleventh (11th)

If Note Holder gives me such a notice my right to any future advances under

Note Holder may do either of these things by giving me written notice of its election to do so. To be effective, the notice must be given within three (3) business days before or after either the fifth anniversary of my signing this Note or any subsequent anniversary date up until the fifth anniversary date. The notice must be registered or certified mail, addressed to me at the Property's address (or such other address as I have given Note Holder). The notice will be deemed to have been given on the date it is deposited in the mail regardless of when I actually receive it.

PROPOSED

16.00

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