

Mortgage to Secure a PREFERRED LINE Agreement

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PREFERRED LINE PO Box 803487 Chicago, Illinois 60680

Telephone (312) 621-3117

444 101 2921 This Instrument was prepared by:

88363197

14.00

THIS MORTGAGE ("Mortgage") is made this 2nd day of August 1988 between Mortgagor, ROBERT P. KARNES AND BETH D. KARNES, HIS WIFE

Borrower and the Mortgagee, Citicorp Savings of Illinois, A Federal Savings and Loan Association, a corporation organized and existing under the laws of the United States, One South Dearborn Street, Chicago, Illinois 60603 ("Lender")

WHEREAS, Borrower is indebted to Lender pursuant to a Preferred Line Account Agreement ("Agreement") of even date hereof, in the principal sum of U.S. \$ 15,000.00 Borrower's "Credit Limit" or so much of such principal as may be advanced and outstanding, with interest thereon, providing for periodic installment payments of principal of 1/60th of the principal balance outstanding and unpaid as of the date of the most recent advance to Borrower hereunder, interest, optional credit life and/or disability insurance premiums, and miscellaneous fees and charges for ten (10) years from the date hereof, all such sums, if not sooner paid, being due and payable ten (10) years from the date hereof, the ("Maturity Date")

To secure to Lender the repayment of the indebtedness under the Agreement, with interest thereon, and payment of all other sums, with interest thereon advanced to protect the security of this Mortgage, and the performance of the covenants and agreements of the Borrower under the Mortgage and the Agreement, by the repayment of any future advances, with interest, made to Borrower by Lender pursuant to paragraph 7 hereof "future advances" and any "Loans" advances of principal after the date hereof as provided for in the Agreement, it being the intention of Lender and Borrower that all such Loans made after the date hereof enjoy the same priority and security hereby created as if all such Loans had been made on the date hereof, Borrower does hereby mortgage, grant, convey and warrant, unless Borrower be an Illinois land trust, in which case Borrower mortgages, grants, conveys and quit claims to Lender the following described property ("Property") located in the County of COOK and State of Illinois:

SEE ATTACHED-

P.I.N. No. 14 21 106 027 1003

PROPERTY ADDRESS: 620 W. WAVELAND #3e CHICAGO, ILL. 60613

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, unless Borrower is an Illinois land trust, warrants and will defend generally the title to the property against all claims and demands, subject to any encumbrances of record.

Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due by the terms of the Agreement the principal of and interest accrued on the indebtedness evidenced by the Agreement, together with any other fees, charges or premiums imposed by the Agreement or by this Mortgage.

2. Line of Credit Loan. This Mortgage secures a Line of Credit Loan Agreement. Borrower will enjoy access to that Line of Credit during the term hereof.

3. Agreed Periodic Payments. During the term hereof, Borrower agrees to pay (in or before the payment due date shown on each periodic Billing Statement the Minimum Payment Due for that Billing Cycle, each Billing Cycle will be approximately one month). The payment due date for each Billing Cycle is approximately twenty five (25) days after the close of the Billing Cycle.

If, on the Maturity Date, Borrower still owes amounts under the Agreement, Borrower will pay those amounts in full on the Maturity Date.

4. Finance Charges. Borrower agrees to pay interest in "Finance Charge" on the Outstanding Principal Balance of Borrower's Preferred Line Account as determined by the Agreement. Borrower agrees to pay interest at an Annual Percentage Rate of 14.40%

Lender reserves the right, after notice to Borrower, to change the Annual Percentage Rate, the Credit Limit, or cancel Borrower's Preferred Line Account.

5. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Agreement and this Mortgage shall be applied as provided in the Agreement. Charges and late fees provided by paragraph 7 hereof will be treated as Finance Charges for purposes of application of payments only.

6. Charges; Liens. 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 receipts evidencing these payments.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Lender's rights in the property (such as a proceeding in bankruptcy, probate, foreclosure 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 action may include paying any sums secured by a lien which has priority over this Mortgage appearing in court, paying reasonable attorneys' fees and entering on the property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate provided in the Agreement and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8080747-4 Appt. Adm. Dept.

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UNIT NUMBER 420-3, AS DELINEATED ON SURVEY OF THE FOLLOWING DESCRIBED PARCEL OF REAL ESTATE (HEREINAFTER REFERRED TO AS PARCEL): THE EASTERLY 50 FEET OF THE WESTERLY 115 FEET OF LOT 7 AND THE EASTERLY 50 FEET OF THE WESTERLY 115 FEET OF LOT 6 (EXCEPT THE SOUTHERLY 42 1/2 FEET THEREOF) IN BLOCK 8 IN MUNDLEY'S SUBDIVISION OF LOTS 3 TO 21, AND 33 TO 37, ALL INCLUSIVE, IN PINE GROVE, A SUBDIVISION IN SECTION 31, TOWNSHIP 49 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO DECLARATION OF CONDOMINIUM MADE BY THE EXCHANGE NATIONAL BANK OF CHICAGO, A NATIONAL BANKING ASSOCIATION, AS TRUSTEE UNDER TRUST AGREEMENT DATED MARCH 28, 1973 KNOWN AS TRUST NUMBER 77737, RECORDED IN THE OFFICE OF THE RECORDER OF COOK COUNTY, ILLINOIS, ON AUGUST 7, 1977 AS DOCUMENT NUMBER 22932910, TOGETHER WITH AN UNDIVIDED 26.6 PER CENT INTEREST IN SAID PARCEL (EXCEPTING FROM SAID PARCEL ALL THE PROPERTY AND SPACE COMPRISING ALL THE UNITS THEREOF AS OFFICED AND SET FORTH IN SAID DECLARATION AND SURVEY), ALL IN COOK COUNTY, ILLINOIS.

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8. Borrower Not Released... modification of amortization of the sums secured by this Mortgage... shall not operate to release the liability of the original Borrower's successor in interest.

9. Successor and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Borrower...

10. Prior Mortgages. Borrower covenants and agrees to comply with all of the terms and conditions and covenants of any mortgage, trust deed or similar security instrument affecting the property which has or may have priority over this Mortgage...

11. Default (A) Borrower shall commit a default under this Mortgage if any of the following occurs: 1. failure to pay when due any sum of money due under the Agreement or pursuant to this Mortgage...

(B) If Borrower is in default under the Agreement or this Mortgage Lender may require Borrower to pay immediately the principal balance outstanding, any and all interest...

12. Transfer of the Property. If all or any part of the property, or an interest therein is sold or transferred by Borrower or if the beneficial interest or any part thereof in any land trust holding title to the property is assigned...

13. Acceleration; Remedies. Upon a Default by Borrower under the Mortgage Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage without further demand...

14. Waiver of Homestead. Borrower waives all right of homestead exemption in the property.

Dated: 8-2-88

BORROWER [Signature]
Borrower: ROBERT P. KARNES

[Signature]
Borrower: BETH D. KARNES

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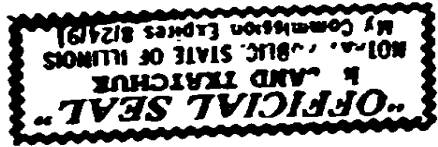
STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that ROBERT P. KARNES AND BETH D. KARNES, HIS WIFE personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that THEY signed, sealed and delivered the said instrument 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 official seal, this 3rd day of AUGUST, 1988
[Signature]

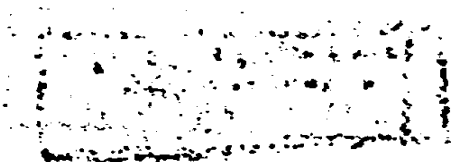
Notary Public

Commission Expires 8-24-91



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THIS CONDOMINIUM RIDER is made this 2<sup>nd</sup> day of August, 19 88  
and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned to secure Borrower's Preferred Line Agreement with Citicorp Savings of Illinois, A Federal Savings and Loan Association (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

620 W. WAVELAND UNIT #3E CHICAGO, ILL. 60613  
Property Address

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

WAVELAND CONDO ASSOCIATION  
Name of Condominium Project

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to the property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. **Condominium Obligations.** Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. **Hazard Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

Borrower's obligation under Paragraph 4 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. **Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Paragraph 5.

E. **Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;

(iii) termination of professional management and assumption of self-management of the Owners Association; or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. **Remedies.** If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate provided in the Preferred Line Agreement and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

  
ROBERT P. KARNES Borrower

  
BETH D. KARNES Borrower

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Borrower

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Borrower

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