

UNOFFICIAL COPY



MORTGAGE

Avenue Bank of Oak Park

104 North Oak Park Avenue / Oak Park, Illinois 60301

89087041

THIS MORTGAGE made this 30th day of January, 19 89, between

Stanley H. Gulch and Genevieve E. Gulch, his wife

("Borrower") and AVENUE BANK OF OAK PARK, a state banking corporation with offices at 104 North Oak Park Avenue, Oak Park, Illinois 60301 ("Bank").

WITNESSETH, that:

Borrower is indebted to Bank in the maximum principal sum of

Twenty Six Thousand Dollars and 00/100ths-----(\$ 26,000.00-----) 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. **Maximum Interest Rate Will Not Exceed 18%.**

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.0000** percent (**1.0000** %) 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:

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The South 10 feet of Lot 1 and the North 50 feet of Lot 2 in the North East Avenue Addition to Oak Park, being a subdivision of the East 23.43 Acres of the West 40 Acres of the South 50 Acres of the North East quarter of Section 6, Township 39 North, Range 13, East of the Third Principal Meridian, and also that part of Lot 12 lying West of the West Line of North Elmwood Avenue produced North in the Superior Court Commissioners Partition of the South Half of the South 85 Acres of the North West quarter of Section 5 and the South half of the East 17 acres of the South 85 acres of the North East quarter of Section 6, Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

which has the common address of **939 N Elmwood, Oak Park, Illinois 60302**

("Property Address"); and the permanent index number of: **16-06-229-015**

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 **Avenue Bank of Oak Park**

dated **May 6, 1987**

and recorded as document number **87242726**

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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 Illinois.

BORROWER

Stanley H. Gulch

NAME: STANLEY H. GULCH

Genevieve E. Gulch

NAME: GENEVIEVE E. GULCH

STATE OF ILLINOIS

COUNTY OF COOK

SS

PROPERTY OF COOK COUNTY CLERK'S OFFICE
\$15.00
12222 TRAN 4054 02/06/89 16:26:00
#8214 # E * -89-057041
COOK COUNTY RECORDER

I, the undersigned

, a Notary Public in and for said County,

in the State aforesaid, DO HEREBY CERTIFY THAT Stanley and Genevieve Gulch, 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 Stanley H. and Genevieve E. Gulch, 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 30th day of January, 1989

Muriel Kottner

NOTARY PUBLIC

My commission expires:

July 24, 1989

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THIS INSTRUMENT WAS PREPARED BY:

Amy P. Roxas
Personal Loan Administrator
Consumer Loan Department
Avenue Bank of Oak Park
104 N Oak Park Avenue
Oak Park, Illinois 60301

RETURN TO:

Kathleen Kramer
Personal Loan Officer
Consumer Loan Department
Avenue Bank of Oak Park
104 N Oak Park Avenue
Oak Park, Illinois 60301

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The lien of this Mortgage secures payment of any existing indebtedness and future advances on the equal part thereof to the same extent as if such future advances were made on the date of the execution of this Mortgage, with the principal of such advances not there is any advance made at the time this Mortgage is executed and without regard to whether or not there is any principal outstanding at the time any advance is made.

The Borrower has the right to prepay the principal amount outstanding of the Note, with or without part of any interest due on 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 (the "Funds") equal to one-twelfth of the yearly taxes and assessments which may attach prior to the Mortgage and thereafter on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance and 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 Reserve agency (including Bank if Bank is such an institution). Bank shall apply the Funds to pay said taxes, assessments, premiums and ground rents. Bank may not charge for so holding and applying the funds and for the actual cost of so 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 bound to pay Borrower any interest or earnings on the Funds. Bank shall give to Borrower, without charge, an annual statement of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds shall be held 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 the taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be paid by Bank to Borrower or repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Bank is not sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay the amount necessary to make up the deficiency within 30 days from the date notice is mailed to Bank by Borrower regarding the deficiency thereof.

Upon payment in full of all sums secured by this Mortgage, Bank shall promptly refund to Borrower any Funds held by Bank under paragraph 18 hereof the property is sold or the Property is otherwise acquired by Bank. Bank shall apply the Funds held by Bank immediately prior to the sale of the Property or its acquisition by Bank, any Funds held by Bank at the time of application of the Funds 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 mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Bank under this Mortgage shall be applied by Bank first in payment of amounts payable to Bank by Borrower under paragraph 2 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 and observe 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, taxes and impositions attributable to the Property which may attain a priority over this Mortgage in the manner provided in paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, at least ten (10) days before due credits to the principal of the Note. Borrower shall promptly furnish to Bank all notices of amounts due under this paragraph, and in the event Borrower shall make any 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 perils (collectively "Hazards") as the Bank may require. Borrower shall maintain Hazard insurance for the term of the Note 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 indebtedness secured by a prior mortgage on the Property. The insurance carrier providing the insurance shall be chosen by Borrower subject to Bank's approval, which approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, and shall be paid in such manner, by Borrower making payment, when due, directly to the insurance carrier. An insurance policy and renewal notices thereof shall be in a form acceptable to the Bank and shall include a standard mortgage clause acceptable to the Bank. Borrower 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 receipts of paid premiums and renewal notices. In the event of a loss, Borrower shall give prompt notice to the insurance carrier and to the Bank. The Bank may make proof of loss if not made promptly by Borrower.

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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, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with any excess paid to Borrower. If Borrower abandons the Property, or if Borrower fails to respond to Bank within 30 days from the date notice is mailed by Bank to Borrower that the insurance carrier offers to settle a claim, Bank is authorized to collect and apply the insurance proceeds at Bank's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

If under paragraph 18 hereof, the Property is acquired by Bank, all right, title and interest of Borrower to any insurance policies and to the proceeds thereof resulting from damage to the Property prior to the sales or acquisition shall pass to Bank to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. Preservation and Maintenance of Property; Leasehold; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. 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 or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and consistent 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. If Borrower fails to perform any of the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects the Bank's interest in the Property, including, but not limited to, eminent domain, bankruptcy, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Bank at Bank's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Bank's interest, including, but not limited to, disbursements of reasonable attorneys' fees and entry upon the property to make repairs. If Bank required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Bank's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Bank pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Bank agree to other terms of payment, such amounts shall be payable upon notice from Bank to Borrower requesting payment hereof. Nothing contained in this paragraph 7 shall require Bank to incur any expense or take any action hereunder.

8. Inspection. Bank may make or cause to be made reasonable entries upon and inspections of the Property, provided that Bank shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Bank, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage. Borrower agrees to execute such further documents as may be required by the condemnation authority to effectuate this paragraph. Bank is hereby irrevocably authorized to apply or release such moneys received or make settlement for such moneys in the same manner and with the same effect as provided in this Mortgage for disposition or settlement of proceeds of hazard insurance. No settlement for condemnation damages shall be made without Bank's prior written approval.

10. Borrower Not Released. Extension of the time for payment, acceptance by Bank of payments other than according to the terms of the Note or modification in payment terms of the sums secured by this Mortgage granted by Bank to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest of Borrower. Bank shall not be required to commence proceedings against such successor 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 and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Bank in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver or preclude the exercise of any such right or remedy. A waiver as to one event shall not be construed as continuing or as a waiver as to any other event.

12. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Capitions. The covenants and agreements herein shall bind, and the rights hereunder shall inure to, the respective heirs, legatees, devisees, successors and assigns of the Bank and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

