

# UNOFFICIAL COPY

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Memorandum of Agreement by and between Warren M. Pazen and Shirley L. Pazen, his wife, and Donald J. Craig and Patricia Craig, his wife, and Burbank State Bank.

## WITNESTH

Whereas, Donald J. Craig and Patricia Craig, his wife, desire to sell property commonly known as 880 Trace, Unit No. 203, Buffalo Grove, Illinois 60089 and,

Whereas, Warren M. Pazen and Shirley L. Pazen, his wife, desire to purchase said property and,

Whereas, Donald J. Craig and Patricia Craig, his wife, are indebted to Burbank State Bank under a Mortgage with supporting riders dated January 14, 1988 in the amount of \$ 26,400.00 and recorded as Document Number 88 027 626.

Now Therefore, in consideration of the premises and the mutal promises of the parties, the parties covenant and agree as follows:

### 1. Words used often in this agreement.

Buyer: Warren M. Pazen and Shirley L. Pazen, his wife, will be called the "Buyer".

Seller: Donald J. Craig and Patricia Craig, his wife, will be called the "Seller".

Lender: Burbank State Bank will be called the "Lender". Lender is a State Bank which exists under the laws of the State of Illinois. Lender's address is 5440 West 87th Street, Burbank, IL 60459. Lender has purchased subject mortgage from Inland Mortgage Corporation, by an assignment dated January 28, 1988 and recorded as Document Number

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Property: The property described in the mortgage dated January 14, 1988 and recorded in the office of the Cook County Recorder of Deeds as Document Number 88 027 626 is as follows:

UNIT 9-203 IN SANDPIPER CONDOMINIUM, TOGETHER WITH AN UNDIVIDED PERCENT INTEREST IN THE COMMON ELEMENTS AS DEFINED AND DELINEATED IN THE DECLARATION RECORDED AS DOCUMENT NUMBER 26 116 685, IN THE WEST 8 ACRES OF THE EAST 30 ACRES OF THE SOUTH 60 ACRES OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF SECTION 6, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.\*\*\*\*\*

P.I.N. 03-06-400-036-1153 VOL. 231

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and will be called the "Property." This includes land and any buildings built on the land located at 880 Trace, Unit No. 203 Buffalo Grove, in Cook County, in the State of Illinois. The "Property" also includes property and other kinds of property as explained in the mortgage.

2. Seller has given Lender a mortgage. The Buyer understands that:

A. On January 14, 1988, Seller borrowed \$ 26,400.00 from Lender and as evidence that Seller owed Lender said sum, Seller executed a Note, to protect the Lender from any losses which might possibly result if Seller did not:

1. Pay all the amounts that Seller owed Lender as stated in the Note;
2. Pay, with interest, any amounts that Lender spends under this Mortgage, to protect the value of the Property and Lender's rights in the Property;
3. Pay, with interest, any other amounts that Lender might lend to Seller or to Buyer as Future Advances, and;
4. Keep all of the other promises and agreements under the Mortgage,

Seller gave Lender a Mortgage, wherein Seller gave Lender those rights that are stated in the Mortgage and also those rights that the law gives to Lenders who hold Mortgages on real property.

B. The Seller now owes \$ 26,121.15 on this Mortgage. Interest will be charged on the unpaid principal balance until the full amount of principal has been paid. The interest rate on this mortgage is currently 9.90 % per annum and can change on February 1, 1990. The interest rate in effect on February 1, 1990 can change and can change on the 1st day of February in each succeeding year thereafter until the maturity date of February 1, 2015. Each date on which the interest could change is called a "Change Date". The next Change Date will be February 1, 1990. On February 1, 1990, the interest rate will be adjusted to an Index. The "Index" is the Federal Home Loan Bank, 11th District Cost of Funds. The most recent Index figure available as of the thirty (30) days before each Change Date is called the "Current Index." If the Index is no longer available, the Lender will choose a new index which is based upon comparable information. The Lender will give borrower notice of this choice. Before each Change Date, the Lender will calculate the new interest rate by adding two percentage points (2.00 %) to the Current Index. The Lender will then round the result of this addition to the nearest one eighth of one percentage point (0.125%). This rounded amount will be the new interest rate until the next

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Change Date. However, the interest rate cannot be changed by more than two percentage points (2.00 %) at any Change Date. Said interest rate shall at no time exceed 13.90 % per annum. The interest rate will become effective on each Change Date.

- C. The Buyer has purchased or is about to purchase the Property. The Seller desires to be released from any liability for the repayment of the amount borrowed. The Lender has given permission for this sale and has agreed to release the Seller.
3. Therefore, because the Buyer has agreed to take over payments on the mortgage and keep all of the promises contained in this Agreement, in the Mortgage, in the Note, and in the Assignment of Rents, the Buyer, Seller, and Lender agree as provided in this Agreement.
  4. Promise to pay. The Buyer agrees to repay the amount owed by the Seller to the Lender or any person who takes the Mortgage, Note, and Assignment of Rents by transfer. At this time payments are to be sent to the servicer, Inland Mortgage Corporation, 2901 Butterfield Road, Oak Brook, IL 60521. The Lender or person who takes the Mortgage, Note and Assignment of Rents by transfer will notify Buyer in writing if this address should change.
  5. Interest. The Buyer agrees to pay interest on the unpaid balance of the amount owed by the Seller at the interest rate described in paragraph 2B above.
  6. Payments. The Buyer agrees to make payments of principal and interest each month. The first payment will be due on August 1, 1989. Until February 1, 1990, the monthly payments of principal and interest will be \$ 229.24. On each Change Date of interest, the Lender will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that is owed at the Change Date in full on the maturity date at the new interest rate in substantially equal payments. The result of this calculation is called the "Full Payment." It will be the new amount of the monthly payment. The amount of the new monthly payment will begin on the first monthly payment date after the Change Date until the amount of the monthly payment changes again.
  7. Release. The Lender by this Agreement releases and discharges the Seller of any and all liability, claim, or demand of any kind on account of the Mortgage, Note, and Assignment of Rents.
  8. Additional Promises. Regardless of anything to the contrary contained in the Mortgage, Note, and Assignment of Rents, the Lender and Buyer agree to the following paragraphs 9 through and including 14.
  9. Prepayment. Buyer has a right to make payments of principal at any time before they are due, however, payments made on a day other than the first day of the month will not be credited to the account until the first day

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of the following month. A payment of principal only is known as a "prepayment." Buyer will tell Lender in writing that a prepayment is being made.

There is no prepayment charge. A partial prepayment may reduce the amount of the monthly payments after the first Change Date following the partial prepayment. However, any reduction due to the partial prepayment may be offset by an interest rate increase.

10. Late Charges. If the Lender has not received the full amount of any monthly payment by the end of ten (10) calendar days after the date it is due, Buyer will pay a late charge to the Lender. The amount of the charge will be 5 percent (5) of the overdue payment of principal and interest or a \$25.00 minimum. Buyer will pay this late charge promptly but only once on each late payment.
11. Penalty Interest. Buyer agrees that if Buyer is in default in keeping any of the promises contained in the Mortgage, the Note, the Assignment of Rents, or this Agreement, Buyer will pay interest on the amount Buyer owes under this Agreement at the maximum legal rate of interest permitted by law or at the rate of interest provided for in paragraph 2B of this Agreement, whichever is greater. Buyer will pay at this rate of interest as long as Buyer is in default and until Buyer has paid all the principal and interest Buyer owes.

Any amounts disbursed by Lender due to the Buyer's failure to perform the covenants and agreements contained in the Mortgage, Note, Assignment of Rents, and this Agreement, or legal proceedings that may significantly affect the Lender's rights to the Property, shall become additional debt of the Buyer and secured by the Mortgage. Unless Buyer and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the rate stated in the above paragraph and shall be payable, with interest, upon notice from Lender to Buyer requesting payment.

12. Insurance. Buyer shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the period that Lender requires. The insurance carrier providing the insurance shall be chosen by Buyer 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, Buyer shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Buyer shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Buyer.

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If the Buyer does not assign or deliver the policies within 15 days after the Lender gives him notice that Lender requires Buyer to assign and/or deliver the policies, the Lender may require Immediate Payment In Full.

- 13. Default; Acceleration; Remedies. Lender shall give notice to Buyer prior to acceleration following Buyer's breach of any covenant or agreement in the Mortgage, Note, Assignment of Rents, or this Agreement. The notice shall specify; (a) the default; (b) the action required to cure the default; (c) the date, not less than 30 days from the date the notice is given to Buyer, by which the default must be cured; and (c) the failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Buyer of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Buyer to acceleration and foreclosure. If the default is not cured on or before date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by the Mortgage without further demand and may foreclose the Mortgage by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorneys' fees and costs of title evidence.
- 14. All other covenants and agreements contained in the Mortgage, Note, and Assignment of Rents remain in full force and effect.

Buyer, Seller and Lender agree to all of the above items. Signed this 30<sup>th</sup> day of July 1989.

In the presence of:

Donald J. Craig  
Donald J. Craig

Patricia Craig  
Patricia Craig

BURBANK STATE BANK

Joan E. Iwema  
Joan E. Iwema  
Assistant Vice President

ACCEPTED:

Warren M. Pazen  
Warren M. Pazen

Shirley L. Pazen  
Shirley L. Pazen

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STATE OF ILLINOIS )  
 ) SS  
COOK COUNTY )

I, Robert J. Sobin Jr., a Notary Public in and for said County and State, do hereby certify that Donald J. Craig and Patricia Craig, 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 and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 30<sup>th</sup> day of June 1989.

My Commission Expires: 4-25-93

**ROBERT J. SOBIN JR.**  
**NOTARY PUBLIC STATE OF ILLINOIS**  
**COMMISSION EXPIRES APRIL 25, 1993**

Robert J. Sobin Jr.  
Notary Public

STATE OF ILLINOIS )  
 ) SS  
COOK COUNTY )

I, Robert J. Sobin Jr., a Notary Public in and for said County and State, do hereby certify that Warren M. Pazen and Shirley L. Pazen, 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 and delivered the said instrument their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 30<sup>th</sup> day of July 1989.

My Commission Expires:

4-25-93

**ROBERT J. SOBIN JR.**  
**NOTARY PUBLIC STATE OF ILLINOIS**  
**COMMISSION EXPIRES APRIL 25, 1993**

Robert J. Sobin Jr.  
Notary Public

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COMMISSION EXPIRES APRIL 28, 1993  
NOTARY PUBLIC STATE OF ILLINOIS  
ROBERT J. BARNETT JR.

COMMISSION EXPIRES APRIL 28, 1993  
NOTARY PUBLIC STATE OF ILLINOIS  
ROBERT J. BARNETT JR.

