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Loan No. 101598
Title No.
WHEN RECORDED MAIL TO:

89350495

Mail To
This document was prepared by:
Abe Lamela
United Air Lines Employees' Credit Union
P.O. Box 66100
Chicago, IL 60666

BOX 333 - GG

SPACE ABOVE THIS LINE FOR RECORDER'S USE

OPEN-END MORTGAGE

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THIS MORTGAGE, ("Security Instrument"), is made July 31, 1989, between Joseph V. Kapacinskas and Dana Kapacinskas, husband and wife herein called Borrower, whose address is 4109 AMELIA, LYONS, IL 60534, and UNITED AIR LINES EMPLOYEES' CREDIT UNION, herein called Lender, whose address is P.O. Box 66100, Chicago, Illinois, 60666.

In order to secure the debts as described below, Borrower, intending to be legally bound hereby, does hereby grant and convey to Lender and Lender's successors and assigns the following property located in Cook County, Illinois described as:

LOT 2 IN TROCHIM RESUBDIVISION OF LOTS 298 AND 299 IN BLOCK 4 IN SECOND DIVISION OF RIVERSIDE IN SECTION 36, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.
PIN # 15-36-404-054-0000 CKA - 108 DELAPLAINE, RIVERSIDE, IL 60546

COOK COUNTY
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TO HAVE AND TO HOLD this property unto the Lender and the Lender's successors and assigns, forever, 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 this property. All replacement and additions also shall 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 that are listed in the property report obtained by Lender, (collectively, "Permitted Encumbrances"); it being understood and agreed, however, that the recital thereof herein shall not be construed as a revival of any encumbrance which for any reason may have expired. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject only to the Permitted Encumbrances.

THIS SECURITY INSTRUMENT IS MADE TO SECURE TO THE LENDER THE FOLLOWING DEBTS AND OBLIGATIONS:

(1) Performance of each Agreement of Borrower incorporated by reference or contained herein, and

(2) Payment of the indebtedness due and to become due under, and performance of the terms, and conditions under a consumer revolving loan agreement entitled "United Air Lines Employees' Credit Union Home Equity Secured Open-End Variable Rate Loan Agreement and Truth-In-Lending Disclosure Statement" (herein "the Agreement") dated the same date as this Security Instrument, and all modifications, extensions, renewals, and reinstatements thereof. The Agreement contemplates a series of advances, of a revolving nature, to be made, repaid, and remade, from time to time, under the terms of the Agreement with all such advances to be secured by this Security Instrument to the same extent as if such future advances were made on the date of execution of this mortgage. The total outstanding principal balance owing at any time under the Agreement shall not exceed \$ 170,000.00 which sum is referred to in the Agreement as the "Initial Credit Limit". The outstanding principal balance does not include the finance charges, or other costs which may accrue under the Agreement. The entire indebtedness under the Agreement, if not paid sooner, is due and payable on July 1, 2019.

(3) The Agreement provides for an initial interest rate of 9.90%. The Agreement provides for changes in the interest rate, as follows:

A. Variable Rate.

During the term of this Agreement the Annual Percentage Rate and its corresponding daily periodic rate may increase or decrease. The Introductory Annual Percentage Rate is not determined by the use of the independent Index described below. The current daily periodic rate that would be applicable if the introductory rate was not in effect is .028% (corresponding ANNUAL PERCENTAGE RATE of 10.28%). The introductory Annual Percentage Rate will end on the last day of July, 1992. On the first day of August, 1992 and every twelfth month thereafter, my Annual Percentage Rate may change. Each date on which my Annual Percentage Rate could change is called a "Change Date." The new Annual Percentage Rate will become effective on each Change Date and will apply to my unpaid principal balance until the rate is changed again.

B. The Index.

Beginning on the first Change Date, my Annual Percentage Rate will be based on the Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year, as published by the Federal Reserve Board in its weekly Statistical Report (H.15). The Index also is published each Tuesday in the Key Interest Rates table of The Wall Street Journal. The most recent Index figure published by the Federal Reserve Board as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available or is substantially altered in its calculation, you may choose a new index which is based upon comparable information and/or adjust the Margin. You will give me notice of any substitute index or

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adjustment in the Margin. My Annual Percentage Rate will not change at the time of the substitution of indices or the adjustment in the Margin due solely to the substitution or adjustment.

C. Calculation of Changes.

On each Change Date you will add 200 basis points (2.00 percentage points, called the "Margin") to the Current Index. If I am participating in the payroll deduction plan or have agreed to permit preauthorized transfers from my Share Account and there is a sufficient balance in my Share Account, you will reduce this amount by 25 basis points. The result will be my new Annual Percentage Rate, but will be subject to the limitations set forth in Subparagraph D. below.

D. Limits On Changes.

My interest rate will never be increased or decreased on any single Change Date due to a change in the Index by more than 2.00 percentage points from the Annual Percentage Rate I have been paying for the preceding twelve months. If on the same Change Date I also change my method of payment, my Annual Percentage Rate could increase or decrease an extra one-quarter of a percentage point resulting in a maximum change of 2.25 percentage points on any one Change Date. My ANNUAL PERCENTAGE RATE will never be greater than 14% nor less than 8%.

E. Effect of Change.

If my Annual Percentage Rate increases, my payment will increase. If my Annual Percentage Rate decreases, my payment will decrease.

DUE ON SALE PROVISION:

Borrower agrees that in the event of sale, transfer, conveyance, or alienation of the Property described herein or any part thereof, whether voluntary or involuntary, Lender shall have the right, at its option, to declare all sums immediately due and payable under the Agreement. No waiver of this right shall be effective unless in writing. Consent by the Lender to one such transaction shall not be a waiver of the right to require such consent to later transactions. Borrower agrees to notify Lender immediately if Borrower enters into an agreement to sell or transfer all or part of the Property described herein.

BORROWER AND LENDER COVENANT AND AGREE AS FOLLOWS:

- (1) Payments. Borrower shall promptly pay when due all payments on the Agreement and on all other obligations which this Security Instrument secures.
- (2) Revolving Nature of Indebtedness. According to the terms of the Agreement, the unpaid balance of the revolving line of credit secured by this Security Instrument may at certain times be zero. Notwithstanding this fact, the Lender may make additional advances under the terms of the Agreement to the Borrower. Therefore, the interest of the Lender in this Security Instrument will remain in full force and effect even though from time to time there is a zero balance under the Agreement.
- (3) Prior Security Instruments; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust, or other security instrument with a lien that has priority over this Security Instrument, including Borrower's covenants to make payments when due.

Borrower shall pay at least 15 days before they are delinquent on taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument, except a Permitted Encumbrance. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien within 10 days of the giving of notice.

- (4) Hazard Insurance. Borrower 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 periods that Lender requires, subject to applicable law. The carrier providing the insurance coverage 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 naming Lender as an additional insured. 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 restore or repair the Property damaged, if restoration or repair is economically feasible and Lender's security is not lessened. If restoration or repair is not economically feasible or Lender's Security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower.

- (5) Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage, or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

- (6) Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument or there is a legal proceeding that may significantly affect Lender's rights in the Property, then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. For example, Lender may pay any sums secured by a lien which has priority over this Security Instrument, appear in court, pay reasonable attorneys' fees or enter on the Property to make repairs. Although Lender may act under this section, Lender does not have to do so. If any amounts are disbursed by Lender under this section, Lender shall give

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notice Borrower of such payment and such amount shall become an additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest from the date of disbursement at the rate in effect under the Agreement and shall be payable, with interest, upon demand from Lender to Borrower.

(7) Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. The proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower.

(8) 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 start 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 of or preclude the exercise of any right or remedy.

(9) 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 limitations on Borrower's ability to transfer the Property as explained in the Due on Sale Provision above. Borrower's covenants and agreements shall be joint and several. Any Borrower who signs this Security Instrument but does not execute the Agreement: (a) is 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 Agreement without that Borrower's consent.

(10) 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 shown on Page 1 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 as to Borrower or Lender when given as provided in this section.

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

(12) Foreclosure. Lender shall give notice to Borrower prior to the beginning of an action to foreclose this Security Instrument following Borrower's breach of any covenant or agreement in this Security Instrument. Any such notice that is given shall specify: (a) the default; (b) the action required to cure the default; (c) a date not less than 30 days from the date the notice is given to Borrower by which the default must be cured; (d) that failure to cure the default on or before the date specified in the notice may lead to foreclosure by judicial proceeding and sale of the Property. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this section including, but not limited to, reasonable attorneys' fees and costs of title evidence.

(13) Lender in Possession. Following the sending of a notice of default by Lender or abandonment of the Property by Borrower, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and the collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

(14) Release. At any time when all sums secured by this Security Instrument have been paid in full, Borrower may request Lender to terminate the Agreement and cancel this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

(15) Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument.

Joseph V. Kapracinski (Seal)
-- Borrower

Dana Kapracinski (Seal)
-- Borrower

State of Illinois }
County of Cook } ss:

I undersigned, a Notary Public in and for the said county and state certify that Joseph V. Kapracinski and Dana Kapracinski, his wife personally known to me to be the same person whose name are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 31st day of July, 19 89.

Diane Luciano-Smith
Notary Public

My commission expires: 4/14/92



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