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MAIL TO:  
FIRST FEDERAL SAVINGS & LOAN  
ASSOCIATION OF WESTCHESTER  
2121 S. MANNHEIM RD.  
WESTCHESTER, IL 60153

THIS INSTRUMENT WAS PREPARED BY  
Edward A. Wabuga, Attorney at Law  
8225 Mannheim Road  
Westchester, Illinois 60154-4336

(Space Above This Line For Recording Data)

MORTGAGE

Loan #6334-29 km \$ 17.00

THIS MORTGAGE ("Security Instrument") is given on October 19, 1991. The mortgagor is JAMES J. GRAMMAS AND PATRICIA A. GRAMMAS, HIS WIFE ("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 2121 South Mannheim Road - Westchester, Illinois 60154-4336 ("Lender"). Borrower owes Lender the principal sum of FIFTY THOUSAND AND 00/100 Dollars (U.S. \$ 50,000.00). 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 October 19, 2001. 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 24 in Baltis Resubdivision of Lot A in George F. Nixon and Company's Second Civic Center Addition to Westchester in West 1/2 of the South West 1/4 of Section 21, Township 39 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois.

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which has the address of 1936 Westchester Blvd., Westchester, Illinois 60154-4336 ("Property Address");  
[Street] [City] [Zip Code]

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 seised 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.

OFFICIAL SEAL  
 Notary Public  
 My Commission Expires 7/23/95

UNOFFICIAL COPY

44771

(Seal)  
 Notary Public

My Commission Expires:

Witness my hand and official seal this 19th day of October, 1991

I, Frederick A. Cox, a Notary Public in and for said county and state, do hereby certify that James A. Grammas, and Patricia A. Grammas, his wife, personally appeared before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, have executed same, and acknowledged said instrument to be, theirs, free and voluntary act and deed and that they, executed said instrument for the purposes and uses therein set forth.

STATE OF Illinois }  
 COUNTY OF Cook }  
 SS: }

Property of Cook County Clerk's Office

[Space Below this Line for Acknowledgment]

James A. Grammas (Seal)  
 Patricia A. Grammas (Seal)  
 Borrower

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- Adjustable Rate Rider
  - Condominium Rider
  - 2-4 Family Rider
  - Graduated Payment Rider
  - Planned Unit Development Rider
  - Other(s) [specify] \_\_\_\_\_ Line of Credit Rider
23. Rider to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]
22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.
21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, 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 collection of rents, including, but not limited to, receiver's fees, premium on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.
19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument that not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise. The notice 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; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower 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 Borrower to acceleration and foreclosure. 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 paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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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 other taking of any part of the Property, or for convenience 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.

Lender, Borrower 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 any amount 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 of or prejudice the exercise of any right or remedy.

**11. Successors and Assigns; 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 limits; 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 paragraph shall be deemed to have been given to Borrower or Lender when given as provided.

**15. Governing Law; Severability.** This Security Instrument shall be governed by the law of the State of California 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 conformed 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 for each 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 attorney's 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 remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply to any sums secured by this Security Instrument which are not secured by this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred.

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NON-UNIFORM COVENANTS Borrower and Lender further covenant and agree as follows.

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice 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; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower 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 Borrower to acceleration and foreclosure. 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 paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, 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 collection of rents, including, but not limited to, receiver's fees, premium on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

- Adjustable Rate Rider
- Condominium Rider
- 2-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Other(s) [specify] Line of Credit Rider

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

*James A. Grammas* (Seal)  
James A. Grammas - Borrower

*Patricia A. Grammas* (Seal)  
Patricia A. Grammas - Borrower

[Space Below This Line For Acknowledgment]

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STATE OF Illinois }  
COUNTY OF Cook } SS:

I, Frederick A. Cox, a Notary Public in and for said county and state, do hereby certify that James J. Grammas and Patricia A. Grammas, his wife, personally appeared before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, have executed same, and acknowledged said instrument to be their free and voluntary act and deed and that they executed said instrument for the purposes and uses therein set forth.

Witness my hand and official seal this 19th day of October, 1991

My Commission Expires:

*Frederick A. Cox* (SEAL)  
Notary Public

"OFFICIAL SEAL"  
FREDERICK A. COX  
Notary Public, State of Illinois  
My Commission Expires 7/25/95

THIS INSTRUMENT WAS PREPARED BY  
Edward A. Metzger, Attorney at Law  
222 Mannheim Road  
Winchester, Illinois 60156-4300

This instrument was prepared by 44771

# UNOFFICIAL COPY

LINE OF CREDIT RIDER

Loan #6334-29 km

This Rider is made this 19th day of October, 1991, 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 1936 Westchester Blvd. Westchester, NY 60154-4336.

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

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.

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. \$50,000.00 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, if not sooner paid or required to be paid, due and payable Ten (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's contained herein and in the Line of Credit Agreement and Disclosure Statement and the Note. The Agreement, Note and this Mortgage are collectively referred to as the "Credit Documents". The Credit Documents contemplate, and this Mortgage permits and secures future advances.

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 verbatim below relate to the variable interest rate and the Lender's option to require repayment prior to expiration of the term of the Note or to cancel future advances for reasons other than default by the Borrower.

## INTEREST (VARIABLE RATE)

The first three paragraphs of Paragraph 3 of the Note, entitled "Interest (Variable Rate)" provide as follows:

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 AND ONE-QUARTER PERCENTAGE POINT (1.25%). The Prime Rate is defined as the Prime Rate 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 period rate may change from month to month; it is set at the beginning of each monthly billing period. The daily period 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% and decreases in the annual interest rate are mandatory as the Prime Rate declines. Conversely, if the Prime Rate increases so will the annual interest rate and that may increase the monthly interest payment. The annual interest rate will decrease if the Prime Rate decreases and that may reduce the monthly interest payment.

For the monthly billing period which began on October 1, 1991, the daily periodic rate was .025342 % (which corresponds to an annual interest rate of 9.25 %). The daily loan balance shall be computed by taking the principal balance of all Borrowing 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.

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## EVENTS OF DEFAULT; ACCELERATION

In addition to the Event of Default caused by the sale or transfer of all or part of the Property, or any interest therein, which event is specifically covered in Paragraph 17 of the mortgage, set forth below is a list of events which will constitute Events of Default. The events are: (A) Borrower fails to make any payment; (B) Borrower fails to comply with the terms of the Note or this Mortgage which secures the Note; (C) any application or statement furnished by the Borrower is found to be materially false; (D) the Borrower dies; (E) Borrower files for bankruptcy, or bankruptcy proceedings are instituted against the Borrower and the Borrower fails to make the payments under the bankruptcy plan; (F) Borrower defaults under any credit instrument or deed of trust evidencing or securing a loan to Borrower which loan has priority in right of payment over the line of credit described in the Credit Document, or whose lien has or appears to have any priority over the lien hereof or any other creditor of Borrower attempts to (or actually does) seize or obtain a writ of attachment against the Property; (G) Borrower fails to furnish personal financial information upon request of the Note Holder from time to time.

Upon default, the Note Holder at its option may refuse to allow additional borrowings and declare all amounts owing to the Note Holder to be immediately due and payable.

## TEMPORARY SUSPENSION OF CREDIT AND REDUCTION OF CREDIT LINE

The Lender may cancel your right to future advances against the line of credit represented by the Note at any time and/or reduce the maximum credit limit if any event of default occurs or during any period in which:

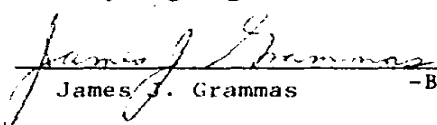
- A. The value of real estate which secures the Note declines significantly below the property's appraised value. A significant decline is any decline such that the initial difference between the Credit Limit and the available equity (based on appraised value) is reduced by 50%.
- B. We reasonably believe that you will be unable to fulfill the obligations of the Note due to a material change in your financial circumstances.
- C. You are in default of any material obligations under the terms of the Note and the Mortgage which secures the Note.
- D. A Governmental Body prohibits us from imposing the stated interest rate (Annual Percentage Rate) on the outstanding balance.
- E. During any period in which the interest rate (Annual Percentage Rate) corresponding to the periodic rate reaches a maximum rate of 19.8%.
- F. Action by a Governmental Body adversely affects the priority of our security interest to the extent that the value of the security interest is less than 120 percent of the amount of the credit line.
- G. A Federal or State Regulatory Agency has provided notice to us that future extension of credit could constitute an unsafe and unsound practice.

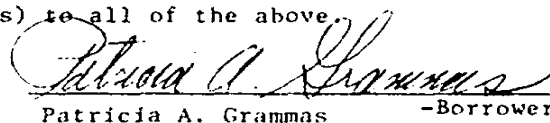
To cancel your right to future advances, Lender must deliver or mail (registered or certified mail) to the Property's address a written notice addressed to you, specifying the reason why the Lender will not honor any checks and thus not extend further credit. Cancellation for any of the above reasons, however, will not require your immediate repayment of the entire outstanding principal balance of your line of credit, but it will terminate Lender's obligation to make additional advances to you after the termination date set forth in the written notice to you. This temporary suspension of credit and reduction of credit limit will remain in effect for only so long as any of the above seven circumstances shall exist. Lender, upon notification by you that any of the above situations has ceased, will then investigate and determine if the condition allowing the temporary suspension has changed, and if so, will reinstate the credit limit.

All of the terms, conditions and provisions of the Agreement and Note are by these references incorporated herein as if set forth in full.

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

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

 (Seal)  
James J. Grammas -Borrower-

 (Seal)  
Patricia A. Grammas -Borrower-

-Borrower-

-Borrower-

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