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GOLD ADVANTAGE LINE MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on February 18, 1993. The mortgagor is Krystyna Sobieszczak divorced and not remarried ("Borrower"). This Security Instrument is given to DEERFIELD FEDERAL SAVINGS AND LOAN ASSOCIATION, which is organized and existing under the laws of THE UNITED STATES OF AMERICA, with its main offices at 745 DEERFIELD ROAD, DEERFIELD, IL 60015 ("Lender").

Borrower owes Lender the maximum principal sum of Five thousand and no/100 Dollars (U.S. \$ 5,000.00), or the aggregate unpaid amount of all loans made by Lender pursuant to that certain Gold Advantage Line Agreement ("Agreement" or "Note") of even date herewith, whichever is less. This debt is evidenced by the Agreement ("Note") executed by Borrower dated the same date as this Security Instrument which Agreement provides for regular monthly payments, with the full debt, if not paid earlier, due and payable on March 1, 1998. The Agreement provides that loans may be made from time to time not to exceed the above stated maximum amount outstanding at any one time. This Mortgage secures payment of any existing indebtedness and future advances made pursuant to the Agreement to the same extent as if such future advances were made on the date of the execution of this Mortgage, without regard as to whether or not there is any indebtedness outstanding at the time any advance is made.

THE NOTE ("AGREEMENT") SECURED BY THIS MORTGAGE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE DOES NOT LIMIT THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME. THE NOTE LIMITS THE MAXIMUM RATE THE BORROWER MUST PAY.

INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note ("Agreement") provides for an initial interest rate of 10.4%. The Note provides for changes in the interest rate and the monthly payments, as follows:

(A) Change Dates

The interest rate I will pay may change on the first day of September, 1993, and on that day every year thereafter. Each date on which my interest rate could change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The Index is the greatest Prime Rate as appears in the "Money" Section of the Wall Street Journal, Midwest Edition, on the 25th day of July of each year. If the Prime Rate does not appear in said Wall Street Journal, or if the Wall Street Journal is not published on the 25th day of July, the most recent Wall Street Journal prior to the 25th day of July in which the Prime Rate appears will be used. If the Index ceases to exist, the Corporate Borrowing Rate of the First National Bank of Chicago existing on the 25th day of July of each year will be used. The most recent Index figure available as of July 25th (or otherwise, as hereinabove set forth) before such time as the Index ceases to exist will be the "Current Index".

(C) Calculation of Changes

Before each Change Date, the Lender will calculate my new interest rate by adding four and four-tenths percentage points (4.40%) to the Current Index. Subject to the limits stated in Section (D) below, this amount will be my new interest rate until the next Change Date.

Any change in my interest rate will change the amount of the regular payment due under the "Minimum Payment" provisions of the Agreement.

(D) Limits on Interest Rate Changes

My interest rate will never be greater than 9% per annum.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Lender will notify me of any changes in my interest rate and the amount of my monthly payment on the periodic statement.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note ("Agreement"), with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 6 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: DEPT. OF RECORDS & CLERK, 11777 TRAIL BLVD, CHICAGO, IL 60628

SEE ATTACHED EXHIBIT "A"

P.I.N. # 09-15-101-021-1149

which has the address of 9351 Bay Colony 3N Des Plaines Illinois 60016 (The Code) ("Property Address"); (City)

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RE: TITLE SERVICES #

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10. **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 15. 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.

11. **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 limit; 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 under the Note.

12. **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 Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

13. **Governing Law; Severability.** This Security Instrument shall be governed by federal law 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.

14. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

15. **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.

16. **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 (or such 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 as if no acceleration had 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 attorneys' 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 continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 15.

17. **Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 12 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

18. **Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 18, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 18, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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 paragraph 15 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 this evidence.

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

21. **Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Agreement 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 15.

22. **Default.** In the event of any default under the terms of this Mortgage or the Agreement ("Note"), Lender will notify Borrower, in writing, pursuant to Paragraphs 12, 15 and 19 of this mortgage, of Acceleration of this loan. Upon giving notice of Acceleration, no future advances under the Agreement ("Note") will be permitted. If Borrower cures the default to Lender's satisfaction, future advances under the Agreement may be made.

23. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument upon payment by Borrower of a reasonable fee for the preparation and delivery of a release deed. Borrower shall pay any recordation costs.

24. **Prior Mortgage.** (a) The Borrowers affirm that they are the obligors under a note secured by a mortgage in the original sum of U.S. \$ 40,000.00 dated May 21, 1992 and recorded on May 22, 1992 in the Recorder's Office of Cook County, Illinois, as Document No. 92358954 and hereby specifically agree that when and if they permit said note or mortgage to become in default under any of their 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 15. (b) Borrower further covenants and agrees to maintain their above-described first mortgage account and all payments due and owing thereon fully current and to fully comply with all the terms, provisions and covenants of their first mortgage and note. In the event that the Borrower fails to keep said first mortgage account fully current, or otherwise defaults thereunder, the Lender hereunder may pay to the first mortgagee such amount(s) as will keep the first mortgage current, and/or take such other steps to cure the default thereunder, and the Lender may add any such amount(s) which it has paid to the first mortgagee to the principal indebtedness due and owing hereunder. (c)

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EXHIBIT "A"

UNIT 497 AS DESCRIBED IN SURVEY DELINEATED ON AND ATTACHED TO AND A PART OF A DECLARATION OF CONDOMINIUM OWNERSHIP REGISTERED ON THE 18TH DAY OF NOVEMBER, 1974 AS DOCUMENT NUMBER 2783627 TOGETHER WITH A PERCENTAGE OF THE COMMON ELEMENTS APPURTENANT TO SAID UNIT AS SET FORTH IN SAID DECLARATION, AND AS AMENDED FROM TIME TO TIME, IN AND TO THE FOLLOWING PREMISES:

THAT PART OF LOTS 1 AND 2 IN LOUIS MEINSHAUSEN'S SUBDIVISION OF PART OF FREDRICH MEINSHAUSEN'S DIVISION OF LANDS IN SECTIONS 15 AND 16, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT IN THE EAST LINE OF LOT 2 IN LOUIS MEINSHAUSEN'S SUBDIVISION AFORESAID 610.0 FEET NORTH OF THE SOUTHEAST CORNER THEREOF; THENCE WEST ALONG A LINE PERPENDICULAR TO SAID EAST LINE FOR A DISTANCE OF 282.82 FEET; THENCE SOUTH PARALLEL WITH THE EAST LINE OF LOT 2 AFORESAID 248.22 FEET TO THE SOUTH LINE OF THE NORTH 479.84 FEET (MEASURED AT RIGHT ANGLES) OF LOT 2 AFORESAID; THENCE EAST ALONG SAID SOUTH LINE 25.99 FEET TO THE WEST LINE OF THE EAST 256.84 FEET (MEASURED AT RIGHT ANGLES) OF LOT 2 AFORESAID; THENCE SOUTH ALONG SAID WEST LINE 21.34 FEET; THENCE EAST AT RIGHT ANGLES THERETO 278.00 FEET TO A LINE 21.16 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF LOT 1 AFORESAID; THENCE NORTH ALONG SAID PARALLEL LINE FOR A DISTANCE OF 269.00 FEET; THENCE WEST AT RIGHT ANGLES THERETO 21.16 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this **18th** day of **February**, 1993, 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 (the "Borrower") to secure Borrower's Note to

Dorfield Federal Savings and Loan Association

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at:

9315 Bry Colony SW Des Plaines, Illinois 60016

[Property Address]

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

Louis Meinshausen

[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 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:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 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.

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RETURN TO:
JAMES KARRAS

JAMES J. KARRAS
ATTORNEY AT LAW
20 NORTH CLARK STREET
SUITE 2550
CHICAGO, ILLINOIS 60602

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