

WHEN RECORDED MAIL TO:

GREAT LAKES CREDIT UNION
BLDG. 290
GREAT LAKES, IL 60088-8290

SEND TAX NOTICES TO:

DEPT-11 RECORD TOR \$29.00
T#0013 TRAN 4829 04/25/95 12:54:00
60936 CT #95-271383
COOK COUNTY RECORDER

95271383

SPACE ABOVE THIS LINE IS FOR RECORDER'S USE ONLY

MORTGAGE

AMOUNT OF PRINCIPAL INDEBTEDNESS: \$ 30,000.00

THIS MORTGAGE IS DATED April 10, 1995, between Louis and Diane Schaefer, Husband and Wife

whose address is 8458 W North Terrace Niles IL 60714 (referred to below as "Grantor"), and GREAT LAKES CREDIT UNION, whose address is BLDG. 290, GREAT LAKES, IL 60088-8290 (referred to below as "Lender"), a corporation organized and existing under the laws of Illinois

1. GRANT OF MORTGAGE. For valuable consideration, Grantor mortgages, warrants, and conveys to Lender all of Grantor's right, title, and interest in the following described real property, together with all existing or subsequently erected or affixed buildings, improvements and fixtures; all easements, rights of way, and appurtenances; all water, water rights, watercourses and ditch rights (including stock in utilities with ditch or irrigation rights); and all other rights, royalties, and profits relating to the real property, including without limitation any rights the Grantor later acquires in the fee simple title to the land, subject to a Lease, if any, and all minerals, oil, gas, geothermal and similar matters, located in Lake County State of Illinois (the "Real Property"):

Lot One Hundred Ninety Two (192) in Greenwood Estates, Being a Subdivision in the East Half (1/2) of the Southwest Quarter (1/4) of Section 23, Township 41 North, Range 12, East of the Third Principal Meridian, According to Plat Thereof Registered in the Office of the Registrar of Titles of Cook County, Illinois, ON August 1, 1958, As Document Number 18 09 899

The Real Property or its address is commonly known as 8458 W North Terrace Niles IL 60714, IL

Property Tax ID No.: 09 23 324 036

Grantor presently assigns to Lender all of Grantor's right, title, and interest in and to all leases of the Property.

2. DEFINITIONS. The following words shall have the following meanings when used in this Mortgage. Terms not otherwise defined in this Mortgage shall have the meanings attributed to such terms in the Illinois Uniform Commercial Code.

Borrower. The word "Borrower" means each and every person who signs the LOANLINER® Home Equity Plan Credit Agreement secured by this Mortgage.

Credit Agreement. The words "Credit Agreement" mean the revolving line of credit agreement dated 4-10-95, between Lender and Grantor with a credit limit of the amount shown on the first page of this Security Instrument, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the Credit Agreement. The maturity date of this Mortgage, which is the date by which all indebtedness under the Credit Agreement and this Mortgage is due is 4-10-2001. The interest rate under the revolving line of credit is a variable interest rate based upon an Index. The Index currently is 9% per annum. The interest rate to be applied to the outstanding account balance shall be at a rate .50 percentage points above the Index, subject however to the following minimum and maximum rates. Under no circumstances shall the interest rate be less than 7.500% per annum or more than the maximum rate allowed by applicable law.

Grantor. The word "Grantor" means any and all persons and entities executing this Mortgage, including without limitation all Grantors named above. The Grantor is the mortgagor under this Mortgage. Any Grantor who signs this Mortgage, but does not sign the Credit Agreement, is signing this Mortgage only to grant and convey that Grantor's interest in the Real Property and to grant a security interest in Grantor's interest in the Real and Personal Property to Lender and is not personally liable under the Credit Agreement except as otherwise provided by contract or law.

Improvements. The word "Improvements" means and includes without limitation all existing and future improvements, fixtures, buildings, structures, mobile homes affixed on the Real Property, facilities, additions and other construction on the Real Property.

Indebtedness. The word "Indebtedness" means all principal and interest payable under the Credit Agreement and any amounts expended or advanced by Lender to discharge obligations of Grantor or expenses incurred by Lender to enforce obligations of Grantor under this Mortgage, together with interest on such amounts as provided in this Mortgage. Specifically, without limitation, this Mortgage secures a revolving line of credit, which obligates Lender to make advances to Grantor so long as Grantor complies with all the terms of the Credit Agreement. Such advances may be made, repaid, and remade from time to time, subject to the limitation that the total outstanding balance owing at any one time, not including finance charges on such balance at a fixed or variable rate or sum as provided in the Credit Agreement, any temporary overages, other charges, and any amounts expended or advanced as provided in this paragraph, shall not exceed the Credit Limit as provided in the Credit Agreement. Notwithstanding the amount outstanding at any particular time, this Mortgage secures the total Credit Agreement amount shown above. The unpaid balance of the revolving line of credit may at certain times be lower than the amount shown or zero. A zero balance does not terminate the line of credit or terminate Lender's obligation to advance funds to Grantor. Therefore, the lien of this Mortgage will remain in full force and effect notwithstanding any zero balance.

Lease. The word "Lease" means any lease between Grantor and the Lessor of the Property.

Lender. The word "Lender" means GREAT LAKES CREDIT UNION, its successors and assigns. The Lender is the mortgagee under this Mortgage.

Mortgage. The word "Mortgage" means this Mortgage between Grantor and Lender.

Personal Property. The words "Personal Property" mean all equipment, fixtures, and other articles of personal property now or hereafter owned by Grantor, and now or hereafter attached or affixed to the Real Property; together with all accessions, parts, and additions to, all replacements of, and all substitutions for, any of such property; and together with all proceeds (including without limitation all insurance proceeds and refunds of premiums) from any sale or other disposition of the Property.

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MORTGAGE
(Continued)

Property. The word "Property" means collectively the Real Property and the Personal Property.

Real Property. The words "Real Property" mean the property, interests and rights described above in the "Grant of Mortgage" section.

Related Documents. The words "Related Documents" mean and include without limitation all promissory notes, credit agreements, loan agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments and documents, whether now or hereafter existing, executed in connection with Grantor's indebtedness to Lender.

Rents. The word "Rents" means all rents, revenues, income, issues, royalties, and profits from the Property.

THIS MORTGAGE, AND, IF ANY, A SECURITY INTEREST IN THE PERSONAL PROPERTY, IS GIVEN TO SECURE (1) PAYMENT OF THE INDEBTEDNESS AND (2) PERFORMANCE OF ALL OBLIGATIONS OF GRANTOR UNDER THIS MORTGAGE AND THE RELATED DOCUMENTS. THIS MORTGAGE IS GIVEN AND ACCEPTED ON THE FOLLOWING TERMS:

3. PAYMENT AND PERFORMANCE. Except as otherwise provided in this Mortgage, Grantor shall pay to Lender all amounts secured by this Mortgage as they become due, and shall strictly perform all of Grantor's obligations under the LOANLINER® Home Equity Plan Credit Agreement and under this Mortgage.

4. POSSESSION AND MAINTENANCE OF THE PROPERTY. Grantor agrees that Grantor's possession and use of the Property shall be governed by the following provisions:

Possession and Use. Until in default, Grantor may remain in possession and control of and operate and manage the Property and collect the Rents from the Property.

Duty to Maintain. Grantor shall maintain the Property in tenable condition and promptly perform all repairs and maintenance necessary to preserve its value.

Hazardous Substances. Grantor represents and warrants that the Property never has been, and never will be so long as this Mortgage remains a lien on the Property, used for the generation, manufacture, storage, treatment, disposal, release or threatened release of any hazardous waste or substance, as those terms are defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act ("SARA"), applicable state or Federal laws, or regulations adopted pursuant to any of the foregoing. Grantor authorizes Lender and its agents to enter upon the Property to make such inspections and tests as Lender may deem appropriate to determine compliance of the Property with this section of the Mortgage. Grantor hereby (a) releases and waives any future claims against Lender for indemnity or contribution in the event Grantor becomes liable for cleanup or other costs under any such laws, and (b) agrees to indemnify and hold harmless Lender against any and all claims and losses resulting from a breach of this paragraph of the Mortgage. This obligation to indemnify shall survive the payment of the indebtedness and the satisfaction of this Mortgage.

Nuisance, Waste. Grantor shall not cause, conduct or permit any nuisance nor commit, permit, or suffer any stripping of or waste on or to the Property or any portion of the Property. Specifically without limitation, Grantor will not remove, or grant to any other party the right to remove, any timber, minerals (including oil and gas), soil, gravel or rock products without the prior written consent of Lender.

Lender's Right to Enter. Lender and its agents and representatives may enter upon the Real Property at all reasonable times to attend to Lender's interests and to inspect the Property for purposes of Grantor's compliance with the terms and conditions of this Mortgage.

Compliance with Governmental Requirements. Grantor shall promptly comply with all laws, ordinances, and regulations of all governmental authorities applicable to the use or occupancy of the Property. Grantor may contest in good faith any such law, ordinance, or regulation and withhold compliance during any proceeding, including appropriate appeals, so long as Grantor has notified Lender in writing prior to doing so and so long as Lender's interests in the Property are not jeopardized. Lender may require Grantor to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Duty to Protect. Grantor agrees neither to abandon nor leave unattended the Property. Grantor shall do all other acts, in addition to those acts set forth above in this section, which from the character and use of the Property are reasonably necessary to protect and preserve the Property.

5. COMPLIANCE WITH LEASE. If there is a Lease on the Property, Grantor will pay all rents and will strictly observe and perform on a timely basis all other terms, covenants, and conditions of the Lease. Grantor further agrees (a) not to surrender, terminate, or cancel the Lease, and (b) not to modify, change, supplement, alter, or amend the Lease, either orally or in writing, without Lender's prior written consent. No estate in the Property, whether fee title to the leasehold premises, the leasehold estate, or any subleasehold estate, will merge without Lender's express written consent; rather these estates will remain separate and distinct, even if there is a union of these estates in the landlord, Grantor, or a third party who purchases or otherwise acquires the estates. Grantor further agrees that if Grantor acquires all or a portion of the fee simple title, or any other leasehold or subleasehold title to the Property, that title will, at Lender's option, immediately become subject to the terms of this Mortgage, and Grantor will execute, deliver and record all documents necessary or appropriate to assure that such title is secured by this Mortgage.

6. REHABILITATION LOAN AGREEMENT. Grantor shall fulfill all of Grantor's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Grantor may enter into with Lender. Lender, at Lender's option, may require Grantor to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Grantor may have against parties who supply labor, materials or services in connection with improvements made to the Property.

7. DUE ON SALE - CONSENT BY LENDER. Lender may, at its option, have the right to accelerate, that is, declare immediately due and payable all sums secured by this Mortgage upon the sale or transfer, without the Lender's prior written consent, of all or any part of the Real Property, or any interest in the Real Property. If Grantor sells or transfers the Real Property without the written consent of Lender, then, prior to acceleration Lender shall give notice to Grantor. The notice shall provide a period of not less than ten (10) days from the date of the notice within which Grantor may pay the sums declared due. If Grantor fails to pay those sums prior to the expiration of such period, Lender may, without further notice or demand on Grantor, invoke any remedies permitted in this Mortgage. A "sale or transfer" means the conveyance of Real Property or any right, title or interest therein; whether legal or equitable; whether voluntary or involuntary; whether by outright sale, deed, installment sale or contract, land contract, contract for deed, leasehold interest with a term greater than three (3) years, lease-option contract, or by sale, assignment, or transfer of any beneficial interest in or to any land trust holding title to the Real Property, or by any other method of conveyance of Real Property interest. However, this option shall not be exercised by Lender if such exercise is prohibited by federal law or by Illinois law.

8. TRANSFER OF PROPERTY. The following provisions relating to the transfer of the Real Property are a part of this Mortgage:

Notice of Transfer. Grantor shall give notice to Lender, as provided in this Mortgage, prior to any sale or transfer of all or part of the Property or any rights in the Real Property. Any person to whom all or part of the Real Property is sold or transferred also shall be obligated to give notice to Lender, as provided in this Mortgage, promptly after such transfer.

Advances After Transfer. All amounts advanced under the LOANLINER® Home Equity Plan Credit Agreement, up to the Credit Limit, are secured by this Mortgage, whether advanced before or after sale or transfer of the Real Property, except any amounts which may be advanced by Lender more than five (5) days after notice to Lender, as provided in this Mortgage, that such transfer or sale has occurred. Even if Grantor transfers the Real Property, Grantor will continue to be obligated under the Credit Agreement and this Mortgage unless Lender releases Grantor in writing. As a condition to Lender's consent to any proposed transfer or as a condition to the release of Grantor, Lender may require that the person to whom the Real Property is transferred sign an assumption agreement satisfactory to Lender and Lender may impose an assumption fee. The assumption agreement will not entitle the person signing it to receive advances under the Credit Agreement.

9. TAXES AND LIENS. The following provisions relating to the taxes and liens on the Property are a part of this Mortgage.

Payment. Grantor shall pay when due (and in all events prior to delinquency) all taxes, payroll taxes, special taxes, assessments, water charges and sewer service charges levied against or on account of the Property, and shall pay when due all claims for work done on or for services rendered or material furnished to the Property. Grantor shall maintain the Property free of all liens having priority over or equal to the interest of Lender under this Mortgage, except for the lien of taxes and assessments not due, except for the Existing Indebtedness referred to below, and except as otherwise provided in the following paragraph.

Right To Contest. Grantor may withhold payment of any tax, assessment, or claim in connection with a good faith dispute over the obligation to pay, so long as Lender's interest in the Property is not jeopardized. If a lien arises or is filed as a result of nonpayment, Grantor shall within fifteen (15) days after the lien arises or, if a lien is filed, within fifteen (15) days after Grantor has notice of the filing, secure the discharge of the lien, or if requested by Lender, deposit with Lender cash or a sufficient corporate surety bond or other security satisfactory to Lender in an amount sufficient to discharge the lien plus any costs and attorneys' fees or other charges that could accrue as a result of a foreclosure or sale under the lien. In any contest, Grantor shall defend itself and Lender and shall satisfy any adverse judgment before enforcement against the Property. Grantor shall name Lender as an additional obligee under any surety bond furnished in the contest proceedings.

Evidence of Payment. Grantor shall upon demand furnish to Lender satisfactory evidence of payment of the taxes or assessments and shall authorize the appropriate governmental official to deliver to Lender at any time a written statement of the taxes and assessments against the Property.

Notice of Construction. Grantor shall notify Lender at least fifteen (15) days before any work is commenced, any services are furnished, or any

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