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AFTER RECORDING RETURN TO:

Alison Riedesel
LaSalle National Bank
120 South LaSalle Street
Chicago, Illinois 60603

PERMANENT INDEX NUMBER:

14-32-211-032 and
14-32-211-033

PROPERTY ADDRESS:

854 W. Webster
Chicago, Illinois 60614

F	4350
P	
T	4350
I	

96296904

DEPT-01 RECORDING

443.50

75555 TRAN 1789 04/19/96 11:46:00
4389 + JJ *96-296904

Cook County Recorder

N 9600570 K.W. IALL

JUNIOR MORTGAGE

THIS MORTGAGE is given as of March 26, 1996 by FRANKLYN D. KIMBALL and LINDA L. LISTROM, husband and wife (the "Mortgagor") to LASALLE NATIONAL BANK, a national banking association, which is organized and existing under the laws of United States of America, and whose principal office is located at 120 South LaSalle Street, Chicago, Illinois 60603 (the "Lender").

WHEREAS, Mortgagor is justly indebted to Lender in the principal sum of four Hundred Thousand Dollars (\$400,000), evidenced by that certain Note of Mortgagor of even date herewith, made payable to the order of and delivered to Lender, in and by which Note Mortgagor promises to pay the principal sum together with interest thereon prior to maturity or the occurrence of a Default at the rate of eight and one-half of one percent (8 1/2%) (the "Interest Rate") and following maturity or the occurrence of a Default at the Interest Rate plus two percent (2%) (the "Default Rate") (such note and any and all notes issued in renewal thereof or in substitution or replacement thereof are hereinafter referred to as the "Note").

WHEREAS, each installment shall be paid at such place as the holder of the Note may, from time to time, in writing appoint, and in the absence of such appointment, then at the office of LaSalle National Bank, 120 South LaSalle, Chicago, Illinois 60603.

WHEREAS, this Mortgage 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 Mortgage; and (c) the performance of covenants and agreements under this Mortgage and the Note. For

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this purpose, Mortgagor does hereby MORTGAGE, GRANT and CONVEY to Lender that certain property commonly known as 854 W. Webster, Chicago, Illinois (the "Property Address"), located in Cook County, Illinois and as more particularly described on Exhibit A attached hereto;

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 Mortgage. All of the foregoing is referred to in this Mortgage as the "Property."

Mortgagor COVENANTS that Mortgagor 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. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrance of record.

UNIFORM COVENANTS. Mortgagor and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Mortgagor shall promptly pay or cause to be paid when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. If required by the Lender on the date the Mortgage is executed or any time thereafter and subject to applicable law, Mortgagor shall pay to Lender on the day regular payments are due under the Note, until the Note is paid in full, a sum (the "Funds") equal to such prior portion of: (a) yearly taxes and assessments which may attain priority over this Mortgage; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any, as the Lender may establish. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held by the Lender and applied to pay the escrow items. Lender may not charge for holding and applying the funds, analyzing the account or verifying the escrow items, unless Lender pays Mortgagor interest on the Funds and applicable law permits Lender to make such a charge. Mortgagor and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Mortgagor any interest or earnings on the Funds. Lender shall give to

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Mortgagor, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by the Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Mortgagor's option, either promptly repaid to Mortgagor or credited to Mortgagor on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Mortgagor shall pay to Lender any amount necessary to make up the deficiency in one or more payments required by Lender.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Mortgagor any Funds held by Lender. If under paragraph 20 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. Charges; Liens. Mortgagor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Mortgagor shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Mortgagor shall pay them on time directly to the person owed payment. Mortgagor shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Mortgagor makes these payments directly, Mortgagor shall promptly furnish to Lender receipts evidencing the payments.

Mortgagor shall promptly discharge any lien which has priority over this Mortgage unless Mortgagor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Mortgage.

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If Lender determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, Lender may give Mortgagor a notice identifying the lien. Mortgagor shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

Mortgagor shall indemnify, defend and hold harmless Lender from any and all costs, expenses, claims and liabilities in connection with any lien which is filed or recorded against the Property, including, without limitation, all attorneys' fees and expenses incurred by Lender as a result thereof.

5. Hazard Insurance. Mortgagor 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, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Mortgagor subject to Lender's approval which shall not be unreasonably withheld. If Mortgagor fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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, Mortgagor shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Mortgagor.

Unless Lender and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the 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 Mortgage, whether or not then due, with any excess paid to Mortgagor. If Mortgagor abandons the Property, or does not answer within 30 days a notice from lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Mortgagor 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

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and 2 or change the amount of the payments. If under paragraph 20 the Property is acquired by Lender, Mortgagor's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

6. Occupancy; Preservation, Maintenance and Protection of the Property. Mortgagor shall occupy, establish, and use the Property as Mortgagor's principal residence within sixty days after the execution of this Mortgage and shall continue to occupy the Property as Mortgagor's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Mortgagor's control. Mortgagor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Mortgagor shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Mortgage or Lender's security interest. Mortgagor may cure such a default and reinstate, as provided in paragraph 17, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Mortgagor's interest in the Property or other material impairment of the lien created by this Mortgage or Lender's security interest. Mortgagor shall also be in default if Mortgagor, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Mortgagor's occupancy of the Property as a principal residence. If this Mortgage is on a leasehold, Mortgagor shall comply with all the provisions of the lease. If Mortgagor acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), the Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

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Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Mortgagor secured by this Mortgage. Unless Mortgagor and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Mortgagor requesting payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Mortgagor shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Mortgagor's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may take reasonable entries upon and inspections of the Property. Lender shall give Mortgagor 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 conveyance 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 Mortgage, whether or not then due, with any excess paid to Mortgagor. In the event of a partial taking of the Property, unless Mortgagor and Lender otherwise agree in writing, the sums secured by this Mortgage 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 Mortgagor.

If the Property is abandoned by Mortgagor, or if, after notice by lender to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to Lender within thirty (30) days after the date of notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or the sums secured by this Mortgage, whether or not then due.

Unless Lender and Mortgagor 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 paragraph 1 and 2 or change the amount of such payments.

10. Extensions of Time; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization

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of the sums secured by this Mortgage granted by Lender to any successor in interest of any one obligated under the Note shall not operate to release the liability of such person or such person's successors in interest. Lender shall not be required to commence proceedings against any successors in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original party obligated under the Note or such parties' 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.

11. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Mortgagor, subject to the provisions of paragraph 16. Mortgagor's covenants and agreements shall be joint and several. Any Mortgagor who signs this Mortgage but does not execute the Note: (a) is signing this Mortgage only to mortgage, grant and convey that Mortgagor's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the indebtedness evidenced by the Note or other sums secured by this Mortgage (unless Mortgagor has agreed to be obligated for such Note and/or other sums under a guaranty or other instrument); and (c) agrees that Lender and any other Mortgagor may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Mortgage or the Note without that Mortgagor's consent.

12. Loan Charges. If the loan secured by this Mortgage 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 Mortgagor which exceeded permitted limits will be refunded to Mortgagor. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Mortgagor. 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 Mortgage unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 20. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 16.

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14. Notices. Any notice to Mortgagor provided for in this Mortgage 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 Mortgagor 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 Mortgagor. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Mortgage 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 in this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given without the conflicting provision. To this end the provisions of this Mortgage and the Note are declared to be severable.

16. Transfer of the Property or a Beneficial Interest in Mortgagor. If all or any part of the Property or any interest in it is sold or transferred (or if the title to the Property is held by an Illinois Land Trust, and a beneficial interest therein is sold or transferred) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

If Lender exercises this option, Lender shall give Mortgagor 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 Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

17. Mortgagor's Right to Reinstate. If Mortgagor meets certain conditions, Mortgagor shall have the right to have enforcement of this Mortgage 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 Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Mortgagor: (a) pays Lender all sums which then would be due under this Mortgage 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 Mortgage, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender

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may reasonably require to assure that the lien of this Mortgage, Lender's rights in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Mortgagor, this Mortgage 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 paragraphs 13 or 16.

18. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Mortgage) may be sold one or more times without prior notice to Mortgagor. 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 Mortgage. 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, Mortgagor will be given written notice of the change in accordance with paragraph 14 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.

19. Hazardous Substances. Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Mortgagor 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.

Mortgagor 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 Mortgagor has actual knowledge. If Mortgagor 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, Mortgagor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 19, "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 19, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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ADDITIONAL COVENANTS. Mortgagor and Lender further covenant and agree as follows:

20. Acceleration; Remedies. Lender shall give notice to Mortgagor prior to acceleration following Mortgagor's breach of any covenant or agreement in this Mortgage (but not prior to acceleration under paragraph 13 and 16 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 thirty (30) days from the date the notice is given to Mortgagor, 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 Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Mortgagor 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 Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 20, including, but not limited to, reasonable attorneys' fees and cost of title evidence.

21. Lender in Possession. Upon acceleration under paragraph 20 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, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage.

22. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Mortgagor. Mortgagor shall pay any recordation costs.

23. Waiver of Homestead. Mortgagor waives all right of homestead exemption in the Property.

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EXHIBIT A

Legal Description

Parcel 1:

Lot 27 and the West 4 Feet of Lot 28 in Block 3 in the Subdivision of the South 1/2 of Block 3, in Sheffield's Addition to Chicago, a Subdivision in the Southwest 1/4 of the Northeast 1/4 of Section 31, the Whole of Section 32, and the West 1/2 of the Southwest 1/4 of Section 33 Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

The East 20 Feet of Lot 28 in Block 3 in the Subdivision of the South 1/2 of Block 3 in Sheffield's Addition to Chicago in Section 2, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PIN: 14-32-211-032 and
14-32-211-033

Commonly known as: 854 W. Webster, Chicago, Illinois

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