



TRANSAMERICA
HOMEFIRST

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97736016

Loan No: 0000024775

MORTGAGE

THIS MORTGAGE SECURES THE INITIAL ADVANCE AND ALL FUTURE ADVANCES THAT THE MORTGAGEE MAKES ON THE TERMS AND CONDITIONS OF THE SHARED APPRECIATION LOAN SET FORTH IN THAT CERTAIN LOAN AGREEMENT AND NOTE (THE "LOAN AGREEMENT") BETWEEN MORTGAGOR AND MORTGAGEE SIGNED ON THE SAME DATE AS THIS MORTGAGE.

THE PROVISIONS OF THE LOAN AGREEMENT ARE INCORPORATED BY REFERENCE INTO THIS MORTGAGE.

14-06-115-007

C111791

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THIS MORTGAGE ("Security Instrument") is made on **September 29, 1997**. The mortgagor is **John L. Pfeiffer and Alma E. Pfeiffer, as Trustees of the Pfeiffer Family Living Trust dated March 25, 1993**, ("Borrower") whose principal residence is **6039 North Claremont Avenue, Chicago, IL 60659** (unless the context indicates otherwise, the terms "Borrower", "I", "we", "us", "me", "my", "mine" and "our" refer collectively to all mortgagors under this Security Instrument). The mortgagee is **Transamerica HomeFirst, Inc.**, which is organized and existing under the laws of California, and whose office address is **505 Sansome Street, San Francisco, California 94111** ("Lender")(unless the context indicates otherwise, the terms "Lender", "you" and "your" refer to Transamerica HomeFirst, Inc.). "Loan" means the loan evidenced by the Loan Agreement. Borrower owes Lender a maximum principal sum of **one hundred three thousand four hundred sixty-eight and 77/100ths Dollars (U.S. \$103,468.77)**, plus all interest and other amounts due as set forth below.

This debt is evidenced by the Loan Agreement, which provides for a single payment due and payable in the ordinary course and without acceleration upon the earliest to occur of any of the Maturity

This Mortgage was prepared by and when recorded should be mailed to:

Transamerica HomeFirst, Inc.
Two Transamerica Center
505 Sansome Street
San Francisco, CA 94111-3135
Attn: Tulio Acquistapace

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Events, as set forth more fully in Section 14 of the Loan Agreement, which are as follows: (a) the sale, conveyance, transfer or assignment of any part of the Property, as defined below, or any of Borrower's rights in the Property, whether voluntarily or involuntarily, by operation of law or otherwise, to a person other than any of the original Borrowers, without Lender's prior written consent; (b) the Borrower's death or, if there is more than one Borrower, the death of the last living Borrower; and (c) all Borrowers ceasing to use the Property as their principal residence.

This Security Instrument secures to you (a) repayment of the debt evidenced by the Loan Agreement, including principal (which includes the "Initial Advance," all "Monthly Advances" and all "Reserve Account Advances" made under and as defined in the Loan Agreement, including all future advances made after the date of this Security Instrument), all interest thereon, 50% of the appreciation in value of the Property securing the Loan Agreement as calculated under the Loan Agreement, all other amounts and charges set forth in the Loan Agreement or this Security Instrument and all renewals, replacements, extensions and modifications of the Loan Agreement and this Security Instrument; (b) the payment of all other amounts, with interest, advanced under Section 6 of this Security Instrument to protect the security of this Security Instrument; and (c) the performance of my obligations and agreements under this Security Instrument and the Loan Agreement.

For this purpose and in order to secure the payment and performance of the foregoing debt and obligations, for good and valuable consideration, the receipt of which is acknowledged, I, intending to be legally bound, do hereby grant, convey, warrant and mortgage (unless Borrower is an Illinois land trust, in which case I do hereby mortgage, grant, convey and quitclaim) to you and your successors and assigns, all of my estate, right, title and interest, now owned or held or acquired or arising in the future in and to the following described property located in Cook County, Illinois described on the attached Exhibit "A", which property has the address of **6039 North Claremont Avenue, Chicago, IL 60659** ("Property Address");

TOGETHER WITH all the improvements now or in the future erected on such property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures which are now or in the future become a part of said property. All replacements and additions shall also be covered by this Security Instrument. All of the property described above and in Exhibit "A" is referred to in this Security Instrument as the "Property".

TO HAVE AND TO HOLD the Property unto you, your successors and assigns, forever, for the purposes, and upon the uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits we do hereby expressly release and waive;

PROVIDED, HOWEVER, that if I pay to you the debt described above and all additional advances and all other sums payable by me to you under this Security Instrument and under the terms of the Loan Agreement, together with interest thereon, and I perform and discharge all of my other obligations under the Loan Agreement and this Security Instrument as and when required, then this Security Instrument and the estate hereby granted shall cease and become void.

I HEREBY COVENANT that I own, in fee simple absolute, the estate conveyed under this Security Instrument and have the right to mortgage, grant and convey the Property, and I covenant that the Property is unencumbered, except for encumbrances listed in the title insurance policy (the "Title Policy") issued to you and insuring this Security Instrument. I covenant that there is no action, suit or proceeding pending or, to my knowledge, threatened against me or the Property that may affect your rights under this Security Instrument or the Loan Agreement, unless Borrower is an Illinois land trust. I warrant and will defend generally the title to the Property against all claims and demands, subject only to any encumbrances

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listed in the Title Policy. I covenant that all improvements to the Property have been constructed pursuant to validly issued and outstanding building permits and are in compliance with applicable building codes and applicable law and ordinances, except to the extent I have advised you in writing to the contrary.

1. Payment of Principal, Interest and Fees. I will promptly pay, or cause to be paid, to Lender when due the principal of the debt evidenced by the Loan Agreement (the "Principal Amount"), all interest thereon ("Noncontingent Interest") and 50% of the appreciation in value of the Property ("Contingent Interest"), each calculated as provided in the Loan Agreement, and all fees, charges and other amounts due under the Loan Agreement or this Security Instrument.

2. Charges; Liens. I will pay prior to delinquency all taxes, assessments, charges, fines and impositions attributable to the Property, and I will pay these obligations directly to the person or entity owed payment. I will, upon your request, promptly furnish to you all notices of amounts to be paid under this Section and all receipts evidencing those payments.

I will promptly discharge any lien on the Property which may attain priority over this Security Instrument (other than as listed in the Title Policy) unless I (a) agree in writing to pay the obligation secured by the lien in a manner acceptable to you; (b) contest in good faith the lien by, or defend against enforcement of the lien in, legal proceedings which in your opinion operate to prevent enforcement of the lien or forfeiture of any part of the Property; or (c) secure from the holder of the lien an agreement satisfactory to you subordinating the lien to this Security Instrument. If you determine that any part of the Property is subject to a lien, you may immediately cease making any further Advances, and give me a notice identifying the lien. I will satisfy the lien or take one or more of the actions set forth above within ten (10) days of your giving me this notice.

3. Hazard Insurance. I will keep the improvements now existing or erected in the future on the Property insured against loss by fire, hazards included within the terms "extended coverage" and "all risk", and any other hazards, including floods or flooding, for which you require insurance, through an insurance company and on terms satisfactory to you, and which provides you with at least ten (10) days prior written notice before any change or cancellation can be made. I understand that all insurance policies and renewals must be acceptable to you and include a standard mortgagee clause in your favor. You have the right to hold the policies and renewals. If you require, I will promptly give you all receipts for paid premiums and renewal notices. In the event of loss, I will give prompt notice to the insurance carrier and to you. You may submit proof of loss if I do not do so promptly. I hereby authorize you to contact the insurance carrier to verify the coverage and to ensure that you are named as loss payee under a standard mortgagee clause. In the event that you are not so named, I authorize you to instruct the insurance carrier to so name you.

If I do not provide you with evidence of insurance satisfactory to you upon your request you may, but are not obligated to, in accordance with Section 6, obtain such insurance on your own behalf or on my behalf, at your option, naming you as the insured or otherwise, at your sole option. I acknowledge that insurance you obtain in this way may provide less protection to me and may be more expensive than insurance I could obtain.

Unless you and I agree differently in writing, insurance proceeds will be applied to restore or repair the damaged Property, if (a) the restoration or repair is economically feasible within a reasonable period of time, (b) I am willing and able to repair or restore the Property as necessary within a reasonable period of time, and (c) the value of your security would not be lessened. If the foregoing requirements are not all met you may, at your option, use the insurance proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not they are then due, with any excess paid to me. If I abandon the Property or do not answer within thirty (30) days a notice from you that the insurance carrier has offered to

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settle a claim, you may collect the insurance proceeds and use them to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not they are then due. The thirty-day period will begin when the notice is given.

If under this Security Instrument you acquire the Property, my right to any insurance policies and proceeds resulting from damage to the Property before you acquire it will pass to you to the extent of the amounts secured by this Security Instrument immediately prior to the acquisition.

4. Preservation and Maintenance of Property. I will at my expense keep the Property in at least the same condition as it exists on the later of the date of this Security Instrument or the date upon which all repairs, if any, funded by you from the Initial Advance made under the Loan Agreement are completed. I will not remove or demolish any building on the Property, and I will repair and restore promptly and in good and workmanlike manner any building which may be damaged or destroyed thereon and will pay, when due, all claims for labor performed and materials furnished therefor. I will comply with all laws affecting the Property or requiring any alterations or improvements to be made thereon. I will not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property, nor will I commit, suffer or permit any act upon the Property in violation of law or any required insurance policy relating to the Property. I will cultivate, irrigate, fertilize, fumigate, prune and do all other acts which from the character or use of the Property may be reasonably necessary to maintain its condition as required by the Loan Agreement and this Security Instrument.

I understand that I will be in default under this Security Instrument if any forfeiture action or proceeding, whether civil or criminal, is begun that in your good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or your security interest. You may immediately cease making any further Advances upon the commencement of any such forfeiture action or proceeding, and give me a notice identifying the proceeding. I may cure this default and reinstate, as provided in Section 13, by causing the action or proceeding to be dismissed with a ruling that, in your good faith determination, precludes forfeiture of my interest in the Property or other material impairment of the lien created by this Security Instrument or your security interest. I understand that I will also be in default if I gave materially false or inaccurate information or statements to you (or failed to provide you with any material information) in connection with the Loan Agreement, including, but not limited to, representations concerning my occupancy of the Property as a principal residence.

5. Hazardous Substances. I will not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on, in, or from the Property. The preceding sentence does 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, as distinct from commercial uses, and to maintenance of the Property. I will not do, nor allow anyone else to do, nor am I aware of, anything affecting the Property that is in violation of any Environmental Law.

I will promptly give you 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 I have actual knowledge. If I learn, or am notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, I will promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Section and in the Loan Agreement, "Hazardous Substances" means hazardous wastes, hazardous substances, toxic substances, hazardous air pollutants, pesticides, contaminants or other pollutants as those terms are used in any Environmental Law, and the following substances: gasoline, diesel

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fuel, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, lead paint, and radioactive materials. As used in this Section and in the Loan Agreement, "Environmental Law" means federal laws and regulations and laws and regulations of each of the other jurisdictions in which the Property is located that relate to health, safety or environmental protection, including laws regulating the handling, use, storage, disposal or transportation of Hazardous Substances.

6. Protection of Lender's Rights in the Property.

6.1 If I fail to perform the covenants and agreements contained in the Loan Agreement or in this Security Instrument, or if legal proceedings are commenced that may significantly affect your rights in the Property (such as proceedings in bankruptcy, probate, for condemnation or to enforce laws or regulations), then you may, but are not obligated to, do and pay for whatever is necessary to protect the value of the Property and your rights in the Property. Your actions may include, for example, paying the cost of maintaining the Property during my absence; paying all taxes, assessments, charges, fines and impositions attributable to the Property; discharging liens, appearing in court, and paying reasonable attorneys' fees; paying insurance premiums or paying the cost of repair or to prevent deterioration or waste to the Property; all as provided in the Loan Agreement or in this Security Instrument. Any payments you make will not create an obligation to make any further payment.

6.2 If you do make such payments you may, at your option: (i) add these amounts to the Principal Amount, or (ii) offset these amounts against any Monthly Advances or any Reserve Account Advances payable to me under the Loan Agreement. Any amounts so paid will be secured by this Security Instrument and have priority as if made on the date of this Security Instrument. These amounts will bear interest from the date of disbursement at the applicable interest rate provided under the Loan Agreement and will be payable at the same time as other debt is payable under the Loan Agreement or this Security Instrument.

7. Inspection. I will permit you or your representative to visit and walk through the Property on reasonable prior notice (at least 24 hours).

8. Condemnation of the Property. I hereby assign to you 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, and the same are to be paid to you.

In the event of a total taking of the Property or a conveyance of the Property in lieu of condemnation, the proceeds will be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to me. If the Property is partially taken and the Appreciated Value of the Property (as determined pursuant to Section 11.2 of the Loan Agreement) immediately before the taking is equal to or greater than the sums secured by this Security Instrument immediately before the taking, unless you and I agree otherwise in writing, the sums this Security Instrument secures will be reduced by applying thereto a portion of the proceeds equal to 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 Appreciated Value of the Property immediately before the taking as so determined. Any balance will be paid to me. If the Property is partially taken and the Appreciated Value of the Property (as determined pursuant to Section 11.2 of the Loan Agreement) immediately before the taking is less than the amounts secured immediately before the taking, unless you and I agree otherwise in writing or unless applicable law otherwise provides, the proceeds will be applied to the sums secured by this Security Instrument, whether or not they are then due.

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If I abandon the Property or if, after you notify me that the condemnor has offered to make an award or settle a claim for damages, I fail to respond to you within thirty (30) days after the date the notice is given, you are authorized to collect and apply the proceeds, at your option, either to restore or repair the Property or to the amounts secured by this Security Instrument, whether or not they are then due.

9. Borrower Not Released: Forbearance by Lender Not a Waiver. I understand that any extension of the time for payment of the amounts secured by this Security Instrument which you grant to any of my successors in interest will not operate to release my liability or that of my successors in interest. You will not be required to start proceedings against any successor in interest or refuse to extend time for payment of the amounts secured by this Security Instrument by reason of any demand made by me or any of my successors in interest. Any forbearance by you in exercising any of your rights or remedies will not constitute a waiver, or preclude the exercise, of any of your other rights or remedies.

10. Successors and Assigns Bound: Joint and Several Liability. The warranties and agreements of this Security Instrument and the Loan Agreement shall bind and benefit you and your successors and assigns, and me and my executors, administrators, heirs, successors and assigns. Borrower's warranties and agreements are and will be joint and several. Anyone who co-signs this Security Instrument as a Borrower but does not execute the Loan Agreement (i) is co-signing this Security Instrument only to mortgage, grant, warrant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (ii) is not personally obligated to pay the amounts secured by this Security Instrument; and (iii) agrees that Lender and any other Borrower may agree, subject to applicable law, to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Loan Agreement without that Borrower's consent.

11. Notices. Any notice to me described in the Loan Agreement or in this Security Instrument will be given by private delivery service or by mailing it by first class mail, postage prepaid, unless applicable law or the terms of this Security Instrument or the Loan Agreement require using another method. The notice will be directed to the Property Address or any other address all Borrowers designate to you in writing. I understand that any notice to you must be given by private delivery service or by first class mail, postage prepaid, to your address stated in this Security Instrument or any other address you designate to me in writing, unless applicable law or the terms of this Security Instrument or the Loan Agreement require using another method. Any notice given by private delivery service in this way will be considered to have been given when delivered, and any notice given by mail in this way will be considered to have been given five (5) business days after being deposited in the mail.

12. Governing Law: Severability. This Security Instrument will be governed by the laws of the State of Illinois (without regard to its rules pertaining to conflict of laws) and applicable federal law, including the Federal Arbitration Act as it applies to Section 17 of this Security Instrument, and its provisions are severable, as provided in Section 22.8 of the Loan Agreement.

13. Borrower's Right to Reinstate. If I meet certain conditions, I will have the right to reinstate my Loan or redeem my interest in the Property, provided that I meet certain requirements set forth in the Illinois Mortgage Foreclosure Law or other applicable law.

14. Mandatory Prepayment and Other Remedies

14.1 I understand that if an Event of Default occurs as described in Section 18.1 of the Loan Agreement and is continuing, you may immediately stop making any further Monthly Advances or Reserve Account Advances, and that if I do not cure that default within the period specified in the notice of Event of Default described in this Section, you may require mandatory prepayment of the

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Loan together with all other amounts owed under the Loan Agreement and this Security Instrument. You will notify me, following the occurrence of an Event of Default, before requiring mandatory prepayment, specifying (i) the Event of Default; (ii) the action required to cure the default; (iii) a date by which the default must be cured; and (iv) that if I do not cure the default on or before the date specified in the notice, you may require mandatory prepayment of the Loan or sale of the Property, or both. The notice will further inform me of my right of redemption or right to reinstate after you have called for mandatory prepayment and of my right to assert the non-existence of an Event of Default or any other defense I may have to mandatory prepayment and sale.

If the default is not cured on or before the date specified in the notice, you may at your option, subject to applicable law, require immediate prepayment in full of all amounts due under the Loan Agreement and this Security Instrument without further demand and, in addition to all other remedies available under the Loan Agreement, this Security Instrument, or otherwise available at law or in equity, may institute legal action for collection of all amounts due under the Loan Agreement or foreclosure proceedings on the Property and obtain a judgment for execution and sale of the Property for the collection of all amounts due to you together with costs of suit and reasonable attorneys' fees, and pursuant thereto enter upon and take possession of the Property or any part of the Property and exclude me and all persons claiming under me wholly or partly from the Property.

Any forbearance by you in exercising any right or remedy under this Section will not waive your right to exercise any right or remedy in the future. Your exercise of this right will not cure or waive any default or notice of Event of Default under this Security Instrument, or invalidate any act done pursuant to such a notice.

14.2 You may bid at any foreclosure sale. If you acquire the Property at a foreclosure sale, your only obligation to me will be to pay me out of your proceeds from reselling the Property to a third party an amount, if any, equal to the resale price less the sum of (i) the Principal Amount, (ii) any other amounts payable under this Security Instrument or the Loan Agreement, and (iii) all expenses of the resale, including but not limited to any brokerage commissions.

15. Loan Advances. This Security Instrument secures future advances. All advances and indebtedness arising and accruing from time to time under the Loan Agreement or under this Security Instrument shall be secured by this Security Instrument. Under the Loan Agreement, advances shall be made and indebtedness shall be incurred from time to time on and after the date of this Security Instrument, but each such advance or indebtedness shall be secured by this Security Instrument and have priority as if made on the date of this Security Instrument.

16. Remedies Cumulative. All of your remedies under this Security Instrument are cumulative to any other right or remedy under this Security Instrument or the Loan Agreement, or which is afforded by law or equity, and may be exercised concurrently, independently or successively.

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17. **Arbitration.** Any controversy or claim arising out of or relating to this Security Instrument, the Loan Agreement or any other document relating to the Loan, the breach of any of them or the default under any of them, other than an action or proceeding to foreclose on the Property pursuant to this Security Instrument, will be settled by binding arbitration under the jurisdiction of the American Arbitration Association in accordance with its Commercial Arbitration Rules. Unless you and I otherwise agree in writing, the arbitration will be conducted in the county in which the Property is located. Judgment upon any award rendered by the arbitrator may be entered in any appropriate court. Such arbitration may not, however, without your consent, delay or adversely affect your ability to exercise any of the remedies available to you under this Security Instrument or under the Loan Agreement. Your pursuit of such remedies will not constitute a waiver by you of your rights to submit any controversy or claim to arbitration. No arbitration conducted hereunder shall be consolidated or combined with any other arbitration absent Lender's express written consent.

Notwithstanding anything that may be contained in this Section to the contrary, this Section does not limit your right to foreclose against the Property, to exercise self-help remedies such as set-off, or to obtain injunctive relief for the appointment of a receiver from any appropriate court, whether before, during or after any arbitration.

18. **Riders to this Security Instrument.** If I execute one or more riders and they are recorded together with this Security Instrument, the warranties and agreements of each such rider shall be incorporated into and shall amend and supplement the warranties and agreements of this Security Instrument as if the rider(s) were part of this Security Instrument. [Check applicable box(es)]:

Condominium Rider

1-4 Family Rider

Planned Unit
Development Rider

Other:

Illinois Rider re Mortgage Foreclosure Law

BY SIGNING BELOW, I hereby accept and agree to the terms and agreements contained in this Security Instrument and in any rider(s) I execute and which are recorded with it.

WITNESSES

John L. Pfeiffer
John L. Pfeiffer, Borrower

John L. Pfeiffer Trustee
John L. Pfeiffer, Trustee, Borrower

Alma E. Pfeiffer Trustee
Alma E. Pfeiffer, Borrower

Alma E. Pfeiffer Trustee
Alma E. Pfeiffer, Trustee, Borrower

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**RIDER TO MORTGAGE
Illinois Mortgage Foreclosure Law**

THIS RIDER TO MORTGAGE is made on **September 29, 1997**, and is incorporated into and shall be deemed to amend and supplement the Mortgage ("Security Instrument") of even date given by the undersigned ("Borrower") to secure Borrower's Loan Agreement and Note (the "Loan Agreement") to Transamerica HomeFirst, Inc. ("Lender") also dated **September 29, 1997** and covering the Property described in the Security Instrument and located at **6039 North Claremont Avenue, Chicago, IL 60659**.

The Security Instrument is hereby amended by adding the following paragraphs thereto:

1. **Benefits to Act.** Borrower and Lender shall have the benefit of all of the provisions of the Illinois Mortgage Foreclosure Law (735 ILCS 5/15-1101) (the "Act"), including all amendments thereto which may become effective from time to time after the date hereof. If any provision of the Act which is specifically referred to herein may be repealed, Lender shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.
2. **Insurance.** Wherever provision is made in this Security Instrument for insurance policies to bear mortgage clauses or other loss payable clauses or endorsements in favor of Lender, or to confer authority upon Lender to settle or participate in the settlement of losses under policies of insurance or to hold and disburse or otherwise control use of insurance proceeds, from and after the entry of judgment of foreclosure all such rights and powers of the Lender shall continue in the Lender as judgment creditor or mortgagee until confirmation of sale.
3. **Protective Advances.** All advances, disbursements and expenditures made by Lender before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Security Instrument or by the Act (collectively, "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:
 - (a) all advances by Lender in accordance with the terms of this Security Instrument to (i) preserve or maintain, repair, restore or rebuild the improvements upon the mortgage real estate, (ii) preserve the lien of this Security Instrument or the priority thereof, or (iii) enforce this Security Instrument, as referred to in Subsection (b)(5) of Section 5/15-1302 of the Act;
 - (b) payments by Lender of (i) when due, installments of principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance, (ii) when due, installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Property or any part thereof, (iii) other obligations authorized by this Security Instrument, or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;
 - (c) advances by Lender in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;
 - (d) attorneys' fees and other costs incurred (i) in connection with the foreclosure of this Security Instrument as referred to in Sections 1504(d)(2) and 5/15-1510 of the Act, (ii) in connection with any

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action, suit or proceeding brought by or against the Lender for the enforcement of this Security Instrument or arising from the interest of the Lender hereunder, or (iii) in the preparation for the commencement or defense of any such foreclosure or other action related to this Security Instrument or the Property;

- (e) Lender's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 5/15-1508 of the Act;
- (f) expenses deductible from proceeds of sale as referred to in Subsections (a) and (b) of Section 5/15-1512 of the Act; and
- (g) expenses incurred and expenditures made by Lender for any one or more of the following: (i) if the Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof which are required to be paid, (ii) premiums for casualty and liability insurance paid by Lender whether or not Lender or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or Lender takes possession of the Property imposed by Subsection (c)(1) of Section 5/15-1704 of the Act, (iii) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards, (iv) payments required or deemed by Lender to be for the benefit of the Property or required to be made by the owner of the mortgaged real estate under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Property, (v) shared or common expense assessments payable to any association or corporation in which the owner of the Property is a member in any way affecting the Property, (vi) pursuant to any lease or other agreement for occupancy of the Property for amounts required to be paid by Borrower, and (vii) if this Security Instrument is insured, payments of FHA or private mortgage insurance required to keep insurance in force.

All Protective Advances shall be so much additional indebtedness secured by this Security Instrument, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate due and payable after a default under the terms of the Loan Agreement.

This Security Instrument shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Security Instrument is recorded pursuant to Subsection (b)(2) of Section 5/15-1302 of the Act.

All Protective Advances shall, except to the extent that any of the same are clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

- (A) determination of the amount of indebtedness secured by this Security Instrument at any time;
- (B) the indebtedness found due and owing to the Lender in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;
- (C) computation of amount required to redeem in connection with the right of redemption pursuant to Subsections (d) and (e) of Section 5/15-1603 of the Act;
- (D) determination of amount deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;

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STATE OF ILLINOIS)
)
COUNTY OF COOK) ss:

I, Debra J. Broughton, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that

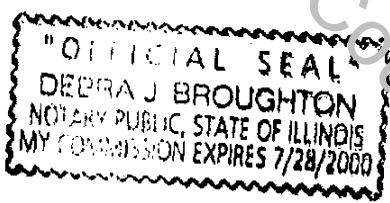
JOHN L. PFEIFFER AND ALMA E. PFEIFFER
_____, personally known to me to be the same person S whose name S _____ subscribed to the foregoing instrument appeared before me this day in person and acknowledged that THEY signed, sealed and delivered the said instrument as THEIR free and voluntary act, for uses and purposes therein set forth.

Given under my hand and official seal, this 29th day of September, 1997.

Debra J. Broughton

Notary Public

My commission expires: 7/28/2000



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(E) application of income in the hands of any receiver or Lender in possession; and

(F) computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Act.

4. **Lender in Possession.** In addition to any provision of this Security Instrument authorizing the Lender to take or be placed in possession of the Property, or for the appointment of a receiver, Lender shall have the right, in accordance with Sections 5/15-1701 and 5/15-1702 of the Act, to be placed in possession of the Property or at its request to have a receiver appointed, and such receiver, or Lender, if and when placed in possession, shall have, in addition to any other powers provided in this Security Instrument, all powers, immunities, and duties as provided for in Sections 5/15-1701 and 5/15-1703 of the Act.

BY SIGNING BELOW, we accept and agree to the terms and provisions contained in this Rider to Mortgage.

X John L. Pfeiffer
John L. Pfeiffer, Borrower

X John L. Pfeiffer Trustee
John L. Pfeiffer, Trustee, Borrower

X Alma E. Pfeiffer
Alma E. Pfeiffer, Borrower

X Alma E. Pfeiffer Trustee
Alma E. Pfeiffer, Trustee, Borrower

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Exhibit "A"

Legal description of property:

LOT 24 IN BLOCK 2 IN W.F. KAISER AND COMPANY'S 5TH ADDITION TO
ARCADIA TERRACE, BEING A SUBDIVISION OF THE EAST 1/2 OF THE WEST 1/2
OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 6, TOWNSHIP 40
NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY,
ILLINOIS.

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Property Address: 6039 North Claremont Avenue, Chicago, IL 60659

Permanent Index Number(s):

JZP
Borrower's Initials

JZP
Borrower's Initials

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1-4 FAMILY RIDER
Assignment of Rents

THIS 1-4 FAMILY RIDER is made on **September 29, 1997**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Open-End Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date, given by the undersigned ("Borrower") to secure Borrower's Loan Agreement and Note, Term Loan Agreement and Note, or Cash AccountSM Adjustable Rate Reverse Mortgage Loan Account Disclosure Statement and Agreement (as the case may be, referred to herein as the "Loan Agreement")(unless the context indicates otherwise, the terms "Borrower", "I", "we", "us", "me", "mine" and "our" refer collectively to all Borrowers under this Security Instrument) to Transamerica HomeFirst, Inc. ("Lender")(unless the context indicates otherwise, the terms "Lender", "you" and "your" refer to Transamerica HomeFirst, Inc.), dated the same date as this 1-4 Family Rider and covering the Property described in the Security Instrument and located at: **6039 North Claremont Avenue, Chicago, IL 60659** (the "Property Address").

1-4 FAMILY COVENANTS. In addition to the covenants and agreements made in the Security Instrument, I further covenant and agree with you as follows:

A. Additional Property Subject to the Security Instrument. In addition to the Property described in the Security Instrument, the following items are added to the Property description, and will also constitute a part of the Property covered by the Security Instrument: building materials, appliances, fixtures, and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used, in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, paneling, and attached floor coverings now or hereafter attached to the Property, all of which, including replacements and additions thereto, is and will be considered to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

B. Use of Property; Compliance with Law. I will not seek, agree to, or make a change in the use of the Property or its zoning classification, unless you have agreed in writing to the change. I will comply with all laws, ordinances, regulations, and requirements of any governmental body which apply to the Property.

C. Subordinate Liens. Except as permitted by federal law, I will not allow any lien subordinate to the Security Instrument to be perfected against the Property without your prior written permission.

D. Rent Loss Insurance. I will maintain insurance against rent loss in addition to the other hazards for which insurance is required by Section 3 of the Security Instrument.

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E. "Borrower's Right to Reinstate" Deleted. Section 13 of the Security Instrument is deleted.

F. Borrower's Occupancy. My warranty in the Loan Agreement that "I use the Property as my principal residence" is amended to read "I use one portion of the Property as my principal residence," and the first sentence of the description of a Maturity Event relating to the use of the Property as my principal residence, viz., "All Borrowers ceasing to use the Property as their principal residence" is amended to read "All Borrowers ceasing to use at least one portion of the Property as their principal residence."

G. Prohibition on Renting Deleted. The following language is deleted from the Loan Agreement: "My leasing or renting all or any part of the Property, except the renting of living space to a single tenant, either an individual or a family, on a month-to-month basis if I continue to use the Property as my principal residence during the rental period," and substituted therefor is the following: "[Deleted]."

H. Assignment of Leases. Upon your request, I will assign to you, in a form acceptable to you, and deliver to you, all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, you will have the right to modify, extend, or terminate the existing leases and to execute new leases, in your sole discretion.

I. Assignment of Rents; Appointment of Receiver; Lender in Possession. I hereby absolutely and unconditionally assign and transfer to you all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. I hereby authorize you or your agents to collect the Rents, and agree that each tenant of the Property will pay the Rents to you or your agents. However, I will receive the Rents until (i) you have given me notice of default pursuant to Section 15 of the Security Instrument and (ii) you have notified the tenant(s) that the Rents are to be paid to you or your agents. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

If you give notice of breach to me: (i) I will hold all Rents I receive as trustee for your benefit only, to be applied to the amounts secured by the Security Instrument; (ii) you will be entitled to collect and receive all of the Rents of the Property; (iii) each tenant of the Property will pay all Rents due and unpaid to you or your agents upon your written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents you or your agents collect will be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments, and other charges on the Property, and then to the amounts secured by the Security Instrument; (v) you, your agents, or any judicially appointed receiver will be liable to account for only those Rents actually received; and (vi) you will be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

If there are not enough Rents from the Property to cover the costs of taking control of and managing the Property and of collecting the Rents, you may expend funds for such purposes. You may, at your option: (i) add those amounts to the Principal Amount; or (ii) offset such payments against any Advances payable to me under the Loan Agreement.

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I hereby represent and warrant that I have not executed any prior assignment of the Rents and have not performed and will not perform any act that would prevent you from exercising your rights under this Section.

You, your agents or a judicially appointed receiver, will not be required to enter upon, take control of, or maintain the Property before or after giving me notice of default. However, you, your agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents will not cure or waive any default or invalidate any other of your rights or remedies. This assignment of Rents of the Property will terminate when all the amounts secured by the Security Instrument are paid in full.

5. Cross-Default Provision. My default or breach under any note or agreement in which you have an interest will be a breach under the Security Instrument, and upon its occurrence you may then invoke any of the remedies permitted by the Security Instrument.

BY SIGNING BELOW, I accept and agree to the terms and provisions contained in this 1-4 Family Rider.

X John L. Pfeiffer
John L. Pfeiffer, Borrower

X John L. Pfeiffer Trustee
John L. Pfeiffer, Trustee, Borrower

X Alma E. Pfeiffer
Alma E. Pfeiffer, Borrower

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