

UNOFFICIAL COPY

Loan # 0130102423

H97013557

THIS IS A JUNIOR MORTGAGE LABE CREDIT LINE MORTGAGE

THIS MORTGAGE is made this 12TH day of JANUARY, 1998 between JOHN R. KLYTTA AND KIMBERLY KLYTTA, HUSBAND AND WIFE

(herein "Borrower") and the Mortgagee LABE [unclear] Bank (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of THIRTY THREE THOUSAND AND 00/100

Dollars which indebtedness is evidenced by Borrower's Equity Agreement and Promissory Note (herein "Note") providing for periodic payments as called therein, with the balance of the indebtedness, if not sooner paid, due and payable on FEBRUARY 1, 2003

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby Mortgage, grant and convey to Lender the following described property located in the County of COOK State of ILLINOIS

SOUTH 1/2 OF LOT 7 IN BLOCK 4 IN L. HODGE'S ADDITION TO PARK RIDGE IN THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 35, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Pin # 09-35-211-011

which has the address of: 215 SOUTH CUMBERLAND, PARK RIDGE, ILLINOIS 60068
(herein "PROPERTY ADDRESS").

Together with all improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereof, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this mortgage is on a leasehold) are herein referred to as the "Property".

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agreements of the Lender and Borrower shall be subject to the terms and conditions set forth in this mortgage and the documents referred to herein. The Lender and Borrower agree that the Lender shall have the right to inspect and copy all documents and records relating to the development of the Property and to the title to the Property, and to require the Borrower to provide such documents and records to the Lender as may be necessary for the Lender to exercise its rights and remedies under this mortgage.

5. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS. Borrower shall keep the Property in good repair and shall not commit waste or impairment or deterioration of the Property and shall comply with the provisions of any lease if this mortgage is on a unit in a condominium or a planned unit development. Borrower shall perform Borrower's obligations under the declaration of covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and covenants, conditions and restrictions of the Property and shall comply with this mortgage and recorded together with this mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not exceed the date of the periodic payments referred to in Paragraph 1 hereof or change the amount of such payments and Paragraph 18 hereof the Property is acquired by Lender, all rights, title and interest of Borrower in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition of the Property shall be applied to the extent of the sums secured by this mortgage immediately prior to such sale or acquisition.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible or if the security of this mortgage is thereby impaired. If such restoration or repair is not economically feasible or if the security of this mortgage is thereby impaired, the insurance proceeds shall be applied to the sums secured by this mortgage, with the excess, if any, to be paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from notice to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender shall be authorized to collect and apply the insurance proceeds to the sums secured by this mortgage and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition of the Property.

Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if necessary and Borrower shall promptly furnish to Lender all receipts of and premiums. In the event of a claim in favor of and in form acceptable to Lender, Lender shall have the right to hold the policies and renewals and to receive all proceeds therefrom. All payments on insurance policies shall be paid by Borrower directly, when due, directly to the insurance carrier.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, such approval shall not be unreasonably withheld. All payments on insurance policies shall be paid by Borrower directly, when due, directly to the insurance carrier.

4. HAZARD INSURANCE. Borrower 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 such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require amount of such coverage exceed that amount of coverage required to pay the sums secured by this mortgage.

All insurance policies and renewals therefrom shall be in form acceptable to Lender and shall include a standard fire and theft policy and shall be in form acceptable to Lender. Lender shall have the right to hold the policies and renewals and to receive all proceeds therefrom. All payments on insurance policies shall be paid by Borrower directly, when due, directly to the insurance carrier.

WITH LENDER COVENANT AND AGREE AS FOLLOWS:

REPAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the Note and Paragraph 1 hereof shall be applied by Lender first to interest payable on amounts due on the Note, and then to principal of the amounts distributed by Lender under Paragraph 6, then to interest on the Note, and then to the principal of the Note.

LOCATION OF PAYMENTS. Unless applicable law on the Note provide otherwise, all payments received by Lender shall be made to the order of Lender at the address set forth in Paragraph 1 hereof.

CHARGES, FEES. Borrower shall pay all taxes, assessments and other charges, fees and impositions attributable to the Property which are levied or assessed on the Property, and shall pay all costs and expenses of recording this mortgage and of the payment of the principal of and interest on the Note, and shall pay all costs and expenses of the preparation of this mortgage and of the recording of this mortgage.

DEFERRED PAYMENTS. Borrower shall promptly pay when due the principal of and interest on the Note and Paragraph 1 hereof shall be applied by Lender first to interest payable on amounts due on the Note, and then to principal of the amounts distributed by Lender under Paragraph 6, then to interest on the Note, and then to the principal of the Note.

RELEASE OF PRINCIPAL AND INTEREST. Borrower shall promptly pay when due the principal of and interest on the Note and Paragraph 1 hereof shall be applied by Lender first to interest payable on amounts due on the Note, and then to principal of the amounts distributed by Lender under Paragraph 6, then to interest on the Note, and then to the principal of the Note.

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6. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to eminent domain, insolvency code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender's option, upon notice to Borrower, may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs.

Borrower shall faithfully and fully comply with and abide by every term, covenant and condition of any superior mortgage or mortgages presently encumbering the Property. A default or delinquency under any superior mortgage or mortgages shall automatically and immediately constitute a default under this Mortgage. Lender is expressly authorized at its option to advance all sums necessary to keep any superior mortgage or mortgages in good standing, and all sums so advanced, together with interest shall be subject to the provisions of this Paragraph 6 of this Mortgage. Borrower agrees not to make any agreement with the holder of any superior mortgage that in any way shall modify, change, alter or extend any of the terms or conditions of that superior mortgage nor shall Borrower request or accept any future advances under that superior mortgage, without the express written consent of Lender.

Any amounts disbursed by Lender pursuant to this Paragraph 6, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. INSPECTION. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

8. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the property, or part thereof, 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, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the periodic payments referred to in Paragraph 1 hereof or change the amount of such payments.

9. BORROWER NOT RELEASED. Extension of the time for payment or modification of payment of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify payment of sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

10. FORBEARANCE BY LENDER NOT A WAIVER. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

11. REMEDIES CUMULATIVE. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of Paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

13. NOTICE. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in this manner designated.

14. UNIFORM MORTGAGE; GOVERNING LAWS; SEVERABILITY. This form of mortgage complies with uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision of 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 effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

15. BORROWER'S COPY. Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recording hereof.

16. TRANSFER OF THE PROPERTY; ASSUMPTION. If all or any part of the Property or an interest therein is sold or transferred, (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for domestic appliances, (c) a transfer by devise or descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and Borrower or such other person pays all expenses incurred by Lender to assume that the lien of this Mortgage and Lender's interest in the Property shall continue uninterrupted. If Lender has waived the option to accelerate provided in this Paragraph 16, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with Paragraph 13 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, exercise any remedies permitted by Paragraph 18 hereof.

17. OBLIGATORY ADVANCES. This Mortgage secures the repayment of certain sums advanced to the Borrower under the Equity Agreement and Promissory Note, including the covenants to pay when due any sums secured by this Mortgage, Lender is obligated from time to time and upon demand of Borrower to advance such additional sums requested by Borrower up to the total face amount of this Mortgage.

18. ACCELERATION; REMEDIES. Except as provided in Paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender, prior to acceleration, shall mail notice to Borrower as provided in Paragraph 13 hereof specifying (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach 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 Borrower of the right to renounce after acceleration or the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose on this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

19. BORROWER'S RIGHT TO REINSTATE. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be due under this Mortgage, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in Paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action and pays all expenses as Lender may reasonably require to ensure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue uninterrupted. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 18 hereof 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. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection 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 attorney's fees and then to the sum secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

21. NOTICE. Presentment, notice of dishonor and protest are hereby waived by you and each of you. This Agreement shall be the joint and several obligation of all of you and shall be binding upon you and your successors and assigns.

Any notice to you provided for in this Agreement shall be given by mailing such notice by certified mail, addressed to you at the address stated below, or to such other address as you may designate by notice to L&B. Any notice to L&B shall be given by mailing such notice by certified mail, return receipt requested to L&B at the address stated above or at such other address as may have been designated by notice to you.

22. RELEASE. Upon payment of all sums secured by this Mortgage on the expiration Date of the Note, or upon the written request of Borrower (if prior to the final due date with all sums having been paid) Lender shall release this Mortgage with charge of \$50.00 to Borrower. Borrower shall pay all costs of recordation, if any.

23. WAIVER OF HOMESTEAD. Borrower hereby waives all right of homestead exemption in the Property.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

[Signature]
Borrower
JOHN R. KLYTTA

[Signature]
Borrower
KIMBERLY KLYTTA

Borrower

Borrower

State of Illinois COOK
County of _____ ss.

I, the undersigned, a Notary Public in and for said County and State do hereby certify that JOHN R. KLYTTA AND HIS WIFE KIMBERLY KLYTTA

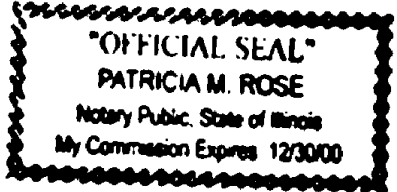
personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that THEY signed and delivered the said instrument as free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 12TH day of JANUARY 1998

My commission expires 12/30/00

[Signature]
Notary Public PATRICIA M. ROSE

This Instrument Was Prepared By,
L&B Federal Bank
4343 N. Elston
Chicago, IL 60641
RETURN TO: SAME



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