



Corporate Headquarters
100 North State Street
Chicago, Illinois 60602

3470621

Variable Interest rate
Equity-line
open end mortgage

UNOFFICIAL COPY

NOTE IDENTIFIED

Account number
19-800260-2

THIS OPEN END MORTGAGE (herein "Mortgage") is made this 27th day of September, 1985, between the Mortgagor, Phillip E. Schulz and Kristine M. Schulz, his wife

(herein "Borrower"), and the Mortgagee, PATHWAY FINANCIAL - A Federal Association, a corporation organized and existing under the laws of the United States of America, whose address is 100 North State Street, Chicago, Illinois 60602, (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S. \$ 44,000.00 or so much thereof as may be advanced and outstanding, with interest thereon, which indebtedness is evidenced by Borrower's Variable Interest Rate Promissory Note dated September 27, 1985 and extensions and renewals thereof (herein "Note"), and the Pathway Financial Equity-Line Agreement and Disclosure Statement (which documents, along with this Mortgage are collectively referred to as the "Credit Documents"), providing for monthly payments of interest, with the principal balance of the indebtedness, if not sooner paid or required to be paid, due and payable five (5) years from the date hereof.

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:

Lot 5 in Town and Country Subdivision, being a Resubdivision of certain heretofore vacated Lots, Blocks, Alleys, Streets and Portions thereof in Flossmoor Heights, J. C. McCartney's Subdivision, in the Northeast 1/4 of Section 5, Township 35 North, Range 14 East of the Third Principal Meridian, according to the Plat of said Town and Country Subdivision registered in the Office of the Registrar of Titles of Cook County Illinois, on October 1, 1974, as document 2776509.

32-05-212-023

which has the address of 18639 South Center, Homewood Illinois 60430 (herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents all of which 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 hereinafter referred to as the "Property."

Borrower covenants that Borrower is lawfully seized 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. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

Borrower Initials P.E.S. K.M.S.

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32-05-212-023

Cook County Clerk's Office

COVENANTS, Borrower and Lender covenant and agree as follows:
1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note and late charges as provided in the Note.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and this mortgage shall be applied by Lender first in payment of amounts payable to Lender under paragraph 6 and then to the principal of the Note.

3. Prior Mortgages and Deeds of Trust; Charges; Liens. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, including Borrower's obligations to make payments on the Note, and to pay all taxes, assessments and other charges, liens and impositions attributable to the Property which may attach to the Property, which may attach to the Property, and to pay any rent, if any.

4. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, and not 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.

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 permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants or covenants or covenants governing the condominium or planned unit development, the by-laws and regulations and the rules of the condominium or planned unit development, and consistent documents.

6. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in the Credit Documents, or any action or proceeding is commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to Borrower, may make such appraisals, disburse such sums, including reasonable attorney's fees, and take such action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

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. Any amounts disbursed by Lender pursuant to this paragraph 6 with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amount shall be payable upon notice from Lender to Borrower retaining payment thereof. Nothing contained in this paragraph shall require Lender to incur any expense or take any action hereunder.

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 any reason in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

9. Borrower Not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification or amortization 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 the terms of this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. 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.

10. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements herein contained shall bind, and the right hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 11 hereof. All covenants and agreements of Borrower shall be a joint and several grant and convey that Borrower intend to transfer the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

11. 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 delivering it or 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 to Lender at the 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 the manner designated herein.

12. Governing Law; Severability. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law, such conflict shall not affect other provisions of this Mortgage or the Note which conflict with applicable law, and to the extent and the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

13. 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.
14. Transfer of the Property. If Borrower sells or transfers all or any part of the Property or an interest therein, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) a transfer by devise, descent, or by operation of law upon the death of a joint tenant, or (c) the grant of any leasehold interest of three years or less not containing an option to purchase, Borrower shall cause to be submitted information required by Lender to evaluate the transfer as if a new loan were being made in writing to the transferee. Borrower will continue to be obligated under the Note and this Mortgage unless Lender releases Borrower in writing.

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If Lender, on the basis of any information obtained by searching the public records, or by any other means, determines that Lender's security may be impaired, or that there is an unacceptable likelihood of a breach or violation of any covenant or agreement in this Mortgage, or if the required information is not submitted, Lender may declare all of the sums secured by this Mortgage to be immediately due and payable. If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 11 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed or delivered 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, invoke any remedies permitted by paragraph 15 hereof.

15. Acceleration; Remedies. Except as provided in paragraph 14 hereof, upon Borrower's breach of any covenant or agreement of Borrower under any of the Credit Documents, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 11 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 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 reinstatement after acceleration and the right to assert in the foreclosure proceeding the nonexistence 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 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.

16. Borrower's Right to Reinstatement. Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, 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 then due under this Mortgage and the Note 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 15 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure 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 unimpaired. 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.

17. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 15 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 15 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon and take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by 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 attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

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

19. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address, set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

IN WITNESS WHEREOF, BORROWER has executed this Mortgage

Borrower signature: Phillip F. Schulz
Borrower signature: Kristine M. Schulz

STATE OF ILLINOIS, Kankakee County ss:

I, the undersigned, a Notary Public in and for said county and state,

do hereby certify that Phillip F. Schulz and Kristine M. Schulz, his wife

personally known to me (the same person(s) whose name(s) are

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they

signed and delivered the said instrument as their free voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 27th day of September, 1985

My Commission expires 3-30-88

Margaret L. Dressler, Notary Public

This instrument was prepared by:

Peg Dressler; Pathway Financial One Prairie Center; Matteson, IL 60443

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1523
12/23/85
MRE

3470624

3470624

Submitted by _____

Address _____

Promised _____

Delivered _____

Oct 21

REGISTRAR OF TITLES

5:55 PM '85

Noted _____

3470624

LAND TITLE CO.

100 W. MONROE, 4th FLOOR

CHICAGO, ILLINOIS 60603

FILE #

6-41495-C7

DAVE

911.1001

Property of Cook County Clerk's Office