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Cook County Recorder 57.50

Return To:
MORTGAGE BANCORP SERVICES

800 E. NORTHWEST HIGHWAY, #100
PALATINE, ILLINOIS 60074



Prepared By: MELANIE THORNTON
MORTGAGE BANCORP SERVICES
800 E. NORTHWEST HIGHWAY, #100
PALATINE, ILLINOIS 60074

01-32633 [Space Above This Line For Recording Data]

MORTGAGE

1/2

PRAIRIE TITLE
6821 W. NORTH AVE.
OAK PARK, IL 60302

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

- (A) "Security Instrument" means this document, which is dated August 2nd, 2001, together with all Riders to this document.
- (B) "Borrower" is JOSEPH M. WATSCHKE and CHRISTINA L. WATSCHKE, HUSBAND AND WIFE

Borrower is the mortgagor under this Security Instrument.

(C) "Lender" is MORTGAGE BANCORP SERVICES

Lender is a CORPORATION
organized and existing under the laws of THE STATE OF ILLINOIS

ILLINOIS - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

Form 3014 1/01

VMP -6(IL) (0010)
Page 1 of 15

Initials: *JMW*
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VMP MORTGAGE FORMS - (800)521-7291

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Form 3014 1/01

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loan" under RESPA.
to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to time, or any additional or successor legislation or regulation that governs the same subject matter. As used implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time to (O) "RESPA" means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(N) "Periodic Payment" means the regularly scheduled amount due for (i) principal and interest under the the Loan.

(M) "Mortgage Insurance" means insurance protecting Lender against the nonpayment of, or default on, value and/or condition of the Property.

(L) "Miscellaneous Proceeds" means any compensation, settlement, award of damages, or proceeds paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the

(K) "Escrow Items" means those items that are described in Section 3.

(J) "Electronic Funds Transfer" means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(I) "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(H) "Applicable Law" means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

- Adjustable Rate Rider
- Condominium Rider
- VA Rider
- Balloon Rider
- Planned Unit Development Rider
- 1-4 Family Rider
- Second Home Rider
- Other(s) [specify]

(G) "Riders" means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late charges due under the Note, and all sums due under this Security Instrument, plus interest.
(E) "Property" means the property that is described below under the heading "Transfer of Rights in the Property."

(D) "Note" means the promissory note signed by Borrower and dated August 2nd, 2001. The Note states that Borrower owes Lender Eighty Six Thousand Eight Hundred and no/100. (U.S. \$ 86,800.00) plus interest. Borrower has promised to pay this debt in regular Periodic Payments and to pay the debt in full not later than September 1st, 2031.

Lender is the mortgagee under this Security Instrument.

Lender's address is 800 E. NORTHWEST HIGHWAY, #100, PALATINE, ILLINOIS 60074

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(P) "Successor in Interest of Borrower" means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's successors and assigns, the following described property located in the

COUNTY [Type of Recording Jurisdiction]
of COOK [Name of Recording Jurisdiction]:

ATTACHED ADDENDUM FOR LEGAL DESCRIPTION

Property of Cook County Clerks Office

09-17-400-035-1006

Parcel ID Number: 09-17-400-035-1006 which currently has the address of
1258 BROWN STREET, UNIT 202 [Street]
DES PLAINES [City], Illinois 60016 [Zip Code]
("Property Address"):

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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


THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow Items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S.

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Initials: 

in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and Items." At origination or at any time during the term of the Loan, Lender may require that Community Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due 3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due the Note shall not extend or postpone the due date, or change the amount, of any Periodic Payments.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under be applied first to any prepayment charges and then as described in the Note. Voluntary prepayments shall more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or from Borrower to the repayment of the Periodic Payments in, and to the extent that, each payment can be the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a then to reduce the principal balance of the Note.

shall be applied first to late charges, second to any other amounts due under this Security Instrument, and due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest 2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all Instrument.

the Note and this Security Instrument or performing the covenants and agreements secured by this Security might have now or in the future against Lender shall relieve Borrower from making payments due under principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring accepted. If each Periodic Payment is applied as of its scheduled due date, then Lender need not pay payments in the future, but Lender is not obligated to apply such payments at the time such payments are current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial bring the Loan current. Lender may accept any payment or partial payment insufficient to bring the Loan Lender may return any payment or partial payment if the payment or partial payments are insufficient to such other location as may be designated by Lender in accordance with the notice provisions in Section 15.

Payments are deemed received by Lender when received at the location designated in the Note or at federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer. cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or due under the Note and this Security Instrument be made in one or more of the following forms, as Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments currency. However, if any check or other instrument received by Lender as payment under the Note or this

lien. Within 10 days of the date on which that notice is given, Borrower shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

Lender may require Borrower to pay a one-time charge for a real estate tax verification and/or reporting service used by Lender in connection with this Loan.

5. Property 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 any other hazards including, but not limited to, earthquakes and floods, for which Lender requires insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lender requires. What Lender requires pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's right to disapprove Borrower's choice, which right shall not be exercised unreasonably. Lender may require Borrower to pay, in connection with this Loan, either: (a) a one-time charge for flood zone determination, certification and tracking services; or (b) a one-time charge for flood zone determination and certification services and subsequent charges each time remappings or similar changes occur which reasonably might affect such determination or certification. Borrower shall also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency in connection with the review of any flood zone determination resulting from an objection by Borrower.

If Borrower fails to maintain any of the coverages described above, Lender may obtain insurance coverage, at Lender's option and Borrower's expense. Lender is under no obligation to purchase any particular type or amount of coverage. Therefore, such coverage shall cover Lender, but might or might not protect Borrower, Borrower's equity in the Property, or the contents of the Property, against any risk, hazard or liability and might provide greater or lesser coverage than was previously in effect. Borrower acknowledges that the cost of the insurance coverage so obtained might significantly exceed the cost of insurance that Borrower could have obtained. Any amounts disbursed by Lender under this Section 5 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

All insurance policies required by Lender and renewals of such policies shall be subject to Lender's right to disapprove such policies, shall include a standard mortgage clause, and shall name Lender as mortgagee and/or as an additional loss payee. Lender shall have the right to hold the policies and renewal certificates. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. If Borrower obtains any form of insurance coverage, not otherwise required by Lender, for damage to, or destruction of, the Property, such policy shall include a standard mortgage clause and shall name Lender as mortgagee and/or as an additional loss payee.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lender, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such insurance proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrower shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrower. 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 Security Instrument, whether or not then due, with

attorneys' fees to protect its interest in the Property and/or rights under this Security Instrument, including its secured position in a bankruptcy proceeding. Securing the Property includes, but is not limited to, entering the Property to make repairs, change locks, replace or board up doors and windows, drain water from pipes, eliminate building or other code violations or dangerous conditions, and have utilities turned on or off. Although Lender may take action under this Section 9, Lender does not have to do so and is not under any duty or obligation to do so. It is agreed that Lender incurs no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lender under this Section 9 shall become additional debt of Borrower secured by this Security Instrument. These amounts shall bear interest at the Note rate from the date of disbursement and shall be payable, with such interest, upon notice from Lender to Borrower requesting payment.

If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

10. Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan, Borrower shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lender ceases to be available from the mortgage insurer that previously provided such insurance and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the Mortgage Insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lender. If substantially equivalent Mortgage Insurance coverage is not available, Borrower shall continue to pay to Lender the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Lender will accept, use and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve shall be non-refundable, notwithstanding the fact that the Loan is ultimately paid in full, and Lender shall not be required to pay Borrower any interest or earnings on such loss reserve. Lender can no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Lender requires) provided by an insurer selected by Lender again becomes available, is obtained, and Lender requires separately designated payments toward the premiums for Mortgage Insurance. If Lender required Mortgage Insurance as a condition of making the Loan and Borrower was required to make separately designated payments toward the premiums for Mortgage Insurance, Borrower shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lender's requirement for Mortgage Insurance ends in accordance with any written agreement between Borrower and Lender providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrower's obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lender (or any entity that purchases the Note) for certain losses it may incur if Borrower does not repay the Loan as agreed. Borrower is not a party to the Mortgage Insurance.

Mortgage insurers evaluate their total risk on all such insurance in force from time to time, and may enter into agreements with other parties that share or modify their risk, or reduce losses. These agreements are on terms and conditions that are satisfactory to the mortgage insurer and the other party (or parties) to these agreements. These agreements may require the mortgage insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

to Borrower or any Successor in Interest of Borrower shall not operate to release the liability of Borrower or any Successors in Interest of Borrower. Lender shall not be required to commence proceedings against any Successor in Interest of Borrower or to refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or any Successors in Interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without limitation, Lender's acceptance of payments from third persons, entities or Successors in Interest of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

13. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrower covenants and agrees that Borrower's obligations and liability shall be joint and several. However, any Borrower who co-signs this Security Instrument but does not execute the Note (a "co-signer"): (a) is co-signing this Security Instrument only to mortgage, grant and convey the co-signer's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower can agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without the co-signer's consent.

Subject to the provisions of Section 18, any Successor in Interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower shall not be released from Borrower's obligations and liability under this Security Instrument unless Lender agrees to such release in writing. The covenants and agreements of this Security Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of Lender.

14. Loan Charges. Lender may charge Borrower fees for services performed in connection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument, including, but not limited to, attorneys' fees, property inspection and valuation fees. In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as a prohibition on the charging of such fee. Lender may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

If the Loan 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 Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Note). Borrower's acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrower might have arising out of such overcharge.

15. Notices. All notices given by Borrower or Lender in connection with this Security Instrument must be in writing. Any notice to Borrower in connection with this Security Instrument shall be deemed to have been given to Borrower when mailed by first class mail or when actually delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrower has designated a substitute notice address by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only report a change of address through that specified procedure. There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lender shall be given by delivering it or by mailing it by first class mail to Lender's address stated herein unless Lender has designated another address by notice to Borrower. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lender until actually received by Lender. If any notice required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

Initials:

12. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender

applied in the order provided for in Section 2. All Miscellaneous Proceeds that are not applied to restoration or repair of the Property shall be

are hereby assigned and shall be paid to Lender. Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of

interest in the Property or rights under this Security Instrument. Borrower can cure such a default and, if Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's

Borrower shall be in default if any action or proceeding, whether civil or criminal is begun that, in regard to Miscellaneous Proceeds. that owes Borrower Miscellaneous Proceeds or the party against whom Borrower has a right of action in

sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the

Borrower fails to respond to Lender within 30 days after the date the notice is given. Lender is authorized to respond to Lender within 30 days after the date the notice is given. Lender is authorized to

secured by this Security Instrument whether or not the sums are then due. Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums

value of the Property immediately before the partial taking, destruction, or loss in value is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless

in the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value shall be paid to Borrower.

partial taking, destruction, or loss in value divided by (b) the fair market value of the Property multiplied by the following fraction: (a) the total amount of the sums secured immediately before the


requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, material containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. 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 (including, but not limited to, hazardous substances in consumer products).

Borrower shall promptly give Lender written notice of (a) 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 Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

Initials: 

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to the Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, and Applicable Law. There also might 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, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA

right to reinstate shall not apply in the case of acceleration under Section 18. obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentally or cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such reinstatement sums and expenses in one or more of the following forms, as accepted by Lender: (a) unchanged unless as otherwise provided under Applicable Law. Lender may require that Borrower pay Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue reasonably require to assure that Lender's interest in the Property and rights under this Security interest in the Property and rights under this Security Instrument; and (2) takes such action as Lender may fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right prior to the earliest of: (a) five days before sale of the Property pursuant to Section 22 of this Security Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time, 19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Security Instrument without further notice or demand on Borrower.

these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall Applicable Law.

Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by written consent, Lender may require immediate payment in full of all sums secured by this Security is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower

escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser. to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited 18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18,

17. Borrower's Copy. Borrower shall be given one copy of the Note and of this Security Instrument.

take any action. include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and As used in this Security Instrument: (a) words of the masculine gender shall mean and include given effect without the conflicting provision.

Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In Applicable Law, Applicable Law might explicitly or implicitly allow the parties to agree by contract or it obligations contained in this Security Instrument are subject to any requirements and limitations of governed by federal law and the law of the jurisdiction in which the Property is located. All rights and 16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be

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NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

22. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Section 18 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 30 days from the date the notice is given to Borrower, 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 Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and 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 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 Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

24. Waiver of Homestead. In accordance with Illinois law, the Borrower hereby releases and waives all rights under and by virtue of the Illinois homestead exemption laws.

25. Placement of Collateral Protection Insurance. Unless Borrower provides Lender with evidence of the insurance coverage required by Borrower's agreement with Lender, Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's collateral. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by Borrower's and Lender's agreement. If Lender purchases insurance for the collateral, Borrower will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Borrower's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own.

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WMP-6(1L) (0010)

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(Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower

(Seal) *Christina L. Watschke*
CHRISTINA L. WATSCHKE -Borrower

(Seal) *Joseph M. Watschke*
JOSEPH M. WATSCHKE -Borrower

Witnesses:

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

STATE OF ILLINOIS,

County ss: *Cook*

I, *Kerry A. Baer*
state do hereby certify that

, a Notary Public in and for said county and

JOSEPH M. WATSCHKE and CHRISTINA L. WATSCHKE

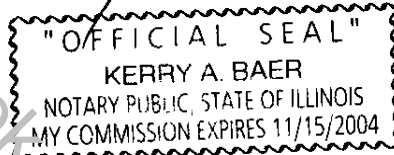
personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed and delivered the said instrument as his/her/their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 2nd day of **August** 2001

My Commission Expires:

[Handwritten Signature]

Notary Public



CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this **2nd** day of **August 2001**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to

MORTGAGE BANCORP SERVICES

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

1258 BROWN STREET, UNIT 202, DES PLAINES, ILLINOIS 60016

[Property Address]

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

MANSARD NORTH

[Name of Condominium Project]

(the "Condominium Project"). If the owner's association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

CONDOMINIUM COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Property Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts (including deductible levels), for the periods, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes and floods, from which Lender requires insurance,

MULTISTATE CONDOMINIUM RIDER-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

VMP-8R (0008)

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Initials: *CEJ JMW*

VMP MORTGAGE FORMS - (800)521-7201

Initials:

then: (i) Lender waives the provision in Section 3 for the Periodic Payment to Lender of the yearly premium installments for property insurance on the Property; and (ii) Borrower's obligation under Section 5 to maintain property insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

What Lender requires as a condition of this waiver can change during the term of the loan. Borrower shall give Lender prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.

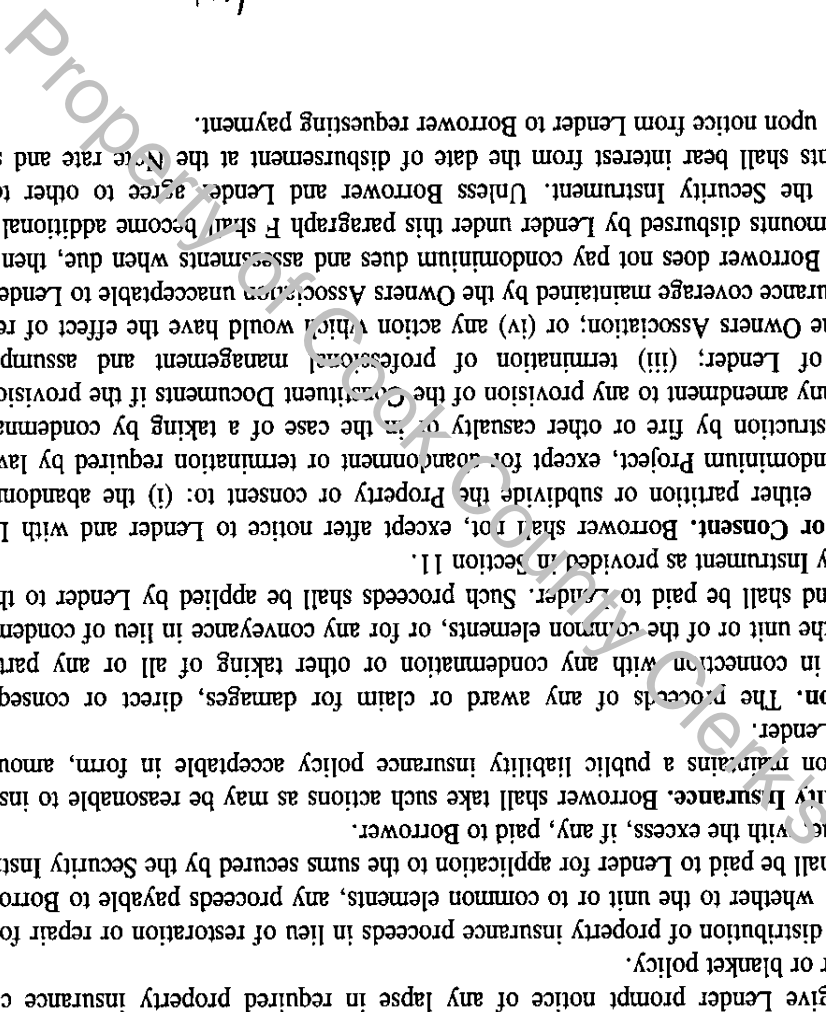
In the event of a distribution of property insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Section 11.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to: (i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain; (ii) any amendment to any provision of the Condominium Documents if the provision is for the express benefit of Lender; (iii) termination of professional management and assumption of self-management of the Owners Association; or (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower 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 Borrower requesting payment.



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BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

Joseph M. Watschke (Seal)
JOSEPH M. WATSCHKE -Borrower

Christina L. Watschke (Seal)
CHRISTINA L. WATSCHKE -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

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UNIT NUMBER 202 AND P 3, AS DELINEATED ON THE PLAT OF SURVEY OF THE FOLLOWING DESCRIBED PARCEL OF REAL ESTATE: LOT 4 TO 42 IN BLOCK 2 IN IRA BROWN'S ADDITION TO DESPLAINES IN THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM MADE BY THE PIONEER BANK AND TRUST COMPANY, A CORPORATION OF ILLINOIS, AS TRUSTEE UNDER TRUST AGREEMENT DATED JANUARY 8, 1979, KNOWN AS TRUST NUMBER 21624, RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS AS DOCUMENT NUMBER 25018543, TOGETHER WITH AN UNDIVIDED PERCENTAGE INTEREST IN THE SAID PARCEL (EXCEPT FROM THE SAID PARCEL ALL THE PROPERTY AND SPACE COMPRISING ALL THE UNITS THEREOF AS DEFINED AND SET FORTH IN THE SAID DECLARATION AND SURVEY), IN COOK COUNTY, ILLINOIS.

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