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Doc#: 1004129055 **Fee:** \$64.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 02/10/2010 02:56 PM Pg: 1 of 15

**Illinois Anti-Predatory
Lending Database
Program**

Certificate of Exemption

**Report Mortgage Fraud
800-532-8785**

The property identified as: **FIN: 02-15-304-078-0000**

Address:

Street: 55 North Bridgeview

Street line 2:

City: Palatine

State: IL

ZIP Code: 60067

Lender: Norton Baum and Maria Baum

Borrower: Kevin Baum and Ericka Baum

Loan / Mortgage Amount: \$217,691.02

This property is located within Cook County and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

Certificate number: 7EA703F7-A202-4406-B564-059CCD08B176

Execution date: 01/27/2010

Property of Cook County Clerk's Office

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After Recording Return To:

Sophia Moraitis
 S. Moraitis & Associates
 120 N. Green, 4F
 Chicago, Illinois 60607
 312 342-5730
 EFAX 312 276-4212

 [Space Above This Line For Recording Data]_____

MORTGAGE**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 December 1, 2009, together with all Riders to this document.
- (B) **“Borrowers”** are Kevin Baum and Erika Baum. Borrowers are the mortgagor under this Security Instrument.
- (C) **“Lenders”** are Norton Baum and Maria Baum. Lenders are individuals that reside in the State of Illinois. Lenders’ address is 2110 Bannockburn Inverness, Illinois. Lenders are the mortgagee under this Security Instrument.
- (D) **“Note”** means the promissory note signed by Borrowers and dated December 1, 2009. The Note states that Borrowers owe Lenders four percent (4%) interest per year on the loan amount of Two Hundred Seventeen Thousand Six Hundred Ninety One Dollars and 02/100 (\$217,691.02) for a term length of five (5) years. Borrowers do not owe any principal. Borrowers promise to pay this debt in regular monthly Periodic Payments of Seven Hundred Twenty Five Dollars and 64/100 (\$725.64) up and until December 1, 2014.
- (E) **“Property”** means the property that is described below under the heading “Transfer of Rights in the Property.”
- (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.

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(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]:

- | | | |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Other(s) [specify] _____ |
| <input type="checkbox"/> 1-4 Family Rider | <input type="checkbox"/> Biweekly Payment Rider | |

(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.

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

(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.

(K) **“Escrow Items”** means those items that are described in Section 3.

(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 value and/or condition of the Property.

(M) **“Mortgage Insurance”** means insurance protecting Lenders against the nonpayment of, or default on, the Loan.

(N) **“Periodic Payment”** means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

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

(P) **“Successor in Interest of Borrowers”** means any party that has taken title to the Property, whether or not that party has assumed Borrowers’ obligations under the Note and/or this Security Instrument.

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TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lenders: (i) the repayment of the Interest on the Loan, and all renewals, extensions and modifications of the Note; and (ii) the performance of Borrowers' covenants and agreements under this Security Instrument and the Note. For this purpose, Borrowers do hereby mortgage, grant and convey to Lenders' and Lenders' successors and assigns the following described property located in Cook County, Illinois, and legally described as follows:

LOT 32 (EXCEPT THE NORTHEASTERLY 4.60 FEET THEREOF) IN BRIDGEVIEW CREEK SUBDIVISION, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE S.W. 1/4 OF SECTION 15, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 10, 1994, AS DOCUMENT NO. 94-026962, IN THE VILLAGE OF PALATINE, COOK COUNTY, ILLINOIS.

which currently has the common address of 55 North Bridgeview, Palatine, Illinois 60067:

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."

BORROWERS COVENANT that Borrowers are lawfully seised of the estate hereby conveyed and have the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrowers warrant 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. Borrowers and Lenders covenant and agree as follows:

1. Payment of Interest and Escrow Items, Prepayment Charges, and Late Charges, if any. Borrowers shall pay when due the interest on the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrowers 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. currency. However, if any check or other instrument received by Lenders as payment under the Note or this Security Instrument is returned to Lenders unpaid, Lenders may require that any or all subsequent payments due under the Note and this Security Instrument be made in one or more of the following forms, as selected by Lenders: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

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

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lenders shall be applied in the following order of priority: (a) interest due under the Note; and (b) amounts due under Section 3, if any. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges and second to any other amounts due under this Security Instrument.

If Lenders receive a payment from Borrowers for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lenders may apply any payment received from Borrowers to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrowers shall be responsible for: (a) taxes and other items which can attain priority over this Security Instrument as a lien or encumbrance on the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lenders under Section 5, if any; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrowers to Lenders in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." Borrowers shall pay Escrow Items directly, when and where payable. If Lenders require, Borrowers shall furnish to Lenders receipts evidencing such payment within such time period as Lenders may require. Borrowers' obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9.

4. Charges; Liens. Borrowers shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property which can attain priority over this Security Instrument,

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leasehold payments or ground rents on the Property, if any, and Community Association Dues, Fees, and Assessments, if any.

Borrowers shall promptly discharge any liens which have priority over this Security Instrument unless Borrowers: (a) agree in writing to the payment of the obligation secured by the lien in a manner acceptable to Lenders, but only so long as Borrowers are performing such agreement; (b) contest the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which in Lenders' opinion operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (c) secure from the holder of the lien an agreement satisfactory to Lenders subordinating the lien to this Security Instrument. If Lenders determine that any part of the Property is subject to a lien which can attain priority over this Security Instrument, Lenders may give Borrowers a notice identifying the lien. Within 10 days of the date on which that notice is given, Borrowers shall satisfy the lien or take one or more of the actions set forth above in this Section 4.

5. Property Insurance. Borrowers 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 Lenders require insurance. This insurance shall be maintained in the amounts (including deductible levels) and for the periods that Lenders require. What Lenders require pursuant to the preceding sentences can change during the term of the Loan. The insurance carrier providing the insurance shall be chosen by Borrowers subject to Lender's right to disapprove Borrowers' choice, which right shall not be exercised unreasonably.

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

In the event of loss, Borrowers shall give prompt notice to the insurance carrier and Lenders. Lenders may make proof of loss if not made promptly by Borrowers. Unless Lenders and Borrowers otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by Lenders, shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lenders' security is not lessened. During such repair and restoration period, Lenders shall have the right to hold such insurance proceeds until Lenders have had an opportunity to inspect such Property to ensure the work has been completed to Lenders' satisfaction, provided that such inspection shall be undertaken promptly. Lenders 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, Lenders shall not be required to pay Borrowers any interest or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by Borrowers shall not be paid out of the insurance proceeds and shall be the sole obligation of Borrowers. If the restoration or repair is not economically feasible or Lenders' security would be lessened, the insurance proceeds shall be applied to the sums

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secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrowers. Such insurance proceeds shall be applied in the order provided for in Section 2.

6. Preservation, Maintenance and Protection of the Property; Inspections. Borrowers shall not destroy, damage or impair the Property, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrowers are residing in the Property, Borrowers shall maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrowers shall promptly repair the Property if damaged to avoid further deterioration or damage. If insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrowers shall be responsible for repairing or restoring the Property only if Lenders have released proceeds for such purposes. Lenders may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrowers are not relieved of Borrowers' obligation for the completion of such repair or restoration.

7. Protection of Lenders' Interest in the Property and Rights Under this Security Instrument. If (a) Borrowers fail to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lenders' interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrowers have abandoned the Property, then Lenders may do and pay for whatever is reasonable or appropriate to protect Lenders' interest in the Property and rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Lenders' actions can include, but are not limited to: (a) paying any sums secured by a lien which has priority over this Security Instrument; (b) appearing in court; and (c) paying reasonable 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 Lenders may take action under this Section 9, Lenders do not have to do so and is not under any duty or obligation to do so. It is agreed that Lenders incur no liability for not taking any or all actions authorized under this Section 9.

Any amounts disbursed by Lenders under this Section 9 shall become additional debt of Borrowers 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 Borrowers requesting payment.

8. Mortgage Insurance. If Lenders require Mortgage Insurance as a condition of making the Loan, Borrowers shall pay the premiums required to maintain the Mortgage Insurance in effect. If, for any reason, the Mortgage Insurance coverage required by Lenders ceases to be available from the mortgage insurer that previously provided such insurance and Borrowers were required to make separately designated payments toward the premiums for Mortgage Insurance, Borrowers 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

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Borrowers of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Lenders. If Lenders required Mortgage Insurance as a condition of making the Loan and Borrowers were required to make separately designated payments toward the premiums for Mortgage Insurance, Borrowers shall pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Lenders' requirement for Mortgage Insurance ends in accordance with any written agreement between Borrowers and Lenders providing for such termination or until termination is required by Applicable Law. Nothing in this Section 10 affects Borrowers' obligation to pay interest at the rate provided in the Note.

Mortgage Insurance reimburses Lenders (or any entity that purchases the Note) for certain losses it may incur if Borrowers do not repay the Loan as agreed. Borrowers are 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, Lenders, 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 Borrowers' 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 Borrowers have agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrowers will owe for Mortgage Insurance, and they will not entitle Borrowers to any refund.

(b) Any such agreements will not affect the rights Borrowers have - if any - with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

9. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lenders' security is not lessened. During such repair and restoration period, Lenders shall have the right to hold such Miscellaneous Proceeds until Lenders have had an opportunity to inspect such Property to ensure the work has been completed to Lenders' satisfaction, provided that such inspection shall be undertaken promptly. Lenders may pay for the repairs and restoration in a single disbursement 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 Miscellaneous Proceeds, Lenders shall not be required to pay Borrowers any interest or earnings on such Miscellaneous Proceeds.

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If the restoration or repair is not economically feasible or Lenders' security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrowers. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrowers.

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 is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrowers and Lenders otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrowers.

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 is less than the amount of the sums secured immediately before the partial taking, destruction, or loss in value, unless Borrowers and Lenders otherwise agree in writing, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrowers, or if, after notice by Lenders to Borrowers that the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for damages, Borrowers fails to respond to Lenders within 30 days after the date the notice is given, Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. "Opposing Party" means the third party that owes Borrowers Miscellaneous Proceeds or the party against whom Borrowers have a right of action in regard to Miscellaneous Proceeds.

Borrowers shall be in default if any action or proceeding, whether civil or criminal, is begun that, in Lenders' judgment, could result in forfeiture of the Property or other material impairment of Lenders' interest in the Property or rights under this Security Instrument. Borrowers can cure such a default and, if acceleration has occurred, reinstate as provided in Section 19, by causing the action or proceeding to be dismissed with a ruling that, in Lenders' judgment, precludes forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument. The proceeds of any award or claim for damages that are attributable to the impairment of Lenders' interest in the Property are hereby assigned and shall be paid to Lenders.

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

10. Borrowers 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 Lenders to Borrowers or any Successor in Interest of Borrowers shall not operate to release the liability of Borrowers or any Successors in Interest of Borrowers. Lenders shall not be required to commence proceedings against any Successor in Interest of Borrowers or

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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 Borrowers or any Successors in Interest of Borrowers. Any forbearance by Lenders in exercising any right or remedy including, without limitation, Lenders' acceptance of payments from third persons, entities or Successors in Interest of Borrowers or in amounts less than the amount then due, shall not be a waiver of or preclude the exercise of any right or remedy.

11. Joint and Several Liability; Co-signers; Successors and Assigns Bound. Borrowers covenant and agree that Borrowers' 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 Lenders and any other Borrowers 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 Borrowers who assumes Borrowers' obligations under this Security Instrument in writing, and is approved by Lenders, shall obtain all of Borrowers' rights and benefits under this Security Instrument. Borrowers shall not be released from Borrowers' obligations and liability under this Security Instrument unless Lenders agree 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 Lenders.

12. Loan Charges. Lenders may charge Borrowers fees for services performed in connection with Borrowers' default, for the purpose of protecting Lenders' 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 Borrowers' shall not be construed as a prohibition on the charging of such fee. Lenders 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 Borrowers which exceeded permitted limits will be refunded to Borrowers. Borrowers' acceptance of any such refund made by direct payment to Borrower will constitute a waiver of any right of action Borrowers might have arising out of such overcharge.

13. Notices. All notices given by Borrowers or Lenders in connection with this Security Instrument must be in writing. Any notice to Borrowers in connection with this Security Instrument shall be deemed to have been given to Borrowers when mailed by first class mail or when actually delivered to Borrowers' notice address if sent by other means. Notice to any one Borrowers shall constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice address shall be the Property Address unless Borrowers have designated a substitute notice address by notice to Lenders. Borrowers shall promptly notify Lenders of Borrowers change of address. If Lenders specify a procedure for reporting Borrowers change of address, then Borrowers shall only report a change of address through that specified procedure.

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There may be only one designated notice address under this Security Instrument at any one time. Any notice to Lenders shall be given by delivering it or by mailing it by first class mail to Lenders' address stated herein unless Lenders have designated another address by notice to Borrowers. Any notice in connection with this Security Instrument shall not be deemed to have been given to Lenders until actually received by Lenders. 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.

14. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. In the event that any provision or clause of this Security Instrument or the Note conflicts with Applicable Law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision.

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

15. Borrowers' Copy. Borrowers shall be given one copy of the Note and of this Security Instrument.

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

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

If Lenders exercises this option, Lenders shall give Borrowers notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is given in accordance with Section 15 within which Borrowers must pay all sums secured by this Security Instrument. If Borrowers fail to pay these sums prior to the expiration of this period, Lenders may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrowers.

17. Borrowers' Right to Reinstate After Acceleration. If Borrowers meet certain conditions, Borrowers shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to Section 22 of this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrowers' right to reinstate; or (c) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrowers: (a) pay Lenders all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b)

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cure any default of any other covenants or agreements; (c) pay all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) take such action as Lenders may reasonably require to assure that Lenders' interest in the Property and rights under this Security Instrument, and Borrowers' obligation to pay the sums secured by this Security Instrument, shall continue unchanged unless as otherwise provided under Applicable Law. Lenders may require that Borrowers pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lenders: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrowers, this Security Instrument and obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 18.

18. 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, materials 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.

Borrowers 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. Borrowers 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).

Borrowers shall promptly give Lenders 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 Borrowers learn, or are 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, Borrowers shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lenders for an Environmental Cleanup.

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NON-UNIFORM COVENANTS. Borrowers and Lenders further covenant and agree as follows:

19. Acceleration; Remedies. Lenders shall give notice to Borrowers prior to acceleration following Borrowers' 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 Borrowers, 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 Borrowers 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 Borrowers to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lenders at their 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. Lenders 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.

20. Release. Upon payment of all sums secured by this Security Instrument, Lenders shall release this Security Instrument. Borrowers shall pay any recordation costs.

21. Waiver of Homestead. In accordance with Illinois law, the Borrowers hereby release and waive all rights under and by virtue of the Illinois homestead exemption laws.

22. Placement of Collateral Protection Insurance. Unless Borrowers' provide Lenders with evidence of the insurance coverage required by Borrowers' agreement with Lenders, Lenders may purchase insurance at Borrowers' expense to protect Lenders' interests in Borrowers' collateral.

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BY SIGNING BELOW, Borrowers accept and agree to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrowers and recorded with it.

Witnesses:

Alvin Sam

_____ (Seal)

- Borrower

Erica Sam

_____ (Seal)

- Borrower

[Space Below This Line For Acknowledgment]

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STATE OF ILLINOIS

COUNTY OF KANE

The foregoing instrument was acknowledged before me this 7th day of JANUARY, 2010 by _____ (name of person acknowledged.)

Joan Miller

Notary Public

(SEAL)

Printed Name: Joan Miller

My Commission Expires:

7-25-10



STATE OF ILLINOIS

COUNTY OF KANE

The foregoing instrument was acknowledged before me this 7th day of JANUARY, 2010 by _____ (name of person acknowledged.)

Joan Miller

Notary Public

(SEAL)

Printed Name: Joan Miller

My Commission Expires:

7-25-10

