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## Illinois Anti-Predatory Lending Database Program

### Certificate of Compliance



Report Mortgage Fraud  
844-768-1713

Doc#. 2330429095 Fee: \$107.00  
Karen A. Yarbrough  
Cook County Clerk  
Date: 10/31/2023 11:18 AM Pg: 1 of 20

The property identified as: **PIN:** 09-15-307-163-1001

**Address:**

**Street:** 8996 KENNEDY DR APARTMENT 1A

**Street line 2:**

**City:** DES PLAINES

**State:** IL

**ZIP Code:** 60016

**Lender:** UIF CORPORATION

**Borrower:** MD ABDUR RAHMAN AND UMME HANEY USHA

**Loan / Mortgage Amount:** \$128,000.00

Pursuant to 765 ILCS 77/70 et seq., this Certificate authorizes the County Recorder of Deeds to record a residential mortgage secured by this property and, if applicable, a simultaneously dated HELOC.

**FIDELITY NATIONAL TITLE**

212  
SCKL 230340104

**Certificate number:** C72E4D34-4DCE-4981-A74B-0D1FF77BEFF8

**Execution date:** 10/25/2023

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Drafted By and After Recording Return To:  
**Courtney Matthews**  
**University Bank**  
**29777 Telegraph Road, Suite 3500**  
**Southfield, MI 48034**

(Space Above This Line For Recording Data)

## MORTGAGE

MIN: 101575400000174568

### DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined under the caption TRANSFER OF RIGHTS IN THE PROPERTY and in Sections 3, 4, 10, 11, 12, 16, 19, 24, and 25. Certain rules regarding the usage of words used in this document are also provided in Section 17.

### Parties

- (A) "Customer" is MD ABDUR RAHMAN AND UMME HANEY USHA, HUSBAND AND WIFE, currently residing at 8996 KENNEDY DR APARTMENT 1A, DES PLAINES, IL 60016. Customer is the mortgagor under this Security Instrument.
- (B) "Joint Owner" is UIF CORPORATION, joint owner is organized and existing under the laws of the state of MICHIGAN. Joint Owner's address is 29777 TELEGRAPH ROAD STE 3590, SOUTHFIELD, MICHIGAN 48034. The term "Joint Owner" includes any successor and assigns of Joint Owner.
- (C) "MERS" is Mortgage Electronic Registration Systems, Inc. MERS is a separate corporation that is acting solely as a nominee for Joint Owner and Joint Owner's successors and assigns. MERS is the mortgagee under this Security Instrument. MERS is organized and existing under the laws of Delaware, and has an address and telephone number of P.O. Box 2026, Flint, MI 48501-2026, tel. (888) 679-MERS.

### Documents

- (D) "Declining Balance Agreement" means the certain agreement dated October 25, 2023, and signed by each Customer who is legally obligated for the obligations secured by that agreement, that is in either (i) paper form, using Customer's written pen and ink signature, or (ii) electronic form, using Customer's adopted Electronic Signature in accordance with the UETA or E-SIGN, as applicable. The Declining Balance Agreement evidences the legal obligation of each Customer who signed the Declining Balance Agreement to pay Joint Owner the "Buyout Price" in the amount of ONE HUNDRED TWENTY-EIGHT THOUSAND AND NO/100 Dollars (U.S. \$128,000.00) plus "Use Payments" inclusive of "Profit" (as such terms are defined in the Declining Balance Agreement and Payment Agreement, respectively, and referred to as "Use Payments"). Each Customer who signed the Declining Balance Agreement and Payment Agreement promised to pay this obligation in regular Periodic Payments and to pay the Obligation in full not later than November 1, 2053.



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(E) **"Payment Agreement"** means that certain agreement of even date signed by Customer in connection with the Declining Balance Agreement setting forth certain payment obligations of Customer.

(F) **"Riders"** means all Riders to this Security Instrument that are signed by Customer. All such Riders are incorporated into and deemed to be a part of this Security Instrument. The following Riders are to be signed by Customer (check box as applicable):

- |   |   |  |
|---|---|--|
| <input type="checkbox"/> Adjustable Rate Rider                            | <input checked="" type="checkbox"/> Condominium Rider   | <input type="checkbox"/> Second Home Rider |
| <input type="checkbox"/> 1-4 Family Rider                                 | <input type="checkbox"/> Planned Unit Development Rider |  |
| <input checked="" type="checkbox"/> Other (Specify) <b>Legal Attached</b> |   |  |

(G) **"Security Instrument"** means this document, which is dated **October 25, 2023**, together with all Riders to this document.

#### Additional Definitions

(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 all dues, fees, assessments, and other charges that are imposed on Customer or the Property by a condominium association, homeowners association, or similar organization.

(J) **"Default"** means: (i) the failure to pay any Periodic Payment or any other amount secured by this Security Instrument on the date it is due; (ii) a breach of any representation, warranty, covenant, obligation, or agreement in this Security Instrument; (iii) any materially false, misleading, or inaccurate information or statement to Joint Owner provided by Customer or any persons or entities acting at Customer's direction or with Customer's knowledge or consent, or failure to provide Joint Owner with material information in connection with the Obligation, as described in Section 8; or (iv) any action or proceeding described in Section 12(e).

(K) **"Electronic Fund 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 or other electronic device capable of communicating with such financial institution, wire transfers, and automated clearinghouse transfers.

(L) **"Electronic Signature"** means an "Electronic Signature" as defined in the UETA or E-SIGN, as applicable.

(M) **"E-SIGN"** means the Electronic Signatures in Global and National Commerce Act (15 U.S.C. § 7001 et seq.), as it may be amended from time to time, or any applicable additional or successor legislation that governs the same subject matter.

(N) **"Escrow Items"** means: (i) taxes and assessments and other items that can attain priority over this Security Instrument as a lien or encumbrance on the Property; (ii) leasehold payments or ground rents on the Property, if any; (iii) premiums for any and all insurance required by Joint Owner under Section 5; (iv) Mortgage Insurance premiums, if any, or any sums payable by Customer to Joint Owner in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 11; and (v) Community Association Dues, Fees, and Assessments if Joint Owner requires that they be escrowed beginning at closing or at any time during the Obligation term.

(O) **"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.

(P) **"Mortgage Insurance"** means insurance protecting Joint Owner against the nonpayment of, or Default on, the Obligation.

(Q) **"Obligation"** means the obligation evidenced by the Declining Balance Agreement and Payment Agreement, inclusive of any prepayment charges, costs, expenses, and late charges due under the Declining Balance Agreement and Payment Agreement, and all sums due under this Security Instrument, plus Profit.

(R) **"Partial Payment"** means any payment by Customer, other than a voluntary prepayment permitted under the Declining Balance Agreement and Payment Agreement, which is less than a full outstanding Periodic Payment.



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- (S) **"Periodic Payment"** means the regularly scheduled amount due for (i) Buyout Payments and Use Payments under the Declining Balance Agreement and Payment Agreement setting forth certain payment obligations of Customer, plus (ii) any amounts under Section 3.
- (T) **"Property"** means the property described below under the heading "TRANSFER OF RIGHTS IN THE PROPERTY."
- (U) **"Rents"** means all amounts received by or due to Customer in connection with the lease, use, and/or occupancy of the Property by a party other than Customer.
- (V) **"RESPA"** means the Real Estate Settlement Procedures Act (12 U.S.C. § 2601 et seq.) and its implementing regulation, Regulation X (12 C.F.R. Part 1024), as they may be amended from time to time, or any additional or successor federal legislation or regulation that governs the same subject matter. When used in this Security Instrument, "RESPA" refers to all requirements and restrictions that would apply to a "federally related mortgage loan" even if the Obligation does not qualify as a "federally related mortgage loan" under RESPA.
- (W) **"Servicer"** means the entity that has the contractual right to receive Customer's Periodic Payments and any other payments made by Customer, and administers the Obligation on behalf of Joint Owner. Servicer does not include a sub-servicer, which is an entity that may service the Obligation on behalf of the Servicer.
- (X) **"Successor in Interest of Customer"** means any party that has taken title to the Property, whether or not that party has assumed Customer's obligations under the Declining Balance Agreement, Payment Agreement and/or this Security Instrument.
- (Y) **"UETA"** means the Uniform Electronic Transactions Act, or a similar act recognizing the validity of electronic information, records, and signatures, as enacted by the jurisdiction in which the Property is located, as it may be amended from time to time, or any applicable additional or successor legislation that governs the same subject matter.

## TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument, dated as of October 25, 2022, secures to Joint Owner (i) the payment of the Obligation, and all renewals, extensions, and modifications of the Declining Balance Agreement and Payment Agreement; and (ii) the performance of Customer's covenants and agreements under this Security Instrument, the Declining Balance Agreement and the Payment Agreement. For this purpose, Customer mortgages, grants, conveys and warrants to MERS (solely as nominee for Joint Owner and Joint Owner's successors and assigns) and to the successors and assigns of MERS, the following described property located in the County of COOK:

### SEE ATTACHED LEGAL DESCRIPTION

Parcel ID Number: 09-15-307-163-1001

which currently has the address of: **8996 KENNEDY DR APARTMENT 1A  
DES PLAINES, ILLINOIS 60016** ("Property Address");

and Customer releases and waives all rights under and by virtue of the homestead exemption laws of this State

TOGETHER WITH all the improvements now or subsequently erected on the property, including replacements and additions to the improvements on such property, all property rights, including, without limitation, all easements, appurtenances, royalties, mineral rights, oil or gas rights or profits, water rights, and fixtures now or subsequently a part of the property. All of the foregoing is referred to in this Security Instrument as the "Property." Customer understands and agrees that MERS holds only legal title to the interests granted by Customer in this Security Instrument, but, if necessary to comply with law or custom, MERS (as nominee for Joint Owner and Joint Owner's successors and assigns) has the right: to exercise any or all of those interests, including, but not limited to, the right to foreclose and sell the Property; and to take any action required of Joint Owner including, but not limited to, releasing and encumbering this Security Instrument.

Customer and Joint Owner have entered into the Declining Balance Agreement and Payment Agreement, both of which are secured by this Security Instrument, to (i) facilitate the Customer's acquisition of the Property, or (ii) to facilitate the replacement of existing financing secured by the Property, in a manner that complies with observance of Customer's religious beliefs.

CUSTOMER REPRESENTS, WARRANTS, COVENANTS, AND AGREES that: (i) Customer lawfully owns and possesses the Property conveyed in this Security Instrument in fee simple or lawfully has the right to use and occupy the Property under a leasehold estate that extends beyond the maturity date of this Security Instrument; (ii) Customer has the right to mortgage, grant, and convey the



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Property or Customer's leasehold interest in the Property; and (iii) the Property is unencumbered, and not subject to any other ownership interest in the Property, except for encumbrances and ownership interests of record. Customer warrants generally the title to the Property and covenants and agrees to defend the title to the Property against all claims and demands, subject to any encumbrances and ownership interests of record as of the Obligation closing date.

THIS SECURITY INSTRUMENT combines uniform covenants for national use with limited variations and non-uniform covenants that reflect specific Illinois state requirements to constitute a uniform security instrument covering real property and, additionally, contains covenants to reflect the nature of the specific transaction as stated in the Declining Balance Agreement and Payment Agreement.

**UNIFORM COVENANTS.** Customer and Joint Owner covenant and agree as follows:

**1. Payment of Buyout Price, Use Payments, Escrow Items, and Late Charges.** Customer will pay each Periodic Payment when due. Customer will also pay any late charges or other charges due under the Declining Balance Agreement and Payment Agreement. Payments due under the Declining Balance Agreement, Payment Agreement and this Security Instrument must be made in U.S. currency. If any check or other instrument received by Joint Owner as payment under the Declining Balance Agreement, Payment Agreement or this Security Instrument is returned to Joint Owner unpaid, Joint Owner may require that any or all subsequent payments due under the Declining Balance Agreement, Payment Agreement, and this Security Instrument be made in one or more of the following forms, as selected by Joint Owner: (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 U.S. federal agency, instrumentality, or entity; or (d) Electronic Fund Transfer.

Payments are deemed received by Joint Owner when received at the location designated in the Declining Balance Agreement and Payment Agreement or at such other location as may be designated by Joint Owner in accordance with the notice provisions in Section 16. Joint Owner may accept or return any Partial Payments in its sole discretion pursuant to Section 2.

Any offset or claim that Customer may have now or in the future against Joint Owner will not relieve Customer from making the full amount of all payments due under the Declining Balance Agreement, Payment Agreement and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

**2. Acceptance and Application of Payments or Proceeds.**

**(a) Acceptance and Application of Partial Payments.** Joint Owner may accept and either apply or hold in suspense Partial Payments in its sole discretion in accordance with this Section 2. Joint Owner is not obligated to accept any Partial Payments or to apply any Partial Payments at the time such payments are accepted, and also is not obligated to pay interest on such unapplied funds. Joint Owner may hold such unapplied funds until Customer makes payment sufficient to cover a full Periodic Payment, at which time the amount of the full Periodic Payment will be applied to the Obligation. If Customer does not make such a payment within a reasonable period of time, Joint Owner will either apply such funds in accordance with this Section 2 or return them to Customer. If not applied earlier, Partial Payments will be credited against the total amount due under the Payment Agreement, calculating the amount due in connection with any foreclosure proceeding, payoff request, modification, or reinstatement. Joint Owner may accept any payment insufficient to bring the Obligation current without waiver of any rights under this Security Instrument, the Payment Agreement or the Declining Balance Agreement, or prejudice to its rights to refuse such payments in the future.

**(b) Order of Application of Partial Payments and Periodic Payments.** Except as otherwise described in this Section 2, if Joint Owner applies a payment, such payment will be applied to each Periodic Payment in the order in which it became due, beginning with the oldest outstanding Periodic Payment, as follows: first to Profit and then to balance of the Buyout Price due under the Declining Balance Agreement and Payment Agreement, and finally to Escrow Items. If all outstanding Periodic Payments then due are paid in full, any payment amounts remaining may be applied to late charges and to any amounts then due under this Security instrument. If all sums then due under the Declining Balance Agreement and Payment Agreement and this Security Instrument are paid in full, any remaining payment amount may be applied, in Joint Owner's sole discretion, to a future Periodic Payment or to reduce the balance of the Buyout Price under the Declining Balance Agreement and Payment Agreement.

If Joint Owner receives a payment from Customer in the amount of one or more Periodic Payments and the amount of any late charge due for a delinquent Periodic Payment, the payment may be applied to the delinquent payment and the late charge.

When applying payments, Joint Owner will apply such payments in accordance with Applicable Law.

**(c) Voluntary Prepayments.** Voluntary prepayments will be applied as described in the Declining Balance Agreement and Payment Agreement.



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**(d) No Change to Payment Schedule.** Any application of payments, insurance proceeds, or Miscellaneous Proceeds to Buyout Price due under the Declining Balance Agreement and Payment Agreement will not extend or postpone the due date, or change the amount, of the Periodic Payments.

### 3. Funds for Escrow Items.

**(a) Escrow Requirement; Escrow Items.** Except as provided by Applicable Law, Customer must pay to Joint Owner on the day Periodic Payments are due under the Declining Balance Agreement and Payment Agreement, until the Obligation is paid in full, a sum of money to provide for payment of amounts due for all Escrow Items (the "Funds"). The amount of the Funds required to be paid each month may change during the term of the Declining Balance Agreement and Payment Agreement. Customer must promptly furnish to Joint Owner all notices or invoices of amounts to be paid under this Section 3.

**(b) Payment of Funds; Waiver.** Customer must pay Joint Owner the Funds for Escrow Items unless Joint Owner waives this obligation in writing. Joint Owner may waive this obligation for any Escrow Item at any time. In the event of such waiver, Customer must pay directly, when and where payable, the amounts due for any Escrow Items subject to the waiver. If Joint Owner has waived the requirement to pay Joint Owner the Funds for any or all Escrow Items, Joint Owner may require Customer to provide proof of direct payment of those items within such time period as Joint Owner may require. Customer's obligation to make such timely payments and to provide proof of payment is deemed to be a covenant and agreement of Customer under this Security Instrument. If Customer is obligated to pay Escrow Items directly pursuant to a waiver, and Customer fails to pay timely the amount due for an Escrow Item, Joint Owner may exercise its rights under Section 9 to pay such amount and Customer will be obligated to pay to Joint Owner any such amount in accordance with Section 9.

Except as provided by Applicable Law, Joint Owner may withdraw the waiver as to any or all Escrow Items at any time by giving a notice in accordance with Section 16; upon such withdrawal, Customer must pay to Joint Owner all Funds for such Escrow Items, and in such amounts, that are then required under this Section 3.

**(c) Amount of Funds; Application of Funds.** Except as provided by Applicable Law, Joint Owner may, at any time, collect and hold Funds in an amount up to, but not in excess of, the maximum amount Joint Owner can require under RESPA. Joint Owner will estimate the amount of Funds due in accordance with Applicable Law.

The Funds will be held in an institution whose deposits are insured by a U.S. federal agency, instrumentality, or entity (including Joint Owner, if Joint Owner is an institution whose deposits are so insured) or in any Federal Home Loan Bank. Joint Owner will apply the Funds to pay the Escrow Items no later than the time specified under RESPA. Joint Owner may not charge Customer for: (i) holding and applying the Funds; (ii) annually analyzing the escrow account; or (iii) verifying the Escrow Items, unless Joint Owner pays Customer interest on the Funds and Applicable Law permits Joint Owner to make such a charge. Unless Joint Owner and Customer agree in writing or Applicable Law requires interest to be paid on the Funds, Joint Owner will not be required to pay Customer any interest or earnings on the Funds. Joint Owner will give to Customer, without charge, an annual accounting of the Funds as required by RESPA.

**(d) Surplus; Shortage and Deficiency of Funds.** In accordance with RESPA, if there is a surplus of Funds held in escrow, Joint Owner will account to Customer for such surplus. If Customer's Periodic Payment is delinquent by more than 30 days, Joint Owner may retain the surplus in the escrow account for the payment of the Escrow Items. If there is a shortage or deficiency of Funds held in escrow, Joint Owner will notify Customer and Customer will pay to Joint Owner the amount necessary to make up the shortage or deficiency in accordance with RESPA.

Upon payment in full of all sums secured by this Security Instrument, Joint Owner will promptly refund to Customer any Funds held by Joint Owner.

**4. Charges; Liens.** Customer must pay (a) all taxes, assessments, charges, fines, and impositions attributable to the Property which have priority or may attain priority over this Security Instrument, (b) leasehold payments or ground rents on the Property, if any, and (c) Community Association Dues, Fees, and Assessments, if any. If any of these items are Escrow Items, Customer will pay them in the manner provided in Section 3.

Customer must promptly discharge any lien that has priority or may attain priority over this Security Instrument unless Customer: (aa) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Joint Owner, but only so long as Customer is performing under such agreement; (bb) contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings which Joint Owner determines, in its sole discretion, operate to prevent the enforcement of the lien while those proceedings are pending, but only until such proceedings are concluded; or (cc) secures from the holder of the lien an agreement



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satisfactory to Joint Owner that subordinates the lien to this Security Instrument (collectively, the "Required Actions"). If Joint Owner determines that any part of the Property is subject to a lien that has priority or may attain priority over this Security Instrument and Customer has not taken any of the Required Actions in regard to such lien, Joint Owner may give Customer a notice identifying the lien. Within 10 days after the date on which that notice is given, Customer must satisfy the lien or take one or more of the Required Actions.

## 5. Property Insurance.

**(a) Insurance Requirement; Coverages.** Customer must keep the improvements now existing or subsequently 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, winds, and floods, for which Joint Owner requires insurance. Customer must maintain the types of insurance Joint Owner requires in the amounts (including deductible levels) and for the periods that Joint Owner requires. What Joint Owner requires pursuant to the preceding sentences can change during the term of the Declining Balance Agreement and Payment Agreement, and may exceed any minimum coverage required by Applicable Law. Customer may choose the insurance carrier providing the insurance, subject to Joint Owner's right to disapprove Customer's choice, which right will not be exercised unreasonably.

**(b) Failure to Maintain Insurance.** If Joint Owner has a reasonable basis to believe that Customer has failed to maintain any of the required insurance coverages described above, Joint Owner may obtain insurance coverage, at Joint Owner's option and at Customer's expense. Unless required by Applicable Law, Joint Owner is under no obligation to advance premiums for, or to seek to reinstate, any prior lapsed coverage obtained by Customer. Joint Owner is under no obligation to purchase any particular type or amount of coverage and may select the provider of such insurance in its sole discretion. Before purchasing such coverage, Joint Owner will notify Customer if required to do so under Applicable Law. Any such coverage will insure Joint Owner, but might not protect Customer, Customer'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, but not exceeding the coverage required under Section 5(a). Customer acknowledges that the cost of the insurance coverage so obtained may significantly exceed the cost of insurance that Customer could have obtained. Any amounts disbursed by Joint Owner for costs associated with reinstating Customer's insurance policy or with placing new insurance under this Section 5 will become an additional obligation of Customer secured by this Security Instrument. These amounts will be repaid upon demand by Joint Owner and such payments by Customer of such amounts will be deemed Profit as set forth in the Declining Balance Agreement and Payment Agreement.

**(c) Insurance Policies.** All insurance policies required by Joint Owner and renewals of such policies: (i) will be subject to Joint Owner's right to disapprove such policies; (ii) must include a standard mortgage clause; and (iii) must name Joint Owner as mortgagee and/or as an additional loss payee. Joint Owner will have the right to hold the policies and renewal certificates. If Joint Owner requires, Customer will promptly give to Joint Owner proof of paid premiums and renewal notices. If Customer obtains any form of insurance coverage, not otherwise required by Joint Owner, for damage to, or destruction of, the Property, such policy must include a standard mortgage clause and must name Joint Owner as mortgagee and/or as an additional loss payee.

**(d) Proof of Loss; Application of Proceeds.** In the event of loss, Customer must give prompt notice to the insurance carrier and Joint Owner. Joint Owner may make proof of loss if not made promptly by Customer. Any insurance proceeds, whether or not the underlying insurance was required by Joint Owner, will be applied to restoration or repair of the Property, if Joint Owner deems the restoration or repair to be economically feasible and determines that Joint Owner's security will not be lessened by such restoration or repair.

If the Property is to be repaired or restored, Joint Owner will disburse from the insurance proceeds any initial amounts that are necessary to begin the repair or restoration, subject to any restrictions applicable to Joint Owner. During the subsequent repair and restoration period, Joint Owner will have the right to hold such insurance proceeds until Joint Owner has had an opportunity to inspect such Property to ensure the work has been completed to Joint Owner's satisfaction (which may include satisfying Joint Owner's minimum eligibility requirements for persons repairing the Property, including, but not limited to, licensing, bond, and insurance requirements) provided that such inspection must be undertaken promptly. Joint Owner may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed, depending on the size of the repair or restoration, the terms of the repair agreement, and whether Customer is in Default on the Obligation. Joint Owner may make such disbursements directly to Customer, to the person repairing or restoring the Property, or payable jointly to both. Joint Owner will not be required to pay Customer any interest or earnings on such insurance proceeds unless Joint Owner and Customer agree in writing or



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Applicable Law requires otherwise. Fees for public adjusters, or other third parties, retained by Customer will not be paid out of the insurance proceeds and will be the sole obligation of Customer.

If Joint Owner deems the restoration or repair not to be economically feasible or Joint Owner's security would be lessened by such restoration or repair, the insurance proceeds will be paid to Joint Owner and Customer pro rata in accordance with their respective equity ownership percentages at the time the Property was damaged or destroyed; provided, however, that (a) if any portion of the Obligation remains unpaid after payment to Joint Owner of Joint Owner's portion of such insurance proceeds, Customer will be deemed to have assigned, and hereby assigns, to Joint Owner, as applicable, all or a portion of Customer's share of the insurance proceeds in an amount equal to the amount of the remaining unpaid Obligation (the "Assigned Proceeds"), and such Assigned Proceeds will be paid directly to Joint Owner, and (b) if after payment to Joint Owner of Joint Owner's portion of such insurance proceeds, Joint Owner would receive an amount that is in excess of the then-outstanding balance of the Obligation, Joint Owner will pay the amount of such excess to Customer within a reasonable time following Joint Owner's receipt of insurance proceeds. Such insurance proceeds will be applied in the order that Partial Payments are applied in Section 2(b).

**(e) Insurance Settlements; Assignment of Proceeds.** If Customer abandons the Property, Joint Owner may file, negotiate, and settle any available insurance claim and related matters. If Customer does not respond within 30 days to a notice from Joint Owner that the insurance carrier has offered to settle a claim, then Joint Owner may negotiate and settle the claim. The 30-day period will begin when the notice is given. In either event, if Joint Owner acquires the Property under Section 25 or otherwise, Customer is unconditionally assigning to Joint Owner (i) Customer's rights to any insurance proceeds in an amount not to exceed the amounts unpaid under the Declining Balance Agreement, Payment Agreement or this Security Instrument, and (ii) any other of Customer's rights (other than the right to any refund of unearned premiums paid by Customer) under all insurance policies covering the Property, to the extent that such rights are applicable to the coverage of the Property. If Joint Owner files, negotiates, or settles a claim, Customer agrees that any insurance proceeds may be made payable directly to Joint Owner without the need to include Customer as an additional loss payee. Joint Owner may use the insurance proceeds either to repair or restore the Property (as provided in Section 5(d)) or to pay amounts unpaid under the Declining Balance Agreement, Payment Agreement or this Security Instrument, whether or not then due.

**6. Occupancy.** Customer must occupy, establish, and use the Property as Customer's principal residence within 60 days after the execution of the Declining Balance Agreement, Payment Agreement or this Security Instrument and must continue to occupy the Property as Customer's principal residence for at least one year after the date of occupancy, unless Joint Owner otherwise agrees in writing, which consent will not be unreasonably withheld, or unless extenuating circumstances exist that are beyond Customer's control.

**7. Preservation, Maintenance, and Protection of the Property; inspections.** Customer will not destroy, damage, or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Whether or not Customer is residing in the Property, Customer must maintain the Property in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless Joint Owner determines pursuant to Section 5 that repair or restoration is not economically feasible, Customer will promptly repair the Property if damaged to avoid further deterioration or damage.

If insurance or condemnation proceeds are paid to Joint Owner in connection with damage to, or the taking of, the Property, Customer will be responsible for repairing or restoring the Property only if Joint Owner has released proceeds for such purposes. Joint Owner may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed, depending on the size of the repair or restoration, the terms of the repair agreement, and whether Customer is in Default on the Obligation. Joint Owner may make such disbursements directly to the Customer, to the person repairing or restoring the Property, or payable jointly to both. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Customer remains obligated to complete such repair or restoration.

Joint Owner may make reasonable entries upon and inspections of the Property. If Joint Owner has reasonable cause, Joint Owner may inspect the interior of the improvements on the Property. Joint Owner will give Customer notice at the time of or prior to such an interior inspection specifying such reasonable cause.

**8. Customer's Declining Balance Agreement Application.** Customer will be in Default if, during the Declining Balance Agreement application process, Customer or any persons or entities acting at Customer's direction or with Customer's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Joint Owner (or failed to provide Joint Owner with material information) in connection with the Declining Balance Agreement, including, but not limited to, overstating Customer's income





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or assets, understating or failing to provide documentation of Customer's obligations and liabilities, and misrepresenting Customer's occupancy or intended occupancy of the Property as Customer's principal residence.

## 9. Protection of Joint Owner's Interest in the Property and Rights Under this Security Instrument.

**(a) Protection of Joint Owner's Interest.** If: (i) Customer fails to perform the covenants and agreements contained in this Security Instrument; (ii) there is a legal proceeding or government order that might significantly affect Joint Owner's 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 that has priority or may attain priority over this Security Instrument, or to enforce laws or regulations); or (iii) Joint Owner reasonably believes that Customer has abandoned the Property, then Joint Owner may do and pay for whatever is reasonable or appropriate to protect Joint Owner's interest in the Property and/or rights under this Security Instrument, including protecting and/or assessing the value of the Property, and securing and/or repairing the Property. Joint Owner's actions may include, but are not limited to: (I) paying any sums secured by a lien that has priority or may attain priority over this Security Instrument; (II) appearing in court; and (III) paying: (A) reasonable attorneys' fees and costs; (B) property inspection and valuation fees; and (C) other fees incurred for the purpose of protecting Joint Owner's 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, exterior and interior inspections of the Property, entering the Property to make repairs, changing locks, replacing or boarding up doors and windows, draining water from pipes, eliminating building or other code violations or dangerous conditions, and having utilities turned on or off. Although Joint Owner may take action under this Section 9, Joint Owner is not required to do so and is not under any duty or obligation to do so. Joint Owner will not be liable for not taking any or all actions authorized under this Section 9.

**(b) Avoiding Foreclosure; Mitigating Losses.** If Customer is in Default, Joint Owner may work with Customer to avoid foreclosure and/or mitigate Joint Owner's potential losses, but is not obligated to do so unless required by Applicable Law. Joint Owner may take reasonable actions to evaluate Customer for available alternatives to foreclosure, including, but not limited to, obtaining credit reports, title reports, title insurance, property valuations, subordination agreements, and third-party approvals. Customer authorizes and consents to these actions. Any costs associated with such loss mitigation activities may be paid by Joint Owner and recovered from Customer as described below in Section 9(c), unless prohibited by Applicable Law.

**(c) Additional Amounts Secured.** Any amounts disbursed by Joint Owner under this Section 9 will become an additional obligation of Customer secured by this Security Instrument. Those amounts will be repaid upon demand by Joint Owner and such payments by Customer of such amounts will be deemed Profit as forth in the Declining Balance Agreement and Payment Agreement.

**(d) Leasehold Terms.** If this Security Instrument is on a leasehold, Customer will comply with all the provisions of the lease. Customer will not surrender the leasehold estate and interests conveyed or terminate or cancel the ground lease. Customer will not, without the express written consent of Joint Owner, alter or amend the ground lease. If Customer acquires fee title to the Property, the leasehold and the fee title will not merge unless Joint Owner agrees to the merger in writing.

## 10. Assignment of Rents.

**(a) Assignment of Rents.** To the extent permitted by Applicable Law, in the event the Property is leased to, used by, or occupied by a third party ("Tenant"), Customer is unconditionally assigning and transferring to Joint Owner any Rents, regardless of to whom the Rents are payable. Customer authorizes Joint Owner to collect the Rents, and agrees that each Tenant will pay the Rents to Joint Owner. However, Customer will receive the Rents until (i) Joint Owner has given Customer notice of Default pursuant to Section 25, and (ii) Joint Owner has given notice to the Tenant that the Rents are to be paid to Joint Owner. This Section 10 constitutes an absolute assignment and not an assignment for additional security only.

**(b) Notice of Default.** To the extent permitted by Applicable Law, if Joint Owner gives notice of Default to Customer: (i) all Rents received by Customer will be held by Customer as trustee for the benefit of Joint Owner only, to be applied to the sums secured by the Security Instrument; (ii) Joint Owner will be entitled to collect and receive all of the Rents; (iii) Customer agrees to instruct each Tenant that Tenant is to pay all Rents due and unpaid to Joint Owner upon Joint Owner's written demand to the Tenant; (iv) Customer will ensure that each Tenant pays all Rents due to Joint Owner and will take whatever action is necessary to collect such Rents for the benefit of Joint Owner if not paid directly to Joint Owner; (v) unless Applicable Law provides otherwise, all Rents collected by Joint Owner will be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, reasonable attorneys' fees and costs, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments, and other charges on the Property, and then to any other sums secured by this Security Instrument; (vi)



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Joint Owner, or any judicially appointed receiver, will be liable to account for only those Rents actually received; and (vii) Joint Owner will be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

(c) **Funds Paid by Joint Owner.** If the Rents are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents, any funds paid by Joint Owner for such purposes will become indebtedness of Customer to Joint Owner secured by this Security Instrument pursuant to Section 9.

(d) **Limitation on Collection of Rents.** Customer may not collect any of the Rents more than one month in advance of the time when the Rents become due, except for security or similar deposits.

(e) **No Other Assignment of Rents.** Customer represents, warrants, covenants, and agrees that Customer has not signed any prior assignment of the Rents, will not make any further assignment of the Rents, and has not performed, and will not perform, any act that could prevent Joint Owner from exercising its rights under this Security Instrument.

(f) **Control and Maintenance of the Property.** Unless required by Applicable Law, Joint Owner, or a receiver appointed under Applicable Law, is not obligated to enter upon, take control of, or maintain the Property before or after giving notice of Default to Customer. However, Joint Owner, or a receiver appointed under Applicable Law, may do so at any time when Customer is in Default, subject to Applicable Law.

(g) **Additional Provision.** Any application of the Rents will not cure or waive any Default or invalidate any other right or remedy of Joint Owner. This Section 10 does not relieve Customer of Customer's obligations under Section 6.

This Section 10 will terminate when all the sums secured by this Security Instrument are paid in full.

## 11. Mortgage Insurance.

(a) **Payment of Premiums; Substitution of Policy; Loss Reserve; Protection of Joint Owner.** If Joint Owner required Mortgage Insurance as a condition of entering into the Declining Balance Agreement, Payment Agreement and the transactions thereunder, Customer will pay the premiums required to maintain the Mortgage Insurance in effect. If Customer was required to make separately designated payments toward the premiums for Mortgage Insurance, and (i) the Mortgage Insurance coverage required by Joint Owner ceases for any reason to be available from the mortgage insurer that previously provided such insurance, or (ii) Joint Owner determines in its sole discretion that such mortgage insurer is no longer eligible to provide the Mortgage Insurance coverage required by Joint Owner, Customer will 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 Customer of the Mortgage Insurance previously in effect, from an alternate mortgage insurer selected by Joint Owner.

If substantially equivalent Mortgage Insurance coverage is not available, Customer will continue to pay to Joint Owner the amount of the separately designated payments that were due when the insurance coverage ceased to be in effect. Joint Owner will accept, use, and retain these payments as a non-refundable loss reserve in lieu of Mortgage Insurance. Such loss reserve will be non-refundable, even when the Obligation is paid in full, and Joint Owner will not be required to pay Customer any interest or earnings on such loss reserve.

Joint Owner will no longer require loss reserve payments if Mortgage Insurance coverage (in the amount and for the period that Joint Owner requires) provided by an insurer selected by Joint Owner again becomes available, is obtained, and Joint Owner requires separately designated payments toward the premiums for Mortgage Insurance.

If Joint Owner required Mortgage Insurance as a condition of making the Obligation and Customer was required to make separately designated payments toward the premiums for Mortgage Insurance, Customer will pay the premiums required to maintain Mortgage Insurance in effect, or to provide a non-refundable loss reserve, until Joint Owner's requirement for Mortgage Insurance ends in accordance with any written agreement between Customer and Joint Owner providing for such termination or until termination is required by Applicable Law. Nothing in this Section 11 affects Customer's obligation to pay Profit at the rate set forth in the Payment Agreement.

(b) **Mortgage Insurance Agreements.** Mortgage Insurance reimburses Joint Owner for certain losses Joint Owner may incur if Customer does not pay the Obligation as agreed. Customer is not a party to the Mortgage Insurance policy or coverage.

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 may require the mortgage insurer to make payments using



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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, Joint Owner, any purchaser of the Declining Balance Agreement and Payment Agreement, 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 Customer's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. Any such agreements will not: (i) affect the amounts that Customer has agreed to pay for Mortgage Insurance, or any other terms of the Obligation; (ii) increase the amount Customer will owe for Mortgage Insurance; (iii) entitle Customer to any refund; or (iv) affect the rights Customer has, if any, with respect to the Mortgage Insurance under the Homeowners Protection Act of 1998 (12 U.S.C. § 4901 *et seq.*), as it may be amended from time to time, or any additional or successor federal legislation or regulation that governs the same subject matter ("HPA"). These rights under the HPA 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.

## 12. Assignment and Application of Miscellaneous Proceeds; Forfeiture.

**(a) Assignment of Miscellaneous Proceeds.** Customer hereby unconditionally assigns the right to receive all Miscellaneous Proceeds to Joint Owner and agrees that such amounts will be paid to Joint Owner.

**(b) Application of Miscellaneous Proceeds upon Damage to Property.** If the Property is damaged, any Miscellaneous Proceeds will be applied to restoration or repair of the Property, if Joint Owner deems the restoration or repair to be economically feasible and Joint Owner's security will not be lessened by such restoration or repair. During such repair and restoration period, Joint Owner will have the right to hold such Miscellaneous Proceeds until Joint Owner has had an opportunity to inspect the Property to ensure the work has been completed to Joint Owner's satisfaction (which may include satisfying Joint Owner's minimum eligibility requirements for persons repairing the Property, including, but not limited to, licensing, bond, and insurance requirements) provided that such inspection must be undertaken promptly. Joint Owner may pay for the repairs and restoration in a single disbursement or in a series of progress payments as the work is completed, depending on the size of the repair or restoration, the terms of the repair agreement, and whether Customer is in Default on the Obligation. Joint Owner may make such disbursements directly to Customer, to the person repairing or restoring the Property, or payable jointly to both. Unless Joint Owner and Customer agree in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Joint Owner will not be required to pay Customer any interest or earnings on such Miscellaneous Proceeds. If (i) the restoration or repair is not economically feasible, (ii) Joint Owner's security would be lessened by such restoration, or (iii) there is a total taking, destruction, or loss in value of the Property, then such Miscellaneous Proceeds will be paid to Joint Owner and Customer pro rata in accordance with their respective equity ownership percentages at the time of the occurrence of the event(s) that resulted in the payment of the Miscellaneous Proceeds; provided, however, that (a) if any portion of the Obligation remains unpaid after payment to Joint Owner of Joint Owner's portion of such Miscellaneous Proceeds, Customer will be deemed to have assigned, and hereby assigns, to Joint Owner, as applicable, all or a portion of Customer's share of such Miscellaneous Proceeds in an amount equal to the amount of the remaining unpaid Obligation, with the remainder, if any, paid to the Customer, or (b) if after payment to Joint Owner of Joint Owner's portion of such Miscellaneous Proceeds, Joint Owner would receive an amount that is in excess of the amount necessary to pay the Obligation in full, Joint Owner will be deemed to have assigned, and hereby assigns, such excess to Customer. Such Miscellaneous Proceeds will be applied in the order that Partial Payments are applied in Section 2(b).

## **(c) Application of Miscellaneous Proceeds upon Condemnation, Destruction, or Loss in Value of the Property.**

In the event of a total taking, destruction, or loss in value of the Property, all of the Miscellaneous Proceeds will be applied to the sums secured by this Security Instrument and determined the way that proceeds are paid in Section 12(b), whether or not due, with the excess, if any, paid to Customer.

In the event of a partial taking, destruction, or loss in value of the Property (each, a "Partial Devaluation") where the fair market value of the Property immediately before the Partial Devaluation is equal to or greater than the amount of the sums secured by this Security Instrument, immediately before the Partial Devaluation, a percentage of the Miscellaneous Proceeds will be applied to the sums secured by this Security Instrument unless Customer and Joint Owner otherwise agree in writing. Joint Owner shall be entitled to retain from the Miscellaneous Proceeds, and Customer assigns to Joint Owner, an amount equal to the amount of the Miscellaneous Proceeds multiplied by the following fraction (i) the total amount of the sums secured immediately before the Partial Devaluation and dividing it by



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(ii) the fair market value of the Property immediately before the Partial Devaluation. Any balance of the Miscellaneous Proceeds will be paid to Customer.

In the event of a Partial Devaluation where the fair market value of the Property immediately before the Partial Devaluation is less than the amount of the sums secured immediately before the Partial Devaluation, all of the Miscellaneous Proceeds will be applied to the sums secured by this Security Instrument, whether or not the sums are then due, unless Customer and Joint Owner otherwise agree in writing.

**(d) Settlement of Claims.** Joint Owner is authorized to collect and apply the Miscellaneous Proceeds either to the sums secured by this Security Instrument, whether or not then due, or to restoration or repair of the Property, if Customer (i) abandons the Property, or (ii) fails to respond to Joint Owner within 30 days after the date Joint Owner notifies Customer that the Opposing Party (as defined in the next sentence) offers to settle a claim for damages. "Opposing Party" means the third party that owes Customer the Miscellaneous Proceeds or the party against whom Customer has a right of action in regard to the Miscellaneous Proceeds.

**(e) Proceeding Affecting Joint Owner's Interest in the Property.** Customer will be in Default if any action or proceeding begins, whether civil or criminal, that, in Joint Owner's judgment, could result in forfeiture of the Property or other material impairment of Joint Owner's interest in the Property or rights under this Security Instrument. Customer can cure such a Default and, if Joint Owner has exercised its Sale Option (as defined in the Declining Balance Agreement, the "Sale Option"), reinstate as provided in Section 20, by causing the action or proceeding to be dismissed with a ruling that, in Joint Owner's judgment, precludes forfeiture of the Property or other material impairment of Joint Owner's interest in the Property or rights under this Security Instrument. Customer is unconditionally assigning to Joint Owner the proceeds of any award or claim for damages that are attributable to the impairment of Joint Owner's interest in the Property, which proceeds will be paid to Joint Owner. All Miscellaneous Proceeds that are not applied to restoration or repair of the Property will be applied in the order that Partial Payments are applied in Section 2(b).

**13. Customer Not Released; Forbearance By Joint Owner Not a Waiver.** Customer or any Successor in Interest of Customer will not be released from liability under this Security Instrument if Joint Owner extends the time for payment or modifies the amortization of the sums secured by this Security Instrument. Joint Owner will not be required to commence proceedings against any Successor in Interest of Customer, 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 Customer or any Successors in Interest of Customer. Any forbearance by Joint Owner in exercising any right or remedy including, without limitation, Joint Owner's acceptance of payments from third persons, entities, or Successors in Interest of Customer or in amounts less than the amount then due, will not be a waiver of, or preclude the exercise of, any right or remedy by Joint Owner.

#### **14. Joint and Several Liability; Signatories; Successors and Assigns Bound.**

Customer's obligations and liability under this Security Instrument will be joint and several. However, any Customer who signs this Security Instrument but does not sign the Declining Balance Agreement and the Payment Agreement: (a) signs this Security Instrument to mortgage, grant, convey, and warrant such Customer's interest in the Property under the terms of this Security Instrument; (b) signs this Security Instrument to waive any applicable inchoate rights such as dower and curtesy and any available homestead exemptions; (c) signs this Security Instrument to assign any Miscellaneous Proceeds, Rents, or other earnings from the Property to Joint Owner; (d) is not personally obligated to pay the sums due under the Declining Balance Agreement, the Payment Agreement, or this Security Instrument; and (e) agrees that Joint Owner and any other Customer can agree to extend, modify, forbear, or make any accommodations with regard to the terms of the Declining Balance Agreement, Payment Agreement or this Security Instrument without such Customer's consent and without affecting such Customer's obligations under this Security Instrument.

Subject to the provisions of Section 19, any Successor in Interest of Customer who assumes Customer's obligations under this Security Instrument in writing, and is approved by Joint Owner, will obtain all of Customer's rights, obligations, and benefits under this Security Instrument. Customer will not be released from Customer's obligations and liability under this Security Instrument unless Joint Owner agrees to such release in writing.

#### **15. Obligation Charges.**

**(a) Tax and Flood Determination Fees.** Joint Owner may require Customer to pay (i) a one-time charge for a real estate tax verification and/or reporting service used by Joint Owner in connection with this Obligation, and (ii) 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 that reasonably might affect such determination or



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certification. Customer will also be responsible for the payment of any fees imposed by the Federal Emergency Management Agency, or any successor agency, at any time during the Obligation term, in connection with any flood zone determinations.

**(b) Default Charges.** If permitted under Applicable Law, Joint Owner may charge Customer fees for services performed in connection with Customer's Default to protect Joint Owner's interest in the Property and rights under this Security Instrument, including: (i) reasonable attorneys' fees and costs; (ii) property inspection, valuation fees, mediation, and loss mitigation fees; and (iii) other related fees.

**(c) Permissibility of Fees.** In regard to any other fees, the absence of express authority in this Security Instrument to charge a specific fee to Customer should not be construed as a prohibition on the charging of such fee. Joint Owner may not charge fees that are expressly prohibited by this Security Instrument or by Applicable Law.

**(d) Savings Clause.** If Applicable Law sets maximum charges with respect to the Obligation, and that law is finally interpreted so that the Profit or other obligation charges collected or to be collected in connection with the Obligation exceed the permitted limits, then (i) any such charge will be reduced by the amount necessary to reduce the charge to the permitted limit, and (ii) any sums already collected from Customer which exceeded permitted limits will be refunded to Customer. Joint Owner may choose to make this refund by reducing the Buyout Price under the Declining Balance Agreement and Payment Agreement or by making a direct payment to Customer. If a refund reduces the Buyout Price, the reduction will be treated as a partial prepayment without any prepayment charge (whether or not a prepayment charge is provided for under the Declining Balance Agreement and the Payment Agreement). To the extent permitted by Applicable Law, Customer's acceptance of any such refund made by direct payment to Customer will constitute a waiver of any right of action Customer might have arising out of such overcharge.

**16. Notices; Customer's Physical Address.** All notices given by Customer or Joint Owner in connection with this Security Instrument must be in writing.

**(a) Notices to Customer.** Unless Applicable Law requires a different method, any written notice to Customer in connection with this Security Instrument will be deemed to have been given to Customer when (i) mailed by first class mail, or (ii) actually delivered to Customer's Notice Address (as defined in Section 16(c) below) if sent by means other than first class mail or Electronic Communication (as defined in Section 16(b) below). Notice to any one Customer will constitute notice to all Customers unless Applicable Law expressly requires otherwise. If any notice to Customer required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

**(b) Electronic Notice to Customer.** Unless another delivery method is required by Applicable Law, Joint Owner may provide notice to Customer by e-mail or other electronic communication ("Electronic Communication") if: (i) agreed to by Joint Owner and Customer in writing; (ii) Customer has provided Joint Owner with Customer's e-mail or other electronic address ("Electronic Address"); (iii) Joint Owner provides Customer with the option to receive notices by first class mail or by other non-Electronic Communication instead of by Electronic Communication; and (iv) Joint Owner otherwise complies with Applicable Law. Any notice to Customer sent by Electronic Communication in connection with this Security Instrument will be deemed to have been given to Customer when sent unless Joint Owner becomes aware that such notice is not delivered. If Joint Owner becomes aware that any notice sent by Electronic Communication is not delivered, Joint Owner will resend such communication to Customer by first class mail or by other non-Electronic Communication. Customer may withdraw the agreement to receive Electronic Communications from Joint Owner at any time by providing written notice to Joint Owner of Customer's withdrawal of such agreement.

**(c) Customer's Notice Address.** The address to which Joint Owner will send Customer notice ("Notice Address") will be the Property Address unless Customer has designated a different address by written notice to Joint Owner. If Joint Owner and Customer have agreed that notice may be given by Electronic Communication, then Customer may designate an Electronic Address as Notice Address. Customer will promptly notify Joint Owner of Customer's change of Notice Address, including any changes to Customer's Electronic Address if designated as Notice Address. If Joint Owner specifies a procedure for reporting Customer's change of Notice Address, then Customer will report a change of Notice Address only through that specified procedure.

**(d) Notices to Joint Owner.** Any notice to Joint Owner will be given by delivering it or by mailing it by first class mail to Joint Owner's address stated in this Security Instrument unless Joint Owner has designated another address (including an Electronic Address) by notice to Customer. Any notice in connection with this Security Instrument will be deemed to have been given to Joint Owner only when actually received by Joint Owner at Joint Owner's designated address (which may include an Electronic Address). If any notice to



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Joint Owner required by this Security Instrument is also required under Applicable Law, the Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument.

(e) **Customer's Physical Address.** In addition to the designated Notice Address, Customer will provide Joint Owner with the address where Customer physically resides, if different from the Property Address, and notify Joint Owner whenever this address changes.

**17. Governing Law; Severability; Rules of Construction.** This Security Instrument is governed by federal law and the law of the State of Illinois. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. If any provision of this Security Instrument, the Declining Balance Agreement, or the Payment Agreement conflicts with Applicable Law (i) such conflict will not affect other provisions of this Security Instrument or the Declining Balance Agreement and Payment Agreement that can be given effect without the conflicting provision, and (ii) such conflicting provision, to the extent possible, will be considered modified to comply with Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence should not be construed as a prohibition against agreement by contract. Any action required under this Security Instrument to be made in accordance with Applicable Law is to be made in accordance with the Applicable Law in effect at the time the action is undertaken.

As used in this Security Instrument: (a) words in the singular will mean and include the plural and vice versa; (b) the word "may" gives sole discretion without any obligation to take any action; (c) any reference to "Section" in this document refers to Sections contained in this Security Instrument unless otherwise noted; and (d) the headings and captions are inserted for convenience of reference and do not define, limit, or describe the scope or intent of this Security Instrument or any particular Section, paragraph, or provision.

**18. Customer's Copy.** One Customer will be given one copy of the Declining Balance Agreement, the Payment Agreement and of this Security Instrument.

**19. Transfer of the Property or a Beneficial Interest in Customer.** For purposes of this Section 19 only, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a purchase agreement, bond for deed, contract for deed, installment sales contract, or escrow agreement, the intent of which is the transfer of title by Customer to a purchaser at a future date.

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

If Joint Owner exercises this option, Joint Owner will give Customer notice of exercise of Joint Owner's Sale Option. The notice will provide a period of not less than 30 days from the date the notice is given in accordance with Section 16 within which Customer must pay all sums secured by this Security Instrument. If Customer fails to pay these sums prior to, or upon, the expiration of this period, Joint Owner may invoke any remedies permitted by this Security Instrument without further notice or demand on Customer and will be entitled to collect all expenses incurred in pursuing such remedies, including, but not limited to: (a) reasonable attorneys' fees and costs; (b) property inspection and valuation fees; and (c) other fees incurred to protect Joint Owner's Interest in the Property and/or rights under this Security Instrument.

**20. Customer's Right to Reinstate After Joint Owner Initiates Sale Option.** If Customer meets certain conditions, Customer will have the right to reinstate the Obligation and have enforcement of this Security Instrument discontinued at any time up to the later of (a) five days before any foreclosure sale of the Property, or (b) such other period as Applicable Law might specify for the termination of Customer's right to reinstate. This right to reinstate will not apply in the case of Joint Owner exercising its Sale Option under Section 19.

To reinstate the Obligation, Customer must satisfy all of the following conditions: (aa) pay Joint Owner all sums that then would be due under this Obligation as if Joint Owner had not exercised its Sale Option; (bb) cure any Default of any other covenants or agreements under this Obligation; (cc) pay all expenses incurred in enforcing this Obligation, including, but not limited to: (i) reasonable attorneys' fees and costs; (ii) property inspection and valuation fees; and (iii) other fees incurred to protect Joint Owner's interest in the Property and/or rights under this Obligation; and (dd) take such action as Joint Owner may reasonably require to assure that Joint Owner's interest in the Property and/or rights under this Security Instrument, the Declining Balance Agreement, and/or the Payment Agreement, and Customer's obligation to pay the sums secured by this Security Instrument, will continue unchanged.



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Joint Owner may require that Customer pay such reinstatement sums and expenses in one or more of the following forms, as selected by Joint Owner: (aaa) cash; (bbb) money order; (ccc) 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 U.S. federal agency, instrumentality, or entity; or (ddd) Electronic Fund Transfer. Upon Customer's reinstatement of the Obligation, this Security Instrument and obligations secured by this Security Instrument will remain fully effective as if Joint Owner had not initiated its Sale Option.

**21. Sale of Declining Balance Agreement and Payment Agreement.** Joint Owner's rights in the Declining Balance Agreement and Payment Agreement or a partial interest in the Declining Balance Agreement and Payment Agreement, together with this Security Instrument, may be sold or otherwise transferred one or more times. Upon such a sale or other transfer, all of Joint Owner's rights and obligations under this Security Instrument will convey to Joint Owner's successors and assigns.

**22. Servicer.** Joint Owner may take any action permitted under this Security Instrument, the Payment Agreement, or the Declining Balance Agreement through the Servicer or another authorized representative, such as a sub-servicer. Customer understands that the Servicer or other authorized representative of Joint Owner has the right and authority to take any such action.

The Servicer may change one or more times during the term of the Payment Agreement. The Servicer may or may not be the holder of the Obligation. The Servicer has the right and authority to: (a) collect Periodic Payments and any other amounts due under the Declining Balance Agreement, Payment Agreement, and this Security Instrument; (b) perform any other mortgage servicing obligations; and (c) exercise any rights under the Declining Balance Agreement, Payment Agreement, this Security Instrument, and Applicable Law on behalf of Joint Owner. If there is a change of the Servicer, Customer will be given written notice of the change which will state the name and address of the new Servicer, the address to which payments should be made, and any other information RESPA and other Applicable Law require in connection with a notice of transfer of servicing.

**23. Notice of Grievance.** Until Customer or Joint Owner has notified the other party (in accordance with Section 16) of an alleged breach and afforded the other party a reasonable period after the giving of such notice to take corrective action, neither Customer nor Joint Owner may commence, join, or be joined to any judicial action (either as an individual litigant or a member of a class) that (a) arises from the other party's actions pursuant to this Security Instrument or the Declining Balance Agreement and Payment Agreement, or (b) alleges that the other party has breached any provision of this Security Instrument or the Declining Balance Agreement and Payment Agreement. 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 Section 23. The notice of Default given to Customer pursuant to Section 25(a) and the notice of Joint Owner's initiation of its Sale Option given to Customer pursuant to Section 19 will be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 23.

#### **24. Hazardous Substances.**

**(a) Definitions.** As used in this Section 24: (i) "Environmental Law" means any Applicable Laws where the Property is located that relate to health, safety, or environmental protection; (ii) "Hazardous Substances" include (A) those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law, and (B) the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, corrosive materials or agents, and radioactive materials; (iii) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (iv) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

**(b) Restrictions on Use of Hazardous Substances.** Customer will 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. Customer will not do, nor allow anyone else to do, anything affecting the Property that: (i) violates Environmental Law; (ii) creates an Environmental Condition; or (iii) due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects or could adversely affect the value of the Property. The preceding two sentences will 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).

**(c) Notices; Remedial Actions.** Customer will promptly give Joint Owner written notice of: (i) 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 Customer has actual knowledge; (ii) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release, or threat of release of any Hazardous Substance; and (iii) any condition caused by the



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presence, use, or release of a Hazardous Substance that adversely affects the value of the Property. If Customer 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, Customer will promptly take all necessary remedial actions in accordance with Environmental Law. Nothing in this Security Instrument will create any obligation on Joint Owner for an Environmental Cleanup.

**NON-UNIFORM COVENANTS.** Customer and Joint Owner further covenant and agree as follows:

**25. Joint Owner's Sale Option; Remedies.**

(a) **Notice of Default.** Joint Owner will give notice of Default to Customer prior to Joint Owner's exercise of the Sale Option following Customer's Default, except that such notice of Default will not be sent when Joint Owner exercises its right under Section 19 unless Applicable Law provides otherwise. The notice will specify, in addition to any other information required by Applicable Law: (i) the Default; (ii) the action required to cure the Default; (iii) a date, not less than 30 days (or as otherwise specified by Applicable Law) from the date the notice is given to Customer, by which the Default must be cured; (iv) that failure to cure the Default on or before the date specified in the notice may result in Joint Owner declaring immediately due all amounts that are due under this Security Instrument, the Declining Balance Agreement, the Payment Agreement and sale of the Property and/or Joint Owner's exercise of the Sale Option; (v) Customer's right to reinstate after Joint Owner declares all amounts due under the Security Instrument, Declining Balance Agreement and Payment Agreement immediately due, and (vi) Customer's right to bring a court action to deny the existence of a Default or to assert any other defense of Customer to the Joint Owner's exercise of a remedy as provided herein.

(b) **Sale Option; Foreclosure; Expenses.** If the Default is not cured on or before the date specified in the notice, Joint Owner 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. Joint Owner will be entitled to collect all expenses incurred in pursuing the remedies provided in this Section 25, including, but not limited to: (i) reasonable attorneys' fees and costs; (ii) property inspection and valuation fees; and (iii) other fees incurred to protect Joint Owner's interest in the Property and/or rights under this Security Instrument.

**26. Release.** Upon payment of all sums secured by this Security Instrument, Joint Owner will release this Security Instrument. Customer will pay any recordation costs associated with such release. Joint Owner may charge Customer 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.

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

(remainder of page left blank intentionally)





# UNOFFICIAL COPY

BY SIGNING BELOW, Customer accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider signed by Customer and recorded with it as of the day and year first above written.

Witnesses:


\_\_\_\_\_ -Witness  
 \_\_\_\_\_ (Seal)  
 MD ABDUR RAHMAN -Customer

\_\_\_\_\_ -Witness  
 \_\_\_\_\_ (Seal)  
 UMME HANEY USHA -Customer

(Space Below This Line For Acknowledgment)

State of ILLINOIS  
 County of Cook

This instrument was acknowledged before me on 10/25/2023 (date)  
 by MD ABDUR RAHMAN and UMME HANEY USHA (name/s of person/s).

(Seal)  \_\_\_\_\_  
 (Signature of Notary Public)

Originator (Organization): UIF CORPORATION; NMLS #: 93460  
 Originator (Individual): MUBASHIR ALI; NMLS #: 2011214



# UNOFFICIAL COPY

## LEGAL DESCRIPTION EXHIBIT "A"

UNIT 101-A TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS IN BALLARD COURT CONDOMINIUMS NO. 3, AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED AS DOCUMENT NUMBER LR3169385, IN THE SOUTH 1/2 OF SECTION 15, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 09-15-307-163-1001

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

File Number: 950230374402

MIN: 101575400000174568

## CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 25th day of October, 2023, and is incorporated into and amends and supplements the Mortgage, Mortgage Deed, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Customer") to secure Customer's Declining Balance Agreement and Payment Agreement to UIF CORPORATION (the "Joint Owner") of the same date and covering the Property described in the Security Instrument and located at:

8996 KENNEDY DR APARTMENT 1A  
DES PLAINES, IL 60016  
(Property Address)

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

BALLARD COURT  
(Name of Condominium Project)

(the "Condominium Project"). If the owners 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 Customer's interest in the Owners Association and the uses, proceeds, and benefits of Customer's interest

**CONDOMINIUM COVENANTS.** In addition to the representations, warranties, covenants, and agreements made in the Security Instrument, Customer and Joint Owner further covenant and agree as follows:

**A. Condominium Obligations.** Customer will perform all of Customer'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. Customer will 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 Joint Owner and which provides insurance coverage in the amounts (including deductible levels), for the period, and against loss by fire, hazards included within the term "extended coverage," and any other hazards, including, but not limited to, earthquakes, winds, and floods, for which Joint Owner requires insurance, then (i) Joint Owner waives the provision in Section 3 for the portion of the Periodic Payment made to Joint Owner consisting of the yearly premium installments for property insurance on the Property, and (ii) Customer'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 Joint Owner requires as a condition of this waiver can change during the term of the financing.

Customer will give Joint Owner prompt notice of any lapse in required property insurance coverage provided by the master or blanket policy.



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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 Customer are hereby assigned and will be paid to for application to the sums secured by the Security Instrument, whether or not then due, with the excess, if any, paid to Customer.

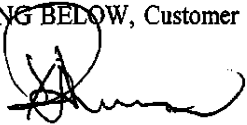

**C. Public Liability Insurance.** Customer will take such actions as may be reasonable to ensure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Joint Owner.

**D. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Customer 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 will be paid to Joint Owner. Such proceeds will be applied by Joint Owner to the sums secured by the Security Instrument as provided in Section 12

**E. Joint Owner's Prior Consent.** Customer will not, except after notice to Joint Owner and with Joint Owner'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 unless the provision is for the express benefit of Joint Owner; (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 Joint Owner.

**F. Remedies.** If Customer does not pay condominium dues and assessments when due, then Joint Owner may pay them. Any amounts disbursed by Joint Owner under this paragraph F will become additional obligation of Customer secured by the Security Instrument. Unless Customer and Joint Owner agree to other terms of payment, these amounts will bear profit from the date of disbursement at the profit rate and will be payable, with profit, upon notice from Joint Owner to Customer requesting payment.

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

	10/25/23		10/25/23
_____ MD ABDUR RAHMAN	Date	_____ UMME HANEY USHA	Date

