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UNOFFICIAL COPY

THIS INSTRUMENT WAS PREPARED BY:

JUDITH BURKE, 165 West Jackson, Chicago, IL 60604 - #922-4326

ADJUSTABLE MORTGAGE LOAN
MORTGAGE

CITICORP SAVINGS

Corporate Office
One South Dearborn Street
Chicago, Illinois 60603
Telephone (1 312 977 5000)

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THIS MORTGAGE ("Security Instrument") is made this 3RD day of DECEMBER 19 85 between the Mortgagor, MICHAEL C TOLL AND CHERIE L TOLL HIS WIFE

therein "Borrower", and the Mortgagee, Citicorp Savings of Illinois, a Federal Savings and Loan Association, a corporation organized and existing under the laws of The United States, whose address is One South Dearborn Street, Chicago, Illinois 60603 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of TWO HUNDRED EIGHTY THOUSAND AND 00/100 Dollars, which indebtedness is evidenced by Borrower's note dated 12/03/85 (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on JANUARY 01 2016

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of

COOK, State of Illinois

SEE ATTACHED

DEC -3 PM 3:12

85316046

which has the address of 950 NORTH MICHIGAN AVENUE #29B CHICAGO
IL 60611 therein "Property Address":

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

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

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

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the

indebtedness evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay

to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to

one-twelfth of: (a) yearly taxes and assessments imposed by governmental bodies which may attain priority over this Security

Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums;

(d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds

due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal

or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items,

Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless

Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender

may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest

to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower,

without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each

debt to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the

due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be,

at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the

amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any

amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any

Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than

immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application

as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under

paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under

the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property

which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall

pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on

time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under

this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing

the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower (a) agrees

in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith

the lien by, or defends against enforcement of the lien, legal proceedings which in the Lender's opinion operate to prevent

the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement

satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property

is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice (identifying

the lien). Borrower shall satisfy the lien or take one or more of the actions set forth above within (10) days of the giving of notice.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured

against loss by fire, hazards included within the term "extended coverage," and any other hazards for which Lender requires

insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier

providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender

shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts

of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and

Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair

of the Property damaged. If the restoration or repair is economically feasible and Lender's security is not lessened, if the

restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be

applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower

abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to

settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property

or to pay sums secured by this Security Instrument, whether or not then due. The 30 day period will begin when the notice

is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or

postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments.

If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting

from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security

Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially

change the Property, allow the Property to deteriorate or come to waste. If this Security Instrument is on a leasehold, Borrower

shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants

and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's

rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations),

then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property.

Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing

in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action

under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this

Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from

the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting

payment.

If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower

shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates

in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender may make reasonable inspections of the Property. Lender shall

give Borrower notice at the time of a prior to an inspection, except in the case of an inspection for the inspection.

Parcel 1:

Unit No. 2911 in One Magnificent Mile Condominium as

delimited on survey of parts of certain lots in Moss Subdivision of part of Lot 10, and parts of certain lots in Lawrence's Lying South of the South Line of certain lots in Lawrence's Subdivision of part of Lot 7, all in the subdivision of the South North 1/2 of Block 8 in Canal Trustee's Subdivision of the South Fractional 1/4 of Section 3, Township 39 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois, which survey is attached as Exhibit A to Declaration of Condominium recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. 26845241 as amended from time to time together with its undivided percentage interest in the common elements.

Parcel 2:

1703 201 (148/1036)

All those certain easements, privileges, rights of use, and all other benefits described in that certain One Magnificent Mile Declaration of Covenants, Conditions, Restrictions, and Easements made and entered into as of November 1, 1983, by the Lasalle National Bank, a national banking association, as Trustee under Trust Agreement dated September 14, 1978, and known as Trust No. 100049 and recorded November 1, 1983, as Document No. 26845239, and as created for the benefit of Parcel 1 by a deed from Lasalle National Bank, a national banking association, as Trustee under Trust Agreement dated September 14, 1978, and known as Trust No. 100049 to Lasalle National Bank, a national banking association, as Trustee under Trust Agreement dated April 1, 1981, and known as Trust No. 103785, dated November 1, 1983, and recorded November 1, 1983, as Document No. 26845240, all in Cook County, Illinois, as amended from time to time,

Mortgagor also hereby grants to Mortgagee, its successors and assigns, as rights and easements appurtenant to the above described real estate, the rights and easements for the benefit of said property set forth in the aforementioned Declaration.

This Mortgage is subject to all rights, easements, restrictions, conditions, covenants and reservations contained in said Declaration and the same as though the provisions of said Declaration were recited and stipulated at length herein.

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THIS INSTRUMENT IS ATTACHED HERETO AND MADE A PART OF THIS MORTGAGE DATED 12/03/85.

26845240

Loan Number: 00000587434

NOTICE: The Security Instrument secures a Note which contains a provision allowing for changes in the interest rate. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

This Rider is made this 3RD day of DECEMBER, 1985, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Citicorp Savings of Illinois, A Federal Savings and Loan Association.

(the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at 950 NORTH MICHIGAN AVENUE #29B, CHICAGO, IL. 60611

Property Address

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

A. Interest Rate and Monthly Payment Changes

The Note has an "Initial Interest Rate" of 9.00%. The Note interest rate may be increased or decreased on the FIRST day of the month beginning on JANUARY 1ST, 1987 and on that day of the month every 12 month(s) thereafter. Changes in the interest rate are governed by changes in an interest rate index called the "Index". The Index is the: [Check one box to indicate Index.]

(1) [X] The weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year(s), as made available by the Federal Reserve Board. In no event over the full term of the Note will the interest rate be increased more than 6.00 percentage points (6.00%) from the Initial Rate of Interest. Before each Change Date the Note Holder will calculate the new interest rate by adding 2.625 percentage points (2.625%) to the Current Index. However, the rate of interest that is required to be paid shall never be increased or decreased on any single Change Date by more than 2.00 percentage points (2.00%) from the rate of interest currently being paid.

(2) [] Other:

If the Interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

B. Loan Charges

It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Lender may choose to make this refund by reducing the principal I owe under the Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

C. Prior Liens

If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

D. Transfer of the Property

If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17.

By signing this, Borrower agrees to all of the above.

*If more than one box is checked or if no box is checked, Lender and Borrower do not otherwise agree in writing, the first index named will apply.

[Signature] (Seal) Borrower

MICHAEL C. TULLY [Signature] (Seal) Borrower

CHERYL E. TULLY [Signature] (Seal) Borrower

(Seal) Borrower

85 316 045

ACCOUNT NUMBER: 00000687434

Corporate Office
One South Dearborn Street
Chicago, Illinois 60603
Telephone (1 312) 977-5000

This CONDOMINIUM RIDER is made this 3RD day of DECEMBER, 1985, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Citicorp Savings of Illinois a Federal Savings and Loan Association (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:
950 N MICHIGAN AVENUE #29B CHICAGO, IL 60611
(Property Address)

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

(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 Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

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

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

B. **Hazard Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

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

D. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

E. **Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

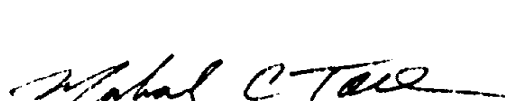
(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;


(iii) termination of professional management and assumption of self-management of the Owners Association;

or
(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

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

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


MICHAEL C. TOLL Borrower


CHERYL L. TOLL Borrower

Borrower Borrower

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of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

20. **Lender In Possession.** Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any costs collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument with charge to Borrower, for reasonable costs of preparation and delivery of a release deed. Borrower and Lender agree that if the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation buy all or some of the Lender's interest under this Security Instrument, such preparation and delivery of a release deed shall be without charge. Notwithstanding the foregoing Borrower shall pay all costs of recordation, if any.

22. **Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.

23. **Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable boxes:]

- Adjustable Rate Rider
- Condominium Rider
- 2-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Other(s) [specify]

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

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

Michael C Toll
MICHAEL C TOLL

Cheri L Toll
CHERI L TOLL

SEE RIDERS ATTACHED HERETO AND MADE A PART HEREOF

STATE OF ILLINOIS,

Cook

County,

I, THE UNDERSIGNED, a Notary Public in and for said county and state, do hereby certify that MICHAEL C TOLL AND CHERI L TOLL HIS WIFE

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

Given under my hand and official seal, this
My Commission expires: *4/16/87*

6th day of *December*, 19 *85*

Trinelle Lewis
Notary Public

(Space Below This Line Reserved For Lender and Recorder)

ACCOUNT NUMBER 00000687434

BOX #165

C.I.A.

**BOX 165 - COOK COUNTY RECORDER
BR. #97 CENTRAL LENDING CENTER
165 W. JACKSON BOULEVARD
CHICAGO, ILLINOIS 60604**

85 316 045

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification or postponing the due date of the monthly payments referred to in paragraphs 1 and 2 or change in the amount of such payments, unless Lender and Borrower otherwise agree in writing, any applications of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change in the amount of such payments.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. 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. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument. 17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold, assigned or transferred, and Borrower is not a mutual person) or if Borrower enters into Articles of Agreement for Deed or any agreement for installment sale of the Property (or the beneficial interest in Borrower and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (i) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (ii) cures any default of any other covenants or agreements; (iii) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (iv) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the 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 paragraphs 13 or 17.

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). This notice shall specify: (a) the default; (b) the action required to cure the default; and (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert a claim for damages, or to respond to Lender within 30 days after the date the notice is given. Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

85 316 046