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DEPT-01 RECORDING \$13.25  
T#4444 TRAN 0024 12/16/86 10:34:00  
#8268 # 10 \* 13.25 incl 13.25  
COOK COUNTY RECORDER

86601422

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068806  
07543

ILCM

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on ..... DECEMBER 08 ..... 1986. The mortgagor is ..... THOMAS J. PALLONE, JR., AND PATRICIA L. PALLONE, HUSBAND AND WIFE .....

..... NORWEST MORTGAGE, INC. ...., which is organized and existing under the laws of ..... THE STATE OF MINNESOTA ..... , and whose address is ..... 3451 HAMMOND AVENUE, P.O. BOX 780, WATERLOO, IOWA 50704 ..... ("Lender"). Borrower owes Lender the principal sum of ..... ONE HUNDRED NINETY FIVE THOUSAND THREE HUNDRED AND 00/100 ..... Dollars (U.S. \$.....\*\*\*\*\*.....). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on ..... JANUARY 01, 2002 ..... . This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in ..... COOK ..... County, Illinois:

LOT 125 IN THE COVES OF SOUTH BARRINGTON, UNIT 5, BEING A SUBDIVISION IN THE SOUTHEAST 1/4 OF SECTION 27, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS ON MAY 19, 1977, AS DOCUMENT NO. LR 2939053 AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS ON MAY 20, 1977 AS DOCUMENT NO. 29395231, IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NO: 01-27-402-005

HCO  
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TAX STATEMENTS SHOULD BE SENT TO:  
GMAC MORTGAGE CORPORATION, PO BOX 780, WATERLOO, IOWA 50704

which has the address of ..... 35 WATERGATE ROAD ..... , ..... SOUTH BARRINGTON .....  
[Street] [City]

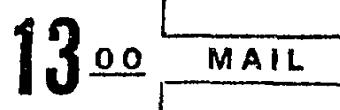
Illinois ..... 60010 ..... ("Property Address");  
[Zip Code]

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 rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

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

ILLINOIS—Single Family—FNMA/FHLMC UNIFORM INSTRUMENT  
NMFL #0355 (R 06/84)



Form 3014 12/83

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**THIS INSTRUMENT WAS DRAFTED BY:**  
NORMEST MORTGAGE, INC., L. ALTFERER  
**1375 EAST WOODFIELD ROAD**  
**SCHAUMBURG, IL 60173**

6-14-68  
Xanen M. Court

THE FOREGOING INSTRUMENT WAS ACKNOWLEDGED BEFORE ME THIS EIGHTH DAY OF DECEMBER, 1986, BY THOMAS J. PALLOONE, JR., AND PATRICIA L. PALLOONE,  
HUSBAND AND WIFE.

COUNTY OF LAKE

**STATE OF ILLINOIS** This line for Acknowledgment

..... (Seal) ..... -BOTTOWER

—BOFFPOWER  
.....(seen)

.....(Serial)..... BORROWER

THOMAS J. PALLONE, JR.: ..... (Signature) BORROWER  
PARTICIA L. ALONE, HUSBAND AND SPOUSE

BY SIGNING BELOW, Borrower accepts and agrees to the terms and conditions contained in this Security Agreement and by Borrower and recorded with [REDACTED]

<input type="checkbox"/> Adjustable Race Rider	<input type="checkbox"/> Grandfathered Family Rider	<input type="checkbox"/> Other(s) [Specify] _____
<input type="checkbox"/> Grandparentium Rider	<input type="checkbox"/> Plain Old Unit Development Rider	
<input type="checkbox"/> 2-4 Family Rider		

20. **Lender in Possession.** Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of the period of redemption following judicial sale, Lender (in person, by agent or by duly authorized 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 rents collected by Lender or the receiver shall be applied first to payment of the costs of management of those past due rents, including the collection of rents, including fees, and next to the sums secured by this Security Agreement. Upon payment of all sums secured by this Security Agreement, Lender shall receive's bonds and seasonable attorney fees, and next to the rents of all units included in the Property, but not limited to, receiver's fees, premiums on receivables bonds and instruments without charge to Borrower. Lender shall pay any escrowholding costs.

21. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument to Borrower. Borrower shall pay any legal expenses of this Security Instrument.

22. **Waiver of Remedies.** Borrower waives all rights of homestead exemption in the Property.

23. **Riders to this Security Instrument.** Borrower waives all rights of redemption in the Property.

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under Paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the date 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, for collection proceedings and sale of the Property. The notice shall further specify: (c) a date, not less than 30 days from the date notice is given to Borrower, by which the default must be cured; or (e) if no date is specified in the notice, a reasonable time within which the default must be cured. Lender shall be entitled without further demand and may require immediate payment in full of all sums secured by this Security Instrument, less expenses incurred in pursuing the remedies provided in this paragraph.

**NON-UNIFORM COVENANTS.** Bottower and Lennder further covenant and agree as follows:

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

1. **Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt 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 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; and (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 debit 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 in, 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 commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title 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 7, 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.

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**18. Borrower's Right to Remonstrate.** 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 for rescission) before sale of the Property pursuant to any power of sale contained in this agreement or (b) entry of a judgment entitling Lender to the sale of the Property under this instrument. Borrower shall have the right to have enforcement discontinued if this instrument is violated or breached by Lender or if Lender fails to make timely payments of taxes or insurance premiums due on the Property. If Borrower discontinues enforcement of this instrument, Borrower shall remain liable for all obligations under this instrument until the earlier of (a) 5 days (or such other period as applicable law may specify for rescission) before sale of the Property pursuant to any power of sale contained in this instrument or (b) entry of a judgment entitling Lender to the sale of the Property under this instrument. This instrument may be discontinued if Lender discontinues enforcement of this instrument.

If Underwriter is of the date of this Security Interest in full, Underwriter shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this instrument. If Borrower fails to pay these sums prior to the expiration of this period, Underwriter may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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 or transferred) to another person without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Interest. However, this option shall not be exercised by Lender if exercise is prohibited by law as of the date of this Settlement Statement.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the state in which the property is located. In the event that any provision of this Security Instrument or the Note can be given effect without the conflict of law, such conflict shall not affect other provisions of this Security Instrument. To the extent that any provision of this Security Instrument and the Note are deemed to be severable, they shall be given effect.

**14. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivery in person or by mail unless class mailing it by first class mail unless otherwise required by law requires use of another method. The notice shall be directed to the property address Borrower designates by notice to Lender. Any notice to Lender shall be given by delivery in person or by 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 instrument.

Parliamentary privilege without any privilege under the new rules.  
13. **Legislation** *Affected Lands*.—If enactment of application of laws has the effect of rendering any provision of this Note of rights ineffective under the new rules, the same may require immediate payment in full of all sums secured by this Security instrument according to its terms, under, at its option, the second paragraph of section 19, if Lender exercises this option, Lender shall take steps specified in the paragraph 17.

**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 law restricts other loan charges collected or to be collected in connection with the loan, 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 under the Note by making a direct payment shall be reduced, unless the Note permits limited amounts to be collected in addition to the amount due under the Note.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condominium offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date 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.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security instrument, whether or not there is a partial taking of the Property.

11. Borrower shall pay the premium measured as a portion of the insurance premium in effect until such time as the reallocation of motor vehicle insurance premiums required to maintain the insurance in effect during the loan secured by this instrument.

12. Lender will not be liable for any damage or loss resulting from the cancellation of the insurance policy by the insurance company.