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DEPT-01 RECORDING \$17.25
T#1111 TRAN 4977 08/10/87 09:21:00
#5545 # 4 * -87-440486
COOK COUNTY RECORDER

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MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on August 1, 1987 The mortgagors Jerome A. Taylor and Doris J. Taylor

("Borrower"). This Security Instrument is given to Bank of Highwood and B.V. Giangiorgi, as Trustee which is organized and existing under the laws of Illinois, and whose address is

10 Highwood Avenue, Highwood, Illinois, 60040 ("Lender"). Borrower owes Lender the principal sum of Sixty-three Thousand Five Hundred and 00/100-----

-----Dollars (U.S. \$63,500.00). 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 July 31, 1997. 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 the City of Broadview, in Cook County, Illinois:

Lot 269 and the N. 4 ft. of Lot 268 in Cummings and Foreman Real Estate Corporation Roosevelt Road and 17th Avenue Subdivision of Lots 1, 2, 3, 4, 5, 7 and 8 in Owners Partition of the South 83.2 acres of the West 1/2 of Section 15, Township 39 North, Range 12, East of the 3rd E., in Cook County, Illinois.

Prepared by: bank laituri

which has the address of 2103 21st Street, Broadview [City]
PIN # 15-15-328-041 [Street]
Illinois 60153 [Zip Code] All ("Property Address");
FEO M

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 seized 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.

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Michael J. Hagerly
Notary Public

My Commission expires: 9/14/27

Given under my hand and official seal, this 1st day of August, 1987

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

do hereby certify that Jerome A. Taylor and Doris J. Taylor, Michael J. Hagerly, a Notary Public in and for said county and state, County ss: Lake

[Space Below This Line For Acknowledgment]

(Seal) -Borrower

(Seal) -Borrower

(Seal) -Borrower
Doris J. Taylor
(Seal) -Borrower
Jerome A. Taylor
(Seal) -Borrower

*Bank of Woodstock
10 Woodstock Ave.
Woodstock, Ill. 60090*

See Loan Agreement dated August 1, 1987 for additional provisions, conditions, & terms. 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.

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

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]

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

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time but not limited to, reasonable attorneys' fees and costs of title evidence.

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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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 amount 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.

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 or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

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.

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 then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condempnor offers to make an award or settle a claim for damages, Borrower fails 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.

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 such payments.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amount of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify authorization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns; 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 limits, 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 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 17. 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. Note are declared to be severable.

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 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.

If Lender exercises this option, Lender 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 Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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 for reinstatement) 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: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) 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 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 event of acceleration under paragraphs 11 or 17.

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ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 1st day of August 19 87, 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 Adjustable Rate Note (the "Note") to Bank of Highwood (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

2103 21st Street, Broadview, Illinois, 60153
(property address)
and with a legal description, to wit:

Lot 269 and the North 4 ft. of Lot 268 in Cummings and Foreman Real Estate Corporation Roosevelt Road and 17th Avenue Subdivision of Lots 1, 2, 3, 4, 5, 7 and 8 in Owners Partition of the South 83.2 acres of the West 1/2 of Section 15, Township 39 North, Range 12, East of the 3rd P.M., in Cook County, Illinois.

ADDITIONAL COVENANTS. 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 provides for an initial interest rate of 8.75%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES; BORROWER'S RIGHT TO LIMIT PAYMENT

A) Change Dates

The interest rate may change daily as the Interest Rate Index used by Lender changes. Each date on which the interest rate could change is called a "Change Date."

B) The Index

Beginning with the first Change Date, the interest rate will be based on an index. The Interest Rate Index used by the Bank is the "Prime Rate" as listed in the Money Rate section of the Wall Street Journal each business day. If the aforesaid index ceases to exist, then the Interest Rate Index that the Bank will use will be the "prime rate" of the First National Bank of Chicago as posted in its main lobby. If more than one Prime Rate is listed in the Money Rate section on any day, the Interest Rate in effect for this Loan will be the higher (highest) Prime Rate so listed. The Prime Rate in effect on non-business days shall be the Prime Rate that was in effect on the immediately preceding business day, as listed in the Wall Street Journal's Money Rate section.

C) Calculation of Changes

Before each Change Date, the Note Holder will calculate the new interest rate by adding * percentage points (*%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be the new interest rate until the next Change Date.

As provided in the Loan Agreement Dated August 2, 1987, the Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that Borrower is expected to owe at the Change Date in full on the maturity date at the new interest rate in substantially equal payments. The result of this calculation is called the "Full Payment." It will be the new amount of Borrower's monthly payment unless Borrower chooses the amount permitted by Section 4(F) below.

*See Loan Agreement dated August 1, 1987.

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D) Effective Date of Changes

The new interest rate will become effective on each Change Date. The amount of the new monthly payment beginning on the first monthly payment date after the Change Date until the amount of the monthly payment changes again.

E) Notice of Changes

The Note Holder will deliver or mail to Borrower a notice of any changes in the interest rate and the amount of the new monthly payment before the due date immediately following any change. The notice will include information required by law to be given Borrower and also the title and telephone number of a person who will answer any question the Borrower may have regarding the notice.

F) Borrower's Right to Limit Monthly Payment

Borrower may choose to limit the amount of Borrower's monthly payment following a Change Date to the amount Borrower may have been paying multiplied by the number 1.075. This amount is called the "Limited Payment." If Borrower chooses a Limited Payment as the monthly payment, Borrower must give the Note Holder notice that Borrower is doing so at least 15 days before the first new monthly payment is due.

G) Additions to the Unpaid Principal

Should the rate of interest being charged on this loan from time to time reach a rate such that the payment amount does not cover the monthly accrued interest, plus a minimum of One Hundred Dollars (\$100.00) reduction in principal, the Bank of Highwood will raise the monthly payment amount so that principal outstanding is reduced not less than One Hundred Dollars (\$100.00) each and every month thereafter until maturity.

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

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 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. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender 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 security instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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RIDER

THIS RIDER is attached and forms an integral part of the INDENTURE (Trust Deed) made August 1, 1987 between Jerome A. Taylor and Doris J. Taylor herein referred to as "Mortgagors", and Bank of Highwood and B.V. Gianglori herein referred to as TRUSTEE, witnesses:

6. Upon the occurrence of a default in the performance of the terms and provisions of the Note, or the terms and provisions of the Trust Deed securing same, the Holder is hereby authorized, at any time and from time to time, without notice to the undersigned, or to any other person, any such notice being hereby expressly waived, to set off, appropriate and apply any and all deposits (general or special) and any other indebtedness at any time held or owing by Holder to or for the credit or the account of the undersigned against and on account of any obligations and liabilities of the undersigned hereunder, although said obligations and liabilities, or any of them, shall be contingent or unmatured.

17. Mortgagors will not voluntarily create, or otherwise permit to be created or filed against the premises conveyed hereby any other Deed or Trust or mortgage lien or other lien or liens inferior or superior to the Trust Deed, and further agree to keep and maintain the same free from claims of all persons supplying labor or materials in connection with any construction upon the property and the failure of Mortgagors to perform these covenants or any part thereof, shall constitute an event of default hereunder.

18. If all or any part of the premises or an interest therein is sold or transferred by Mortgagors without the prior written consent of the Holder of the Note, then and in that event, the holder of the Note may, at its option, declare all the sums secured by the Trust Deed to be immediately due and payable. For purposes of this paragraph, the term "sold or transferred" shall include, by way of description, and not limitation, the following: (a) Installment agreement for Deed; (b) A transfer into a land trust; (c) A transfer of Beneficial Interest in a land trust; (d) The grant of any leasehold interest with an option to purchase; and (e) The grant of any leasehold interest for a period in excess of three (3) years.

19. The entire indebtedness hereby secured shall, at the election of the Holder of the Note, become immediately due and payable without notice to the Mortgagors or anyone claiming by, through or under Mortgagors, and thereupon the Trustee shall have the right, among others, to foreclose the Trust Deed, upon the happening of any one or more of the following: (a) The Mortgagors fail to pay any sum of principal or interest required to be paid herein or in the Note secured hereby within twenty (20) days after the due date thereof; (b) The Mortgagors fail to pay on demand the amount of any costs of the Holder of the Note, or the Mortgagors, with interest thereon, secured by the Trust Deed; (c) Any party liable for any indebtedness secured hereby files a voluntary petition in bankruptcy or makes an assignment for the benefit of any creditor or is declared bankrupt or insolvent; (d) The premises or any part thereof are placed under the control of any court; (e) In the event of the actual demolition or removal of any building now or hereafter located upon the premises; (f) On the failure of the Mortgagors to permit the Holder of the Note or its representative to examine the premises at any reasonable time; (g) If the Mortgagors shall do or suffer any act or thing which would impair the security of the mortgage debt or the lien of the Trustee upon the premises or the rents therefrom; (h) In the event that the Mortgagors fail to obtain the required insurance covering the premises; (i) In the event of the demolition or destruction in whole or in part of any of the fixtures covered hereby, unless the same are promptly replaced with similar fixtures at least equal in quality and condition to those replaced free from security agreements or other encumbrances thereon and free from any reservation of title thereto; (j) Upon the filing in any court of competent jurisdiction by the State, Municipal or Federal government or any department, bureau, agency or instrumentality thereof of any action to acquire, under the power of eminent domain, any estate less than an estate in fee simple in the premises or any part thereof, provided that such action is not dismissed or otherwise rejected within sixty (60) days; (k) In the event the Mortgagors fail to comply with or perform fully any other warranty, covenant, act or agreement required of the Mortgagors herein or in the Note secured hereby within the grace period, if any, specified; and (l) Commencement of any action or proceeding to foreclose any lien upon the premises or any part thereof other than the lien of the Trust Deed, provided that such action or proceeding is not dismissed or bonded within ninety (90) days.

THIS LOAN IS PAYABLE IN FULL AT THE END OF _____ YEARS OR ON DEMAND IF THERE IS AN OCCURRENCE OF DEFAULT. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. THE BANK IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. IF THE BANK DOES NOT AGREE TO REFINANCE THE LOAN, YOU WILL THEREFORE BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER WILLING TO LEND YOU THE MONEY AT PREVAILING MARKET RATES, WHICH MAY BE CONSIDERABLY HIGHER THAN THE RATE ON THE LOAN.

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