

UNOFFICIAL COPY

MAIL TO: Lenore Faulk
Midland Federal Savings
8929 S. Harlem
Bridgeview, IL 60455

87369525



(Space Above This Line For Recording Data) **DEPT NO 1 86513730** \$16.00
L00111 TRAN 7431 07/06/87 14 18:00
#9263 # A * 87-369525
COOK COUNTY RECORDER

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on July 1, 1987. The mortgagor is THOMAS A. CAULFIELD AND KAREN CAULFIELD, HUSBAND AND WIFE

("Borrower"). This Security Instrument is given to MIDLAND FEDERAL SAVINGS AND LOAN ASSOCIATION, which is organized and existing under the laws of United States of America, and whose address is 8929 South Harlem Avenue, Bridgeview, Illinois 60455 ("Lender").

Borrower owes Lender the principal sum of ONE HUNDRED THIRTY FOUR THOUSAND TWO HUNDRED SEVENTY FIVE AND 00/100 Dollars (U.S. \$134,275.00). 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 August 1, 2017. 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:

PARCEL 1: Building 8, Unit 8-1 in Ashbury Country Homes II Condominium as delineated and defined in survey attached to and a part of a Declaration of Condominium ownership recorded as document No. 85131023 and as amended from time to time and supplemented by instrument recorded as Document No. 86513730 together with an undivided percent interest in the common elements appurtenant to said unit, as amended and supplemented from time to time in that part of the Southeast 1/4 of the Southeast 1/4 of Section 29, Township 42 North, Range 10, East of the Third Principal Meridian, all in Cook County, Illinois.
PARCEL 2: Easement for ingress and egress for the benefit of parcel 1 as created by the Declaration of Condominium recorded as document No. 86513730 and 85131022.

The mortgagor also hereby grants to the mortgagee, its successors and assigns, as rights and easements appurtenant to the subject unit described in schedule A, the rights and easements for the benefit of said unit set forth in the declaration of condominium. This mortgage is subject to all rights, easements and covenants, restrictions, and reservations contained in said declaration the same as though the provisions of said declaration were recited and stipulated at length herein. The lien of this mortgage on the common elements shall be automatically released as to percentage of the common elements set forth in amended declarations filed of record in accordance with the declaration of condominium recorded as document #85-131023 and supplemented by instrument recorded as document number 86-513730 and the lien of this mortgage shall automatically attach to additional common elements as such amended declarations are filed of record, in the percentages set forth in such amended declarations, which percentages are hereby conveyed effective on the recording of such amended declarations as though conveyed hereby.

P. I. N. 02-29-402-009
which has the address of 1875 Ashbury Lane Inverness
Illinois 60067 ("Property Address");
(Zip Code) (Street) (City)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rent 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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The instrument was prepared by Paul J. Zogara, Attorney, 8929 S. Hersem, Bridgeview, IL 60555.

Notary Public

(SEAL)

My Commission Expires

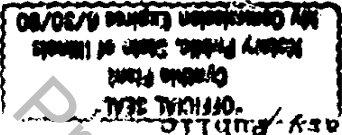
Witness my hand and official seal this 19th day of July, 1987.

(he, she, they)

they, executed said instrument for the purposes and uses therein set forth.

(his, her, their)

have executed same, and acknowledged said instrument to be... Thomas A. Caultield and Karen Caultield, husband and wife, personally appeared before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, personally appeared...



STATE OF ILLINOIS COUNTY OF COOK

(SEAL)

Cynthia A. Plant

WITNESS MY HAND AND SEAL THIS 19th DAY OF JULY, 1987.

I, Cynthia A. Plant, a Notary Public in and for said county and state, do hereby certify that Thomas A. Caultield, individually and as Thomas A. Caultield, attorney-in-fact for Karen Caultield, his wife, pursuant to a power of attorney granted June 26, 1987, personally appeared before me and is known or proved to me to be the person who, being informed of the contents of the foregoing instrument, have executed same, and acknowledged said instrument to be his free and voluntary act and deed and that have the executed said instrument for the purposes and uses therein set forth.

STATE OF ILLINOIS COUNTY OF COOK (SS)

By signing below, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any riders (executed by Borrower and recorded with it.

Karen Caultield by Thomas A. Caultield

Thomas A. Caultield

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

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

23. Riders to this Security Instrument, if one or more riders are executed by Borrower and recorded together with this Security Instrument, supplement the covenants and agreements of each such rider that he 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 box(es)]

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 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 rents collected by Lender or the receiver shall be applied first to payment of the receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Lender shall release this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding.

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 this evidence.

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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 condemnor 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 amortization 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 amortization 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 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 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 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.

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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 be levied on the Property; (b) yearly mortgage insurance premiums; if any; (c) yearly hazard insurance premiums; and (d) yearly leasehold payments or ground rents on the Property, 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 15 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 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 and Fees. Borrower shall pay all taxes, assessments, charges, fees and impositions attributable to the Property which may arise prior to or after the maturity of 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 persons 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 remain in force 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 (as 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 from damage to the Property prior to the acquisition of the Property by Lender, Borrower's right to any insurance proceeds and proceeds resulting from damage to the Property prior to the acquisition of the Property 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 attorney's 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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ARM Additional Terms Rider
 (For Security Instruments - (Sign Last))

6 7 5 2 5

THIS ARM ADDITIONAL TERMS RIDER is made this 1st day of July, 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") and any and all Riders attached thereto of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note to MIDLAND FEDERAL SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date and covering the property described in the Security Instrument and located at: 1875 Ashbury Lane Unit 8-1 Inverness, IL 60067

Property Address

ADDITIONAL COVENANTS

In addition to the covenants and agreements made in the Security Agreement and any and all Riders attached thereto, Borrower and Lender further covenant and agree to the following terms that are appropriately marked as indicated .

THE INDEX

Beginning with the first Change Date, my interest rate will be based on an Index. That "Index" is The United States Treasury Securities adjusted to a constant maturity of one year.
 The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based on comparable information. The Note Holder will give me notice of this change.

CALCULATION OF CHANGES:

Before each Change Date, the Note Holder will calculate my new interest rate by adding two and one quarter (2.25) percentage points to the Current Index. The Note Holder will then round the result of this addition to the nearest .125 of one percentage point. This rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation is my new monthly payment unless I have the option to limit my monthly payment and I choose the amount permitted by Section 5 in the Note.

APPLICATION OF PAYMENTS:

Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 of the Security Instrument attached hereto shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 of the Security Instrument, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

INTEREST RATE LIMITATIONS:

My interest rate cannot be changed by more than 2 percentage points at any Change Date, subject to such limitations listed below for my maximum ("ceiling") and minimum ("floor") interest rates. The ceiling, or maximum interest rate, that can be charged on my loan is either 14.9 %; or if not specified, provides for no set maximum limit. The floor, or the minimum interest rate, that will be charged on my loan is either 8 %; or if not specified, provides for no set minimum rate.

TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER:

If all or any part of the Property or 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.

CONVERSION OPTION TO A FIXED RATE LOAN:

At the end of twelve months, Lender grants to Borrower an option to convert this adjustable rate loan to a loan with a fixed rate and a fixed term. Lender will provide to Borrower the terms and conditions of this conversion option — which the Borrower may either accept or reject — and the length of time before said conversion option expires.

CONVERSION OPTION TERMS AND CONDITIONS

The lender hereby agrees to provide the mortgagor the option to convert this adjustable rate loan to a fixed rate loan on the annual renewal date. If this option is elected by the mortgagor, the lender will require the payment of a loan fee equating to 1% of the then existing loan balance, plus title and recording costs.

BY SIGNING BELOW, Borrower accepts and agrees only to those appropriately marked additional terms and covenants contained in this ARM Additional Terms Rider.

Thomas A. Caulfield (Seal)
 Thomas A. Caulfield, Borrower
Karen Caulfield (Seal)
 Karen Caulfield, by Thomas A. Caulfield,
 her attorney in fact (Seal)
 Borrower

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Property of Cook County Clerk's Office

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 1st day of July, 1987, 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 MIDLAND FEDERAL SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 1875 Ashbury Lane Unit 8-1 Inverness, IL 60067 (Property Address)

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

[Signature of Thomas A. Caulfield] (Seal)
Thomas A. Caulfield Borrower

[Signature of Karen Caulfield] (Seal)
Karen Caulfield by Thomas A. Caulfield, her attorney-in-fact

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