

NATIONAL CAN EMPLOYEES
CREDIT UNION
HOME EQUITY CREDIT AGREEMENT
AND DISCLOSURE STATEMENT

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Borrower(s)	Member Acct. No.	Date
<u>CHARLES ORTEGA</u>	<u>7747</u>	<u>12/6/88</u>
<u>LINDA ORTEGA</u>		
Address: <u>8620 S. Leamington, Burbank, Il. 60459</u>	Note No. <u>7747</u>	S.S. # <u>349-16-0141</u>

THIS IS A CONTRACT - BE SURE TO READ ENTIRE DOCUMENT

This is also a disclosure of both your and our rights and duties under this Agreement and the Federal Truth-In-Lending Act.

This Home Equity Credit Agreement is made possible by a pledge of your home as security. You will have up to 5 years to repay the balance of your account. The interest rate for this account may be adjusted from time to time. Any adjustments will result in increases or decreases in your payment amount. The following information describes this Agreement. Other important information relating to this account will be contained in the Mortgage and in other documents which you will receive relating to this plan.

The word "applicant" in the Agreement refers to the undersigned, who agree individually and together to repay NATIONAL CAN EMPLOYEES CREDIT UNION ("The Credit Union") any credit it may extend as a result of its acceptance of this Application, Note and Agreement. The Credit Union is authorized to complete the application or this Agreement with any information in its possession and to note on the application the maximum credit approved and the date of its acceptance of the application.

In this Agreement the words you, your and yours mean the undersigned Credit Applicant or Applicants. The words we, us and the Credit Union mean the NATIONAL CAN EMPLOYEES CREDIT UNION.

TRUTH-IN-LENDING AND OTHER DISCLOSURES

Finance Charge. A Finance Charge is imposed on your loan from the date that it is made until it is paid in full. The Finance Charge is computed each month by multiplying the applicable Average Daily Balance by the relevant Daily Periodic Rate and by multiplying that product by the days in the billing period.

Annual Percentage Rate and Daily Periodic Rate. The "Margin" is added to the Prime Rate to Determine the applicable Daily Periodic and the Annual Percentage Rate as shown in the following example. For the purpose of this illustration Prime is assumed to be 10.5 %.

Your Annual Percentage Rate is Prime plus a Margin of 2.5%.

Your Daily Periodic Rate is Annual Percentage Rate divided by Days in a year (360), .00036 %.

Average Daily Balance. To determine the Average Daily Balance we take the beginning balance in your account each day, add any new loans and subtract any principal payments or credits, if any, and unpaid Finance Charges. At the end of the billing period we add up all the daily balances and divide the sum by the days in the billing period, this gives us the average daily balance.

Maximum Annual Percentage Rate. Regardless of any increase in the Prime Rate or the Margin, the Annual Percentage Rate for this Agreement will not exceed 18%.

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Prime Rate. Prime Rate means the highest Prime Rates as reported in the Key Money Rate section of the Wall Street Journal on the last business day of the month immediately preceding the Billing Period in which it is to be applied.

Margin. Margin is the amount of percentage points to be added to the Prime Rate to determine the Annual Percentage Rate and the Daily Periodic Rate, the Margin is 2.5%.

Annual Percentage Rate. The Annual Percentage Rate is determined by taking the Prime Rate in effect on the last business day of the calendar month before the beginning of the Billing Period and adding it to the Margin.

The Annual Percentage Rate may also vary each month with changes in the Prime Rate, however, there is a limitation on the increase in the amount of the Annual Percentage Rate changing, the Annual Percentage Rate may not exceed 18% under this Agreement. The Amount of the Margin, however, as is indicated above, will not change unless you are provided with a written notice of a change in terms in compliance with applicable law. The effect of an increase in the Annual Percentage Rate will be that your scheduled monthly minimum payment of the Finance Charge will also increase.

Minimum Monthly Payment. You must make a minimum monthly payment sufficient to pay off the entire principal balance due, together with interest in substantially equal monthly payments over a five year period from the date of this Agreement. The Credit Union will calculate the proper amount and send you notice of the minimum amount due each month on your monthly statement. Minimum monthly payments do not decrease as your loan account under this plan is paid off. Even if you make early or extra payments, you must still make the minimum monthly payment each month until your account is paid down to zero.

Payments are due on the 30th day of each month unless a different date is set by the Credit Union and you are notified in advance.

Security Agreement. You are giving the Credit Union a security interest in your principal residence commonly known as 8620 S. Leamington, Burbank, IL. 60459 as collateral for all amounts owing under this Agreement.

Maximum Annual Percentage Rate. The maximum Annual Percentage Rate that can be charged under this Agreement, regardless of increases in the Prime Rate or the Margin is 18%.

PROPERTY DESCRIPTION

The North 1/2 of the South 3/4 of the North 1/2 of lot 85 (except the West 160 ft thereof and except the East 33 ft thereof) in Frederick H. Bartlett Acre Fields, being a subdivision of the S. 20 acres of the East 1/2 of the North East 1/4 of Sec. 33 Township 35 N Range 13 East of the Third Principal Meridian, in Cook County, Ill.
ADDRESS 8620 S. LEAMINGTON, BURBANK
PTL # 19-33-404-046

HOME EQUITY CREDIT AGREEMENT

This is a credit agreement secured by the equity in your home. Your loan may not exceed 70% of the current value of your home less the balance of any prior existing mortgage or lien

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TERMS AND CONDITIONS 3 8 5 7 4 0 3 3

1. Promise to Pay. You promise to pay to the Credit Union all amounts borrowed under this Plan by any person whose signature appears in this Agreement, plus the FINANCE CHARGES (interest) calculated at the daily rate(s) of the ANNUAL PERCENTAGE RATE shown above, together with all other late charges, collection costs or other amounts due. Each of you are jointly and severally liable for full payment of these amounts.

2. Maximum Credit Limit. Your Maximum Credit Limit under this Line of Credit Plan is \$ 19,418.28. You agree not to cause or allow your total unpaid balance to exceed this amount unless you are told by the Credit Union in writing that your Maximum Credit Limit has been increased. If you request an Advance that exceeds your Limit, the Credit Union has no obligation to honor your request and may refuse it and declare an event of default of this Agreement, as its option. If the Credit Union decided to honor the request, but not increase your Maximum Credit Limit, you agree to pay the excess, plus interest, immediately at the option of the Credit Union. Any such excess shall accrue interest as provided in this Agreement.

3. Payment. You agree to pay back the money you borrow, plus the FINANCE CHARGE, in at least monthly payments. The minimum payment due each month is indicated below. You may pay off your entire balance at any time without penalty. In any event, the entire balance of principal and interest (and any other applicable charges) due hereunder shall be payable in full no later than the date indicated in Paragraph 15 below.

When a loan or advance is made on an account having a zero balance, the first payment shall be due on the 30th day of the month following the first advance; and any increases in the minimum payment due to additional loans or Advances will become effective on the day of the month following the additional advance. Provided, the Credit Union may establish a different due date at the time of an advance or by giving you other proper notice.

If your account has a current balance or a FINANCE CHARGE has been imposed, we will send you a billing statement setting forth the interest rates, the previous balance that you owe from the last billing period, new Advances that are posted to your account, the FINANCE CHARGE, late charges, and all payments, debits and credits through the billing date. It will also show the balance of your account, the minimum payment due and the payment due date.

You may make payments larger than the minimum required if you want, or prepay the entire amount. There is no penalty or charge for paying off the loan early. However, payments larger than the minimum amount due will not be credited to the next monthly payment. You must still make at least the minimum payment due each month until the loan is paid in full.

4. Minimum Payment Amount: We will send you a monthly statement setting forth the current balance due and the minimum amount you must pay. You must make a minimum monthly payment, as calculated above, of the outstanding principal balance after each advance, but not less than \$30.00 per month. You agree to continue to make these payments until all the principal, FINANCE CHARGES, late charges and any other applicable charges have been paid.

5. Allocation of Payments. All payments shall be applied first to interest, then to insurance, if any, then to principal. But if the payment is late and a charge is imposed or other charges are duly imposed, that payment shall be allocated first to the charges, second to interest, then insurance, if any, and then to principal. However, no late charge will be imposed or collected if a full, timely payment has been made and the only delinquency is attributable to a late charge(s) on an earlier payment(s). A late charge may be imposed, at the Credit Union's option, as indicated above.

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6. Residence as Security. To secure payment of this Note and all present and future liabilities to the Credit Union under it, you agree to give the Credit Union secured interest in your principal residence (or it may be a second residence or property, if allowed by the Credit Union). You agree to complete and execute a Mortgage or other security agreement in favor of the Credit Union. This means that if you are in default under this Agreement, the Credit Union may foreclose on the Mortgage and your principal residence (or other applicable property) to pay any amount due under this Agreement without notice (except for amounts over your credit limit).

You agree to give us prior written notice of any intended sale or other transfer, whether as security or otherwise, of the residence which is collateral for the Advances under this Plan. Further, you agree that this Agreement and loan cannot be assumed by any other party, nor can title to the mortgaged property be taken subject to this Agreement. You agree that you will not sell, transfer or assign the said residence or the underlying mortgage without our prior express written consent. And, if such transfer, assignment or assumption is attempted without our prior express written consent, it shall be an event of default under this Agreement and we shall have the right to foreclose on your residence pursuant to the underlying mortgage.

You further agree that even if your loan account under this Plan is reduced to zero from time to time, that the Mortgage securing this Agreement shall remain in full force and effect for the entire term of this Agreement and until all of your obligations are fully satisfied.

You also agree to name and keep the Credit Union as a co-insured, to the extent of its interests, on a policy of property insurance on the residence secured hereby. You may purchase this required property insurance from an insurer of your choice which is acceptable to the Credit Union.

7. Insurance. Property insurance is required to be maintained on the real estate as provided in the mortgage. This insurance may be obtained from any insurance company acceptable to us.

8. Review. The Credit Union reserves the right, at any reasonable time, to request an update of your personal financial information for our review. The Credit Union also reserves the right to have appraisals of the property which is collateral under this Agreement performed in the future. At our option, we may review tax statements or the like, or we may have a more complete independent appraisal performed on the property. You agree that we may charge your loan account for the cost of such review or appraisal. Further, you agree to provide any such personal financial statements, tax statements or other documentation, and to cooperate and assist in the performance of an appraisal at any reasonable time, which may be necessary or advisable at our discretion.

9. Events of Default. The following events of default if any of them occur for any reason whatsoever: (a) If you fail to make a timely payment of interest or principal on this Note, or fail to perform any obligation under this Note; (b) if any representation or warranty or other statement of fact, in writing or otherwise, furnished to the Credit Union in connection with this loan, or otherwise, shall be false or misleading in any material respect; (c) if an Advance is requested or made which results in you exceeding your credit limit; (d) if you admit in writing your inability to pay your debts generally as they become due, file a petition in bankruptcy or under any other state or Federal insolvency act, or if such a petition is filed against you and is not stayed; (e) you make an assignment for the benefit of creditors or commence similar proceedings; (f) if you are in default under the terms of the Mortgage or under any other security agreement securing this loan; (g) if you are in default under the terms of any other Mortgage or security interest on your residence which has priority over the Mortgage to the Credit Union; or (h) if after a review of your financial information, appraisal or other documentation under Section 8 above, or otherwise, the Credit Union has reasonable cause to feel insecure or any part of any collateral therefore unsafe, insecure, or insufficient and you shall not on demand furnish other collateral or make payment on account satisfactory to the Credit Union.

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10. Notice of Default. If an event of default (as defined in Section 9 above) occurs, we shall give you written notice of a Default of this Agreement. Upon such notice to you, a Default of this Agreement shall exist. Such notice shall be effective when mailed by us to your last known address in our records.

11. Remedies. Upon the notice of Default (under Section 10 above), the Credit Union may, at its option, suspend your access to Advances under this Agreement or we may terminate this Agreement. If we suspend your access to Advances under this plan and you later cure the Default (before we terminate the Agreement), we and you shall once again have the obligations and duties of this plan.

If we choose to terminate this Agreement, we shall give you notice in writing and shall be under no further obligation to you. However, your obligations shall survive such termination. And, if we terminate this Agreement, we may declare this Note to be due and payable in full and the unpaid balance of principal and accrued interest shall be accelerated and become due and payable immediately without presentment, demand, protest, or notice of any kind, all of which are hereby expressly waived, anything contained herein to the contrary notwithstanding. In such event, the Credit Union shall have the rights and remedies due to it under the Uniform Commercial Code and it may exercise any right it may have under the Mortgage or any other security agreement securing this loan.

12. Collection Costs. If any amount payable under this Agreement is not paid when due and the account is sent to an attorney for collection, you agree to pay reasonable attorney's fees, costs and the expenses of any legal action, in addition to the amount of principal, finance charges and other amounts you owe to the Credit Union.

13. Maturity Date. No further Advances will be made under this Agreement after December 6, 1988, and the remaining balance plus interest and other charges must be paid by December 5, 1993. The Credit Union may cancel this Agreement if you are in Default of any of the terms or obligations of the plan. You may cancel this Agreement by mailing a written notice to the Credit Union. In any event, you will remain liable to repay your outstanding loan balance, with interest, and any other charges.

14. Change in Financial Condition. You will immediately notify the Credit Union in writing of any adverse change in your financial condition, any change in your residence address, or any change in employment. The Credit Union has permission to obtain, and you will, at any time requested, furnish the Credit Union with your financial statement which shall be reasonably current and in a form satisfactory to the Credit Union.

15. Joint Accounts. If your account is a joint account, each of you will be jointly and severally liable for the amounts owing under this Agreement.

16. Other Terms. This Agreement shall be applicable to your Line of Credit account as it may from time to time be identified. The Credit Union may amend this Agreement at any time in accordance with applicable laws and regulations. The amendment may affect outstanding balances. The failure of the Credit Union to strictly enforce this Agreement shall not be deemed a waiver of any of the terms and provisions thereof.

17. Duty to Examine Periodic Statement. You agree to examine each periodic statement immediately upon receipt and promptly report any inaccuracies and charges, credits, or computations to the Credit Union in writing. Upon your failure to do so with respect to any such statement within 60 days after the statement closing date, the statement shall be deemed to be accurate. Nothing herein shall limit your duty to examine statements and items with regard to the Line of Credit account referred to herein.

18. Controlling Laws. This Agreement is controlled by applicable laws of the state where the subject real property is located and Federal laws and regulations.

19. Completing Documents. You authorize the Credit Union to complete this Agreement, Note, and/or Mortgage or security agreement in any necessary respect if it is executed while incomplete.

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20. Waiver. You and all endorsers, sureties, and guarantors hereof, hereby jointly and severally waive presentment, demand for payment, notice of dishonor, notice of protest, and protest, and all other notices or demands in connection with the delivery, acceptance, performance, default, endorsement, or guarantee of this instrument. No delay or failure by the Credit Union to exercise any rights or powers under this Note or the underlying Mortgage shall operate as a (full or partial) waiver thereof and such delay or failure shall not subject the Credit Union to any liability; and all such rights and powers shall be continuous and exercisable at the Credit Union's option.

21. Amendments. The Credit Union reserves the right to amend or make changes to this Agreement, provided that our obligation to make Advances under this plan shall not be released unless you are in Default as provided above. Since this Agreement may last for a long period of time and economic conditions or the law may change, we may make changes in the interest rate, how the interest rate is determined, how the minimum monthly payment is determined, the terms and provisions of this Agreement, or any other changes we feel may be necessary. Any such changes will apply to any Advances you receive after the date of the change. Changes may also affect the entire principal amount you owe (including amounts you already owe) if you take another Advance after such a change has been made. If any provision of this Agreement or the underlying documents, or any amendment thereof, or the application of it shall, to any extent, be held invalid or unenforceable, the remainder of this Agreement or the affected underlying documents shall not be affected thereby and shall be valid and enforceable to the full extent of the law.

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22. Notices. If the law requires an advance notice of a change, or if any other notice is required under this Agreement, we will mail the notice to the last known address we have for you in our records. If the notice is to make any change in this Agreement, the change shall be effective fifteen (15) days after the mailing of the notice. If the notice is pursuant to Section 10 above, the notice is effective upon our mailing it to you.

23. Other Charges. You agree to pay the following charges in addition to the Finance Charge. (a) Charges incurred in connection with taking a security interest in residential real estate, including without limitation: title examination, title insurance, recording fees, appraisal fees, closing costs as itemized on the Fact Sheet accompanying the application; (b) a non-refundable application fee as shown in the Fact Sheet.

The provisions of this Home Equity Line of Credit Account Agreement and Disclosure Statement and the accompanying application have been read and agreed to by each person prior to signing this Agreement and the application. You acknowledge that you have received a copy of this Agreement for your records.

Member's Signature _____ Date _____

Charles Cortez
Member's Signature _____ Date _____

Approved: () Yes () No

Authorized Signature _____ Date _____

X *Linda Cortez* 12/1/88
Co-Maker or Guarantor _____ Date _____

DEPT-01 \$16.25
Only Providing Collateral 12/07/88 09:35:00
143335
: #1818 * C * 88-564088
: COOK COUNTY RECORDER



MAIL TO:

JOHN R. RUDDY
ATTORNEY AT LAW
53 WEST JACKSON BOULEVARD SUITE 630
CHICAGO, ILLINOIS 60604

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16.25

THIS MORTGAGE is made this 6th day of December 19 88, between Charles Ortega and Linda Ortgea, his wife AS Mortgagor(s) and NATIONAL CAN EMPLOYEES CREDIT UNION, 1101 W. 43rd St., Chicago, Illinois as Mortgagee. As used in this document the words "you" and "your" refer to the persons signing this instrument and the word "Lender" refers to NATIONAL CAN EMPLOYEES CREDIT UNION and its successors and assigns.

Indebtedness being secured. You are signing this Mortgage to secure to Lender (i) repayment of amount outstanding under a certain variable rate Home Equity Credit Agreement (the "Agreement") dated the same date as this Mortgage in the amount of \$ 19,418.28, or so much thereof as may be outstanding from time to time under the Agreement plus interest (Finance Charges), fee charges and other amounts owing under the Agreement providing for all sums owing to Lender hereunder and under the Agreement if not paid earlier, either voluntarily or required to be paid on December 5, 19 93 ("Maturity Date") and renewals, extensions or modifications of the Agreement, (ii) any amounts advanced to protect the security of this Mortgage, (iii) the performance of the parties signing the Agreement and (iv) your performance of covenants and agreements contained in the Mortgage. No further principal advances will be made pursuant to the agreement after December 6, 19 88. The Agreement sets forth terms under which the rate (Annual Percentage Rate) at which the Finance Charge is computed may change over the term of the Agreement. The Annual Percentage Rate may increase or decrease each day depending on the daily balance in the account. The Annual Percentage Rate may also vary each year if the Prime Rate used to determine the Annual Percentage Rate changes. The Prime Rate shall mean the highest of the Prime rates as reported in the Key Money Section of the Wall Street Journal on the last business day of the month before the billing period in which it is to be applied. The effect of an increase in the Annual Percentage Rate will be an increase in the monthly Finance Charge.

Security. You hereby mortgage and warrant to Lender the following described real estate located in the County of Cook, State of Illinois subject only to prior encumbrances, restrictions of record and to the lien of this mortgage: (legal description)

The North 1/2 of the South 3/5 of the North 1/2 of Lot 85 (except the West 160 feet thereof and except the East 33 feet thereof) in Frederick H. Bartlett's Aero Fields, being a Subdivision of the South 20 acres of the East 1/2 of the North East 1/4 of Section 33, Township 38 North, Range 13 east of the Third Principal Meridian, in Cook County, Illinois.

Permanent Tax Index # 19-33-404-068-0000 Vol. 192
Property Address: 8620 S. Leanington, Burbank, IL 60429

The property described above together with all interests described below relating to this real estate is referred to in this Mortgage as the "Property".

You also mortgage to Lender the following interest relating to the Property: (i) all buildings and other structures and improvements of whatever kind located on the Property, (ii) all rights that you have in any alleys or roads next to adjoining the Property, (iii) all rights that you have in any minerals, oil and gas rights and profits, water, water rights and water stock which are in or on part of the Property, (iv) all rents, issues, royalties or profits from the Property including condemnation proceeds and proceeds of insurance relating to the Property, (v) all fixtures now existing or hereafter acquired on the Property, including, but not limited to, replacements.

Representations and Warranties. You represent and warrant to Lender that it may hold the Property free from all prior claims, (ii) you own the property free from any outstanding charges, other than those shown on your application, (iii) you have the right to mortgage Property to Lender.

You agree to defend Property against claims of persons that they have rights in Property and to indemnify and hold Lender harmless from any loss arising from a breach of the above warranties and representations. You agree not take or permit any action to change the condition of the title.

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Promises and Agreements. You agree with lender as follows:

1. **Payment of Principal and Interest.** You shall promptly pay or cause to be paid, as and when required by the Agreement, the principal and interest due under the Agreement together with all other charges imposed under the Agreement.

2. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Agreement and this Mortgage shall be applied by Lender first to payments required from you to Lender under the Mortgage, then to any sums advanced by Lender to protect the security of this Mortgage, then to interest payable on the Agreement, then to other charges payable under the Agreement and then to the principal payable under the Agreement.

3. **Prior Encumbrances; Liens.** You shall perform all of your obligations under any mortgage, deed of trust or other security agreement (collectively "Prior Encumbrances") with a lien which has priority over this Mortgage, including your covenants to make payments when due. Any act or omission of yours which, with the giving of notice or the passage of time, would constitute a default or event of default under any Prior Encumbrance, or under any ground lease to which this Mortgage is subordinate, shall be a default under this Mortgage. You shall promptly deliver to Lender all notices you receive of any defaults or events of default under any Prior Encumbrance or ground lease.

You shall keep the Property free from mechanics' or other liens not expressly subordinated to the lien hereof.

4. **Taxes and Assessments; Rents.** You shall pay or cause to be paid when due all general and special taxes and assessments and water, sewer and other charges, fines and impositions attributable to the Property which may attain priority over this Mortgage and household payments or ground rents, if any, and all other sums due under any said ground lease. You shall provide evidence satisfactory to Lender of said payments promptly after the respective due dates thereof. You shall pay in full, under protest in the manner provided by Statute, any tax or assessment you desire to contest.

5. **Hazard Insurance.** You shall keep all buildings and improvements now existing or hereafter situated on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require (including but not limited to insurance against flood damage) in amounts sufficient to pay either the cost of replacing the Property in full or to pay in full the indebtedness secured hereby, together with the amount of indebtedness secured by any Prior Encumbrances.

The insurance carriers providing said insurance shall be selected by you, subject to Lender's approval, which shall not be unreasonably withheld. All policies and renewals thereof shall be in form acceptable to Lender shall include a standard mortgagee clause with loss payable to and in form otherwise acceptable to Lender, and further shall provide for thirty (30) days written notice to Lender prior to cancellation or material change in coverage. Subject to the terms of any Prior Encumbrance, Lender shall have the right to hold the policies and renewals thereof, which policies and renewals (stamped "Paid") shall be delivered to lender no later than ten (10) banking days before expiration of any said policies. You shall give prompt notice of any loss or damage to the insurance carrier(s) and to Lender. Lender may make proof of loss if not made promptly by you.

If the Property is abandoned by you, or if you fail to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds, all Lender's sole option and discretion, either to restoration or repair of the Property or to the sums secured by this Mortgage. You hereby direct any insurance companies to pay directly to Lender, as its interest may appear, any proceeds in the event of any loss or damage.

6. **Use, Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** You shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. You shall promptly restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or destroyed. You shall comply with all requirements of law or municipal ordinances with respect to the use, operation, and maintenance of the Property, and shall make no material alterations in said Property except as required by law or municipal ordinance, or otherwise without the prior written consent of Lender. If this Mortgage is on a unit in a condominium or a planned unit development, you shall perform all of your obligations under the declaration of covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned development, and constituent documents. If this Mortgage is on a leasehold, you shall perform or cause to be performed all obligations of lessee under said lease.

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7. Protection of Lender's Security. If you fail to perform any of the covenants and agreements contained in this Mortgage, or if any action or proceeding is threatened or commenced which materially affects Lender's interest in the Property, then Lender, at Lender's option, upon notice to you, may make such appearances, disburse such sums, including reasonable attorneys' fees, and take such action as is necessary to protect Lender's interest, including but not limited to making repairs, full or partial payment or discharge of Prior Encumbrances, payment, setting, or discharge of tax liens, payment of ground rents (if any), and procurement of insurance. Lender, in making said authorized payments of taxes and assessments, may do so in accordance with any bill, statement, or estimate procured from the appropriate public office without inquiry into the accuracy of same or into the validity of any tax, assessment, sale forfeiture, tax lien or title or claim thereof.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon at the rate then applicable under the Agreement shall become additional indebtedness secured by this Mortgage. Unless you and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to you requesting payment thereof. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder, and inaction by Lender shall never be considered a waiver of any right accruing to Lender on account of any provision in this Paragraph 7.

If Lender required private mortgage insurance as a condition of making the loan secured by this Mortgage, you shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with your and Lender's written agreement or applicable law.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give you notice prior to any such inspections.

9. Condemnation. Subject to the terms of any Prior Encumbrance, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Lender is authorized to collect the proceeds and, at Lender's sole option and discretion, to apply said proceeds either to restoration or repair of the Property or to the sums secured by this Mortgage.

10. Continuation of our Obligation; Forbearance by Lender Not a Waiver; Remedies Cumulative. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to you or any of your successors in interest shall not operate to release, in any manner, your liability. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by you or your successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. Any acts performed by Lender to protect the security of this Mortgage, as authorized by Paragraph 7 hereof, including but not limited to the procurement of insurance, the payment of taxes or other liens, rents or charges, or the making of repairs, shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity and may be exercised concurrently, independently or successively.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. Subject to the provisions of Paragraph 16 hereof, the covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and you. All covenants and agreements of yours shall be joint and several. Each of you who co-signs this Mortgage, but does not execute the Agreement: (a) is co-signing this Mortgage only to mortgage and warrant that your interest in the Property to Lender under the terms of this Mortgage and to release homestead rights; (b) is not personally liable on the Agreement or under this Mortgage; and (c) agrees that Lender and any other Mortgagor hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Agreement without your consent and without releasing that Mortgagor or modifying this Mortgage as to that Mortgagor's interest in the Property.

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12. Except for any notice required under applicable law to be given in another manner, any notices required or given under this Mortgage shall be served by hand delivery or by certified mail, return receipt requested. Notices shall be served upon you at the Property Address and upon Lender at Lender's address stated herein. Notices shall be deemed to have been served and effective on the date of delivery, if hand-delivered, or 3 days after the date of mailing shown on the certified receipt, if mailed. Any party hereto may change the address to which notices are sent by notice as provided herein.

13. **Governing Law; Severability.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Agreement which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Agreement are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

14. **Your copy.** You shall be furnished a confirmed copy of the Agreement and of this Mortgage at the time of execution or after recordation hereof.

15. **Rehabilitation Loan Agreement.** You shall fulfill all of your obligations under any note rehabilitation, improvement, repair, or other loan agreement which you enter into with Lender. Lender, at Lender's option, may require you to execute and deliver to Lender, in form acceptable to Lender, an assignment of any rights, claims or defenses which you may have against parties who supply labor, materials or services in connection with improvements made to the Property.

16. **Transfer of the Property or of a Beneficial Interest in Mortgagor.** It shall be an immediate default hereunder if, without the prior written consent of Lender, which consent shall be granted or withheld at Lender's sole discretion, you shall create, effect or consent to or shall suffer or permit any conveyance sale (including installment sale), assignment, transfer, lien, pledge, mortgage, security interest, or other encumbrance or alienation (collectively "Transfer") of the Property or any part thereof or interest therein (or if all or a portion of the beneficial interest of Mortgagor is Transferred, where Mortgagor is not a natural person). In the event of such default, Lender may declare the entire unpaid balance, including interest, immediately due and payable, provided, however, the foregoing provisions of this Paragraph 16 shall not apply to the lien of current taxes and assessments not yet due and payable. This option shall not be exercised by Lender if exercise is prohibited by Federal law as of the date of this Mortgage.

If Lender exercises this option, Lender shall give you notice of acceleration. The notice shall provide a period of not less than 30 days from the date of service of the notice (as defined in Paragraph 12 hereof) within which you must pay or cause to be paid all sums secured by this Mortgage. If you fail to pay or cause to be paid said sums prior to the expiration of said 30-day period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on you.

17. **Remedies; Entire Agreement Due.** In the event of a default under the Agreement or your default under the Mortgage, Lender may at its option upon expiration of any relevant cure period, declare the entire amount secured by this Mortgage immediately due and payable without further demand and may commence judicial proceedings to foreclose this Mortgage. Lender may also exercise all remedies available under the Agreement including, without limitation, termination of future credit privileges. Lender shall be entitled to collect in the event of foreclosure, all expenses of foreclosure, including, without limitation, reasonable attorney's fees, costs of documentary evidence, abstracts and title reports all of which shall become additional indebtedness by this Mortgage.

18. **Revolving Loan.** This Mortgage secures all Loans made and indebtedness outstanding under the Agreement from time to time (whether such Loans or indebtedness represent obligatory or discretionary advances) within 20 years from the date of this Mortgage. The Loans outstanding shall be secured to the same extent as if each was made on the date of this Mortgage, and the fact that there is no outstanding indebtedness under this Agreement shall not affect the priority of the lien of this Mortgage as it exists on the date of the Mortgage. This Mortgage shall be prior to all subsequent liens and encumbrances (except for tax liens and assignments levied on the property) even if there is no indebtedness owing under the Agreement, to the extent of the Credit Limit shown in the Agreement and on the reverse side hereof, plus all other amounts owing under the Agreement and/or secured by or which may be secured by this Mortgage.

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