

THIS MORTGAGE CONTAINS A PROVISION FOR MORTGAGE FORGIVENESS

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
SINGLE FAMILY MORTGAGE PURCHASE PROGRAM II  
1987 SERIES B  
MORTGAGE**

Loan # 256501-3

15<sup>00</sup>

This instrument was prepared by:  
ANITA NEJDITCH  
*(Signature)*  
NAPERVILLE, ILLINOIS 60540  
(Address)

7-74-169c

THIS MORTGAGE is made this 29th day of July 1988  
between the Mortgagor, DEAN SALERNO, SINGLE/NEVER MARRIED

(herein "Borrower"), and the Mortgagee, THE TALMAN HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF ILLINOIS  
an association organized and existing under the laws of THE UNITED STATES OF AMERICA, whose address is 4242 NORTH HARLEM AVENUE NORRIDGE, ILLINOIS 60634 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of One hundred twenty-eight thousand and NO/100 Dollars, which indebtedness is evidenced by Borrower's note dated July 29th, 1988 (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on August 1st, 2016

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances"), Borrower does hereby mortgage, warrant, grant and convey to Lender the following described property located in the County of COOK, State of Illinois:

UNIT NO. 1634C IN ST. JAMES CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:  
CERTAIN LOTS IN ST. JAMES RESUBDIVISION OF PART OF THE SOUTH WEST 1/4 OF SECTION 31, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 29, 1987 AS DOCUMENT 87677622 AND RE-RECORDED JULY 13, 1988 AS DOCUMENT 88308488, IN COOK COUNTY, ILLINOIS; WHICH SURVEY IS ATTACHED AS EXHIBIT "B" TO DECLARATION OF CONDOMINIUM MADE BY HARRIS BANK HINSDALE AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 2, 1987 AND KNOWN AS TRUST NUMBER L-1555 RECORDED JULY 14, 1988 AS DOCUMENT 88310214, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS APPURTENANT TO SAID UNIT AS SET FORTH IN SAID DECLARATION AS AMENDED FROM TIME TO TIME.

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PIN # 03-31-301-042-0000

which has the address of 1634 ORCHARD PLACE, UNIT 3-4C ARLINGTON HEIGHTS

ILLINOIS 60005 (herein "Property Address");  
(State and Zip Code)

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

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NOTICE TO BORROWER: THE PROVISIONS OF THIS ADDENDUM SUBSTANTIALLY MODIFY THE TERMS OF THE LOAN, DO NOT SIGN THE NOTE OR THIS MORTGAGE UNLESS YOU READ AND UNDERSTAND THESE PROVISIONS.

BORROWER UNDERSTANDS THAT ANY PRINCIPAL OF AND INTEREST ON THE INDENTEDNESS EVIDENCED BY THE NOTE, WHICH REMAINS UNPAID AT THE TIME ALL OF THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY RESIDENTIAL MORTGAGE REVENUE BONDS, 1987 SERIES B (THE "BONDS"), ARE RETIRED AND THE AUTHORITY RECEIVES REIMBURSEMENT FOR ANY AND ALL MONIES PAID FROM ITS ADMINISTRATIVE FUNDS TO PAY DEBT SERVICE ON THE BONDS, SHALL BE FORGIVEN. BORROWER UNDERSTANDS THAT SUCH FORGIVENESS SHALL APPLY ONLY TO THE REMAINING PRINCIPAL AND INTEREST AND SHALL NOT APPLY TO ANY OTHER AMOUNTS DUE UNDER THE NOTE OR MORTGAGE, INCLUDING, BUT NOT LIMITED TO (A) ANY PREPAYMENT OR LATE CHARGE DUE UNDER THE NOTE; (B) ANY AMOUNTS DISBURSED BY LENDER TO PROTECT LENDER'S INTEREST IN THE PROPERTY, AND ACCRUED INTEREST THEREON, AS PROVIDED IN PARAGRAPH 7 OF THE MORTGAGE; AND ALL EXPENSES OF FORECLOSURE, AS PROVIDED IN PARAGRAPH 18 OF THE MORTGAGE.

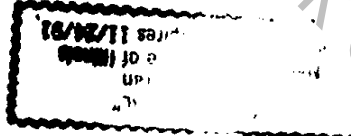
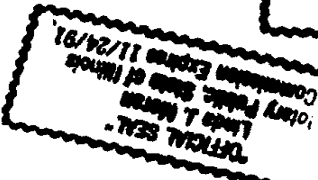
The Borrower understands that the agreements and statements of fact contained in the Affidavit of Buyer are necessary conditions for the granting of the loan. The statement contained in said Affidavit to be untrue. The Borrower agrees that the Lender or the Illinois Housing Development Authority (IHDA) or (iii) if the Lender or the IHDA fails to abide by the agreements contained in the Buyer's Affidavit; or (iv) if the Lender or the IHDA fails to comply with the provisions of the Mortgage and Note; or (v) if the Lender or the IHDA fails to provide the other remedy allowed by law for breach of the Mortgage and Note; (ii) the Borrower shall, in the event of any conflict between the provisions of this Addendum, in the Mortgage or the Note, the provisions of this Addendum shall control. The Borrower agrees that the Lender or its assigns may, at any time without prior notice, accelerate all payments due under the Mortgage and Note. The Borrower shall, in the event of any conflict between the provisions of this Addendum, in the Mortgage or the Note, the provisions of this Addendum shall control. The rights and obligations of the parties to this Mortgage and the Note which is secured by the Mortgage are expressly made subject to the provisions of the ADDENDUM. The rights and obligations of the parties to this Mortgage and the Note shall be governed by the provisions of the Mortgage and Note, in the event of any conflict between the provisions of this Addendum, in the Mortgage or the Note, the provisions of this Addendum shall control.

COOK COUNTY, ILLINOIS  
FILED FOR RECORD

1988 AUG -3 AM 11: 80

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RECORD AND RETURN TO:  
THE TALMAN HOME FEDERAL SAVINGS  
AND LOAN ASSOCIATION OF ILLINOIS  
BOX 130, 1245 E. DIETL ROAD  
NAPEEKVILLE, ILLINOIS 60540

*Linda A. Morris*  
Notary Public

This Document Prepared By: ANITA NEIDITICH

My Commission expires:

Given under my hand and official seal, this 29th day of July, 1988

he \_\_\_\_\_ to act and delivered the said instrument as HIS free and voluntary

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that \_\_\_\_\_, personally known to me to be the same person(s) whose name(s) is

do hereby certify that DEAN SALERNO, SINGLE/NEVER MARRIED

STATE OF ILLINOIS, \_\_\_\_\_, a Notary Public in and for said county and state, County as: \_\_\_\_\_

DEAN SALERNO, SINGLE/NEVER MARRIED

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

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8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection, except in the case of a default under the Property.

Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection, except in the case of a default under the Property. Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof. Borrowers and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof. Borrowers and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof. Borrowers and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

9. Preservation and Maintenance of Property; Leaseshold; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is excluded by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

10. 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 each other hazards as Lender may require and in such amounts and for such periods as Lender may require, provided that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, where due, directly to the insurance carrier.

11. Charges; Lends. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may accrue or become payable over this Mortgage, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the party to whom payable. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage, provided that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall, in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which may be necessary to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

12. 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 installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may accrue or become payable over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. 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 said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, and shall not be liable for any loss of or damage to the Funds. Lender shall charge for so holding and applying the Funds, and shall not be liable for any loss of or damage to the Funds. Lender shall charge for so holding and applying the Funds, and shall not be liable for any loss of or damage to the Funds.

13. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amount payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any future Advances. 4. Charges; Lends. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may accrue or become payable over this Mortgage, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the party to whom payable. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage, provided that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall, in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which may be necessary to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

14. 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 each other hazards as Lender may require and in such amounts and for such periods as Lender may require, provided that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage. The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, where due, directly to the insurance carrier.

15. 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 installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may accrue or become payable over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. 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 said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, and shall not be liable for any loss of or damage to the Funds. Lender shall charge for so holding and applying the Funds, and shall not be liable for any loss of or damage to the Funds.

16. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and the interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any future Advances secured by this Mortgage.

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# UNOFFICIAL COPY

**9. Condemnation.** 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. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds 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 such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

**10. Borrower Not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. 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 the original Borrower and Borrower's successors in interest.

**11. Forbearance by Lender Not a Waiver.** 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. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

**12. Remedies Cumulative.** 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.

**13. Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, and any entity designated by Lender, its successors or assigns to service this Mortgage, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

**14. Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

**15. Uniform Mortgage; Governing Law; Severability.** This form of mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

**16. Borrower's Copy.** Borrower shall be furnished a conforming copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

**17. Transfer of the Property.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all sums secured by this Mortgage to be immediately due and payable.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 thereof.

**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**18. Acceleration; Remedies.** Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to institute 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 breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose the Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

**19. Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

**20. Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof 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. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

**21. Future Advances.** At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note.

**22. Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

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

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# UNOFFICIAL COPY

Form MP-8  
Revised 6/88

## ILLINOIS HOUSING DEVELOPMENT AUTHORITY SINGLE FAMILY MORTGAGE PURCHASE PROGRAM II 1987 SERIES B

Loan # 256501-3

### CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 29th day of July, 19 88, and is incorporated into and shall be deemed to amend and supplement a Mortgage ("Security Instrument") dated of even date herewith, given by the undersigned ("Borrower") to secure Borrower's Note to THE TALMAN HOME FEDERAL SAVINGS AND LOAN ASSOCIATION OF ILLINOIS ("Lender") and covering the Property described in the Security Instrument and located at 1634 ORCHARD PLACE, UNIT 3-4C, ARLINGTON HEIGHTS, ILLINOIS 60005. Property comprises a unit in, together with an undivided interest in the common elements of, a condominium project known as ST. JAMES CONDOMINIUM ("Condominium Project").

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

A. Assessments. Borrower shall promptly pay, when due, all assessments imposed by the Owners Association or other governing body of the Condominium Project ("Owners Association") pursuant to the provisions of the declaration, by-laws, code of regulations or other constituent document of the Condominium Project.

B. Hazard Insurance. So long as the Owners Association maintains a "master" or "blanket" policy on the Condominium Project which provides insurance coverage against fire, hazards included within the term "extended coverage," and such other hazards as Lender may require, and in such amounts and for such periods as Lender may require, then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the premium installments for hazard insurance on property covered by the Owners Association master policy. (This waiver does not apply to hazard insurance covering property which is not subject to coverage under the Owners Association master policy.)

(ii) the provisions in Uniform Covenant 5 regarding application of hazard insurance proceeds shall be superseded by any provisions of the declaration, by-laws, code of regulations or other constituent document of the Condominium Project or of applicable law to the extent necessary to avoid a conflict between such provisions and the provisions of Uniform Covenant 5. For any period of time during which such hazard insurance coverage is not maintained, the immediately preceding sentence shall be deemed to have no force or effect. Borrower shall give Lender prompt notice of any lapse in such 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 such proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with the excess, if any, paid to Borrower.

C. Lender's Prior Consent. Borrower shall not, without prior written notice to Lender and Lender's prior written consent, partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination provided 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 material amendment to the declaration, by-laws or code of regulations of the Owners Association, or equivalent constituent document of the Condominium Project including, but not limited to, any amendment which would change the percentage interests of the unit owners in the Condominium Project; or

(iii) the effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the Condominium Project.

D. Remedies. If Borrower breaches any of Borrower's covenants and agreements under the terms of this Condominium Rider, including the covenant to pay when due condominium assessments, then Lender may invoke any remedies provided under the Security Instrument, including, but not limited to, those provided under Uniform Covenant 7.

IN WITNESS WHEREOF, Borrower has executed this Condominium Rider.

Dean Salerno  
Borrower  
DEAN SALERNO, SINGLE/NEVER MARRIED

Borrower

88346788

STATE OF ILLINOIS

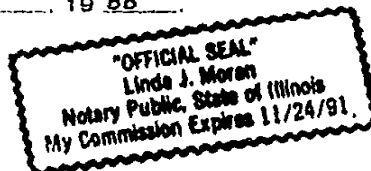
COUNTY OF DuPage )  
SS

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that DEAN SALERNO, SINGLE/NEVER MARRIED, personally known to me to be the same person(s) whose name(s) is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as HIS free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 29th day of July, 19 88.

My commission expires:

Linda J. Moran  
Notary Public



W 391 # 169

6/11/89 AT 660588

all

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Property of Cook County Clerk's Office

COOK COUNTY CLERK'S OFFICE  
127 W. WASHINGTON ST.  
CHICAGO, ILL. 60601  
TEL: 312.603.1000  
WWW.COOKCOUNTYCLERK.COM