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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 hazard insurance premiums; and (c) yearly hazard insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.
- 3. 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 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.**
- 4. 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.**
- 5. Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.**
- 6. 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.
- 7. Charges; Fees.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may be levied over this Security Instrument, and Lender shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may be levied over this Security Instrument. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.
- 8. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender. (b) contest in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.**
- 9. 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.
- 10. 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 renewals. 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.**
- 11. 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. Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.**
- 12. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.**
- 13. 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.
- 14. 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 14, Lender does not have to do so.
- 15. Any amounts disbursed by Lender under this paragraph 14 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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TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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

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

Illinois 60193 (Zip Code)
 which has the address of 200 K. Niagara Avenue, Schanaburg, (City)
 PIN 07-34-119-011

LOT 11 IN BLOCK 8 IN BRAUNIGAR'S MEADOW KNOLLS A SUBDIVISION OF THAT PART OF THE SOUTH WEST 1/4 OF SECTION 27, AND THE NORTH 1/2 OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN THE VILLAGE OF SCHANABURG, IN COOK COUNTY, ILLINOIS.

NOW THEREFORE, the borrower to secure the payment of all said sums, obligations, indebtedness and liabilities now due or owing and to become due and owing to Lender, howsoever incurred or evidenced, whether under said Guaranty/Collateral Agreement or otherwise as described above, Borrower does by these presents hereby mortgage, grant, convey and warrant to Lender the following described real estate and all of its estate right and title therein, situate lying and being in the County of Cook, State of Illinois, to wit:

WHEREAS, Borrower has executed, acknowledged, and delivered this Security Instrument to secure any and all indebtedness, obligations, and liabilities of every kind and nature, howsoever evidenced whether now existing or hereafter created or arising, whether direct or indirect, absolute or contingent, or joint or several, and howsoever owned, held or acquired and whether now due or to become due from Borrower to Lender and whether arising under said Guaranty/Collateral Agreement or otherwise, all of said sums, obligations, indebtedness and liabilities being sometimes referred to as "Principal Sum of Money" and "Future Advances" and as "The Note";

WHEREAS, as an inducement to Lender to advance monies to principal debtor and Lender is unwilling to advance monies to principal debtor unless said Guaranty/Collateral Agreement is executed by Borrower under which this Security Instrument is given; and

WHEREAS, f/k/a USameribanc/Eik Grove, f/k/a Bank of Eik Grove as Trustee w/t/a dtd 4/12/77 a/k/a Trust No. 1260-EG

Agreement dated March 16, 1989, a copy of which is attached hereto as Exhibit "A", wherein said Guaranty/Collateral Agreement has been given in consideration of any loan or other financial accommodation heretofore or hereafter at any time made or granted to HBD Trust Company of Illinois, successor to HBD Eik Grove ("principal debtor"), by Lender, in the amount of One Hundred Thousand and 00/100-- Dollars (\$100,000.00), due on April 1, 2011, X 19, and

Collateral Agreement Covering Loans to Third Party ("Collateral Agreement").

XX Guaranty ("Guaranty").

NOTWITHSTANDING the use of the term Borrower herein, mortgagor shall mean at all times the party executing the herein identified: of Eik Grove, as Trustee w/t/a dtd 4/12/77, a/k/a Trust No. 1260-EG (check item which is applicable)

THIS MORTGAGE ("Security Instrument") is given on March 16, 1989, by the mortgagor is HBD Trust Company of Illinois, successor to HBD Eik Grove, f/k/a USameribanc/Eik Grove, f/k/a Bank of Eik Grove, f/k/a 150 Woodfield Bank, which is organized and existing under the laws of Illinois, and whose address is Higgins, 3 Leacham Roads, Schanaburg, IL 60196 ("Lender").

89129889 MORTGAGE

69862168

Handwritten notes and signatures on the right margin.

Handwritten initials at the bottom right.

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NON-UNIFORM COMMERCIAL CODE and other provisions of the Uniform Commercial Code.

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

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 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 attorneys' fees, and then to the sums secured by this Security Instrument.

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.

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

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

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

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

I, the undersigned, hereby accept and agree to all of the terms and conditions, including those to the extent notwithstanding, that each and all of the covenants, conditions, representations, warranties, undertakings and agreements herein made by the Trustee shall be deemed to be made by the Trustee as to the covenants, conditions, representations, warranties, undertakings and agreements herein made and intended to be performed hereunder. I understand and acknowledge that each and every one of these covenants, conditions, representations, warranties, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally has been made and intended for the purpose of binding said Trustee as to the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the capacity of the power conferred upon it as such Trustee, and that no personal liability or personal responsibility is assumed by me as of any time be asserted or enforceable against BND TRUST COMPANY OF ILLINOIS, as trustee of this instrument or as agent of any mortgagee, assignee, representative, transferee, assignee or other party of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, responsibility, being expressly waived and released.

I, the undersigned, BND TRUST COMPANY OF ILLINOIS, my representative, the Trustee as aforesaid, has caused these presents to be signed by its Trust Officer, and its corporate seal to be hereunto affixed and executed by the said Trust Officer, the day and date first above written.

BND TRUST COMPANY OF ILLINOIS, as Trustee, by _____ Trust Officer

Trust Officer

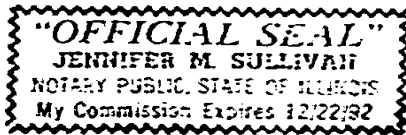
Corporate Seal

STATE OF ILLINOIS, ss.
COUNTY OF COOK

I, the undersigned, a Notary Public in and for the State of Illinois, do hereby certify that the above BND TRUST COMPANY OF ILLINOIS, Trust Officer and Notary Public, who subscribed to the foregoing instrument as such Trust Officer and Notary Public respectively, appeared before me this day in person and acknowledged to me they signed and delivered the said instrument as their free and voluntary act and as to their and their respective heirs and assigns, and that the said BND TRUST COMPANY OF ILLINOIS, Trust Officer and Notary Public, and their acknowledged that said Notary Public, Notary Company is the corporate seal of said Company, and that the corporate seal of said Company is affixed to said instrument as well as the Notary Public's signature and voluntary act and as to their and voluntary act of said Company for the uses and purposes therein set forth.

Given under my hand and official seal this _____ day of _____, 2002.

Notary Public



891238839

891238839

SEE TRUSTEE RIDER ATTACHED HERETO AND MAKE A PART HEREOF

Prepared by and Mail to:
Sandra L. Ciotti, Assistant Vice President
NBD Woodfield Bank
Higgins and Meacham Roads
Schaumburg, IL 60196

BOX 333 - GG

91238839

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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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BOX 333 - GG

Prepared by and Mail to:
Sandra L. Cloth, Assistant Vice President
M&D Woodfield Bank
Higgins and Meacham Roads
Schaumburg, IL 60196

63862168

(Space Below This Line Reserved For Lender and Recorder)

Notary Public

My Commission expires:

Given under my hand and official seal, this _____ day of _____, 19____

set forth.

signed and delivered the said instrument as _____, free and voluntary act, for the uses and purposes therein

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that _____ he

_____ personally known to me to be the same person(s) whose name(s) _____

do hereby certify that _____

I, _____ a Notary Public in and for said county and state,

STATE OF ILLINOIS, _____ County ss:

(Seal)
—Embossed—

Property of Cook County Clerk's Office

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

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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. 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; 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 accommodation with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limits; and (b) any sums already collected from Borrower which exceeded the permitted limits will be refunded to Borrower. Lender may 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 initiate 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 local 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 Reinstatement. 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 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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Notary Public

My Commission Expires:

GIVEN under my hand and official seal, this _____ day of _____, 19____

Trustee as aforesaid, for the uses and purposes therein set forth. free and voluntary act and as the free and voluntary act of said Bank as as custodian of the Seal of said Bank, did affix the seal to said instrument as the said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth; and in person and acknowledged that they signed and delivered the said instrument respectively, appeared before me this day and personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such

of said Bank, who are

and for said County, in the state aforesaid, DO HEREBY CERTIFY that

STATE OF ILLINOIS, _____ County ss:

- Borrower

- Borrower

Property of Cook County Clerk's Office

UNOFFICIAL COPY

any of the foregoing and in enforcing the same against such obligors. And all of the agreements and obligations of such undersigned under this Guaranty shall, notwithstanding any such notice of termination, remain fully in effect until a such Liabilities (including any extension or renewals of any thereof) and all such interest and expenses shall have been paid in full. Any such notice of termination by or on behalf of any of the undersigned shall not affect or impair the obligations hereunder of any other of the undersigned.

If any bankruptcy, insolvency or other debtor relief proceedings of any nature shall be instituted by or against any of the undersigned, then to the fullest extent permitted by law, this Guaranty shall be fully enforceable against all the undersigned by or against whom such proceedings have not been instituted (the "unaffected Guarantors"), and none of the unaffected Guarantors shall seek or permit or suffer to be obtained any injunction, stay or other similar relief in such proceedings or other forum to preclude, delay or otherwise impair the enforcement of this Guaranty against any or all the unaffected Guarantors. The undersigned further agree(s) that, if at any time all or any part of any payment theretofore applied by the Bank to any of the Liabilities is or must be rescinded or returned by the Bank for any reason whatsoever (including, without limitation, the insolvency, bankruptcy or reorganization of the Borrower), such Liabilities shall, for the purposes of this Guaranty, to the extent that such payment is or must be rescinded or returned, be deemed to have continued in existence, notwithstanding such application by the Bank, and this Guaranty shall continue to be effective or be reinstated, as the case may be, as to such Liabilities, all as though such application by the Bank had not been made.

The undersigned hereby waive(s), to the fullest extent permitted by law, (a) any defense arising as a result of the Bank's election, in any proceedings instituted under the Bankruptcy Code, of the application of Section 1111(b)(2) of the Bankruptcy Code; and (b) any defense based on any borrowing or grant of a security interest under section 364 of the Bankruptcy Code.

The Bank may, from time to time, whether before or after any discontinuance of this Guaranty, at its sole discretion, and without notice to the undersigned (or any of them), take any or all of the following actions: (a) retain or obtain a security interest in any property to secure any of the Liabilities or any obligation hereunder, (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to the undersigned, with respect to any of the Liabilities, (c) extend or renew for one or more periods (whether or not longer than the original period), alter or exchange any of the Liabilities, or release or compromise any obligation of any of the undersigned hereunder or any obligation of any nature of any other obligor with respect to any of the Liabilities, (d) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the Liabilities or any obligation hereunder, or extend or renew for one or more periods (whether or not longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property, and (e) resort to the undersigned (or any of them) for payment of any of the Liabilities, whether or not the Bank shall have resorted to any property securing any of the Liabilities or any obligation hereunder or shall have proceeded against any other of the undersigned or any other obligor primarily or secondarily obligated with respect to any of the Liabilities.

Any amounts received by the Bank from whatsoever source on account of the Liabilities may be applied by it toward the payment of such of the Liabilities, and in such order of application, as the Bank may from time to time elect; and, notwithstanding any payments made by or for the account of the undersigned pursuant to this Guaranty, the undersigned shall not be subrogated to any rights of the Bank until such time as this Guaranty shall have been discontinued as to all of the undersigned as the Bank shall have received payment of the full amount of all Liabilities and of all obligations of the undersigned hereunder.

The undersigned waive(s) the right to have the property of the Borrower first applied to the discharge of the indebtedness of the Borrower. The Bank may, at its election exercise any right or remedy it may have against the Borrower or against any security held by the Bank, including, without limitation, the right to foreclose upon any such security by one or more judicial or nonjudicial sales, whether or not every aspect of any such sale is commercially reasonable, without affecting or impairing in any way the liability of the undersigned hereunder, except to the extent the indebtedness has been paid. The undersigned also waive(s) any defense arising out of the absence, impairment or loss of any right of reimbursement, contribution or subrogation or any other right or remedy of the undersigned against the Borrower or against any such security, whether resulting from such election by the Bank or otherwise.

The undersigned waive(s) any defense arising by reason of any disability or other defense of the Borrower or by reason of the cessation from any cause whatsoever (including without limitation, any intervention or omission by the Bank) of the liability, either in whole or in part, of the Borrower to the Bank for the indebtedness. The undersigned understand(s) that if all or any part of the liability of the Borrower to the Bank for the indebtedness is secured by real property, the undersigned shall be liable for the full amount of its liability hereunder notwithstanding foreclosure on such real property by trustee sale or any other reason impairing the undersigned's right to proceed against the Borrower.

The undersigned hereby waive(s), to the fullest extent permitted by law, all rights and benefits under Section 1 of Chapter 132 of the Illinois Revised Statutes, providing for a discharge of the undersigned to the extent that if required the Bank may not within a reasonable time commence an action and prosecute the same to final judgment and the enforcement thereof against the Borrower.

The undersigned hereby expressly waive(s):

- (a) notice of acceptance by the Bank of this Guaranty;
- (b) notice of the existence or creation or non-payment of all or any of the Liabilities;
- (c) presentment, demand, notice of dishonor, protest, and all other notices whatsoever; and
- (d) all diligence in collection or protection of or realization upon the Liabilities or any thereof, any obligation hereunder, or any security for or Guaranty of any of the foregoing.

The creation or existence from time to time of Liabilities in excess of the amount to which the right or recovery under this Guaranty is limited is hereby authorized, without notice to the undersigned (or any of them), and shall in no way affect or impair the rights of the Bank and the obligation of the undersigned under this Guaranty.

The Bank may, from time to time, whether before or after any discontinuance of this Guaranty, without notice to the undersigned (or any of them), assign or transfer any or all of the Liabilities or any interest therein; and, notwithstanding any such assignment or transfer or any subsequent assignment or transfer thereof, such Liabilities shall be and remain Liabilities for the purposes of the Guaranty, and each and every immediate and successive assignee or transferee in the Liabilities, shall be entitled to the benefits of the Guaranty to the same extent as if such assignee or transferee were the Bank; provided, however, that, unless the Bank shall otherwise consent in writing, the Bank shall have an unimpaired right, prior and superior to that of any such assignee or transferee, to enforce this Guaranty, for the benefit of the Bank, as to those of the Liabilities which the Bank has not assigned or transferred.

No delay on the part of the Bank in the exercise of any right or remedy shall operate as a waiver thereof, and no single or partial exercise by the Bank of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy; nor shall any modification or waiver of any of the provisions of this Guaranty be binding upon the Bank except as expressly set forth in a writing duly signed and delivered on behalf of the Bank. No action of the Bank permitted hereunder shall in any way affect or impair the rights of the Bank and the obligation to the undersigned under this Guaranty. For the purposes of this Guaranty, Liabilities shall include all obligations of the Borrower to the Bank, notwithstanding any right or power of the Borrower or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense shall affect or impair the obligations of the undersigned hereunder.

The undersigned acknowledge(s) and agree(s) that the requirement of their guaranty of the Liabilities and execution of this Guaranty is in accordance with the Equal Credit Opportunity Act and Regulation B issued by the Board of Governors of the Federal Reserve System as in existence on the date of the Guaranty. The undersigned further acknowledge(s) and agree(s) that:

