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(Space Above This Line for Recording Data)

State of Illinois

PIIA Case No. 131-6452421-703

MORTGAGE

AUGUST 26 THIS MORTGAGE ("Security Instrument") is given on The mortgagor is JEROME E. MATULA, JR. AND LORI L. MATULA, HUSBAND AND WIFE

. 1991.

whose address is 644 CQLONIAL LANE #9

DES PLAINES, IL 60016

SI ELTER MORTGAGE CORPORATION

("Borrower"). This Security Instrument is , which is organized and existing

given to THE STATE OF WISCONSIN , and whose address is under the laws of

4201 EUCLID AVENUE

ROLLING MEADOWS, IL 60008

("Lender"). Borrower owes

Lender the principal sum of EIGHT FEIGHT THOUSAND TWENTY TWO AND NO/100

Pollars (U.S. \$ 88,022.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not

SEPTENBER 1, 2021 This Security Instrument paid earlier, due and payable on secures to Lender: (a) the repayment of the cebt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 6 to protect the security of this Security Instrument; and (c) the performance of Dorto ver's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortge te, grant and convey to Lender, the following described property

located in COOK County, Illinois:

County, Illinois:

PARCEL 1: LOT 48 IN BLOCK 7 IN OLDE SALEM I NI) 1B, BEING A SUBDIVISION
OF PART OF THE SOUTHEAST 1/4 OF SECTION NO. TOWNSHIP 41 NORTH, RANGE
10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN CLOK COUNTY, ILLINOIS.
PARCEL 2: EASEMENTS FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN
DECLARATION OF COVENANTS AND EASEMENTS AND AS SHOWN ON THE PLAT
ATTACHED THERETO RECORDED MAY 30, 1972 AS DECLIMENT NO. 21919032 AND AS
SHOWN ON THE PLAT OF OLDE SALEM UNIT 1-B RECORDED COTOBER 21, 1972 AS
DOCUMENT NO. 22112417 AND CREATED BY DEED FROM CHICAGO TITLE AND
TRUST COMPANY, TRUSTEE UNDER TRUST NO. 54135 TO JOSEPH P, LA COGNATA
AND FLORA G. LA COGNATA, HIS WIFE, DATED MARCH 1, 1973 AND RECORDED
APRIL 30, 1973 AS DOCUMENT NO. 22306216 FOR INGRESS AND EBRESS, ALL IN
COOK COUNTY, ILLINOIS.

#17.01 RECORDING #17.0 (#17.33 TRAN 8628 08/29/91 14:53:00 #1107 # C #-91-448146 CCGY COUNTY RECORDER

(Such property having been purchased in whole or in part with the sums secured hereby.) Tax Key No: 07-30-418-012

which has the address of 7616 MANCHESTER MANOR

HANOVER PARK [City]

Illinois

60103

("Property Address");

[Street]

[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 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.

THILINOIS FHA MORTGAGE 7/91

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6. Charges to Borrower and Protection of Lender's Fights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations on time directly to the eatity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

agrees to the merger in writing.

within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless the Secretary determines this requirement will cause undue hardship for Borrower, or unless extenuatings circumstances exist which are beyond Borrower's control. Borrower shall notify Lender as broperty or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property is varant or abandoned Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property is fittle Property is varant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such reasonable action to protect and preserve such with the loan evidenced by the Note, including, but not failed to provide Lender with any material information) in connection with loan evidenced by the Note, including, but not failed to provide Lender with any material information) in connection with loan evidenced by the Note, including, but not failed to provide Lender with any material information) in connection with loan evidenced by the Note, including, but not failed to provide Lender with any material information) in connection with least evidenced by the Note, including, but not imited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasohold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title from the Property, the leasehold and fee title shall not be merged unless Lender.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property the extingulates the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the property; Borrower's Loan Application; S. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Lesseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence.

shall be paid to the entity legally entitled thereto. In the syent of forestoring of this Security fratering

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and infected to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or positions the due or repair of the conder in Paragraph 2, or change the amount of auch exponential the due of the monthly payments which are referred to in Paragraph 2, or change the amount of auch expreents. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Mote and "or Security Instrument insurance proceeds over an amount required to pay all outstanding indebtedness under the Mote and "or Security Instrument

a tours acceptance to, exceeded:

now in existence or subsequently erected, against any hazarot, assurbites, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the 'mounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shalt include loss payable clauses in favor of, and in a form acceptable to, I ender

4. Pire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether

FIIIh to late charges due under the Note.

Fourth, to amortization of the principal of the Now.

Third, to interest due under the Note;

Secretary instead of the monthly mortgage insurance premium;

Secretary instead of the monthly mortgage insurance; is sechold payments or ground rents, and fire, flood and other hazard insurance premiums, as required;

3. Application of Payments. At payments under paragraphs 1 and 2 shall be applied by Lender as follows:

1. Application of Payments. At payments under paragraphs 1 and 2 shall be applied by Lender as follows:

1. Application of Payments.

If Borrower tenders to exader the full payment of all sums secured by this Security Instrument, Borrower's account shall be credited with the balance remaining for all installments for items (a), (b) and (c) and any mortgage insurance premium installment that Lender has not become colligated to pay to the Secretary, and Lender shall promptly rotund any excess funding to Borrower. Immediately prior to a fercetosure sale of the Property or its acquisition by Lender, Borrower's account shalf, be credited with any balance remaining in all installments for items (a), (b), and (c).

designee. In any year in which the Lender must pay a mortgage insurance premium to the Secretary, each monthly payment shall also inclose either: (i) an installment of the annual mortgage insurance premium if this Security Insurament is held by the Secretary, or (ii) a monthly charge insurance or insurance premium shall be in an amount sufficient to accumulate the Secretary. Each country installment of the mortgage insurance premium shall be in an amount sufficient to accumulate the full annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage insurance premium is due to the Secretary, each monthly charge shall be in an amount is due to the Secretary, or if this Security Instrument is held by the Secretary, each monthly charge shall be in an amount equal to one-twellth of one half persent of the outstanding principal balance due on the Note.

As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or her

deficiency on or before the date the item becomes due.

payments for such items payable to Lender prior to the due dates of such items, exceeds by more than one-sixth the estimated amount of payments required to pay such items when due, and if payments on the Note are current, then Lender shall either refund the excess over one-sixth of the estimated payments to subsequent payments made by Borrower, at the option of Borrower. If the total of the payments made by Borrower for item (a), (b), or (c) is insufficient to pay the item when due, then Borrower shall pay to Lender any amount necessary to make up the or (c) is insufficient to pay the item when due, then Borrower shall pay to Lender any amount necessary to make up the

Each monthly installment for items (a), (b) and (c) shall equal one-twelfth of the annual amounts, as reasonably estimated by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the estimated amounts. The full annual amount for each item shall be accumulated by Lender within a period ending one month before an item would become delinquent. Lender shall hold the amounts collected in trust to pay items (a), (b) and (c) before they become delinquent. It at any time the total of the payments held by Lender for items (a), (b), and (c), together with the future monthly

(c) premiums for insurance required by Paragraph 4.

2. Monthly Payments of Taxes, Insurance and Other Charges. Borrower shall include in each monthly payment, together with the principal and interest as set forth in the Note and any late charges, an installment of any (s) taxes and special assessments beyond tents on the Property, (b) lessehold payments or ground rents on the Property, and

the debt evidenced by the Note and late charges due under the Note.

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of, and interest on,

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If Borrower this to make these payments or the payments required by Paragraph 2, or fails to perform any other 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, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of

Lender, shall be immediately due and payable.

- 7. 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 place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.
 - 8. Fees. Lender may collect fees and charges authorized by the Secretary.
 - 9. Groundo for Acceleration of Debt.
 - (a) Defatt. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:
 - (i) For over defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or
 - (ii) Borrowe defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.
 - (b) Sale Without Credit Ar preval. Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all the sums secured by this Security Instrument if:
 - (i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (cine than by devise or descent) by the Borrowers, and
 - (ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the property but his or her credit has not been approved in accordance with the requirements of the Secretary.
 - (c) No Walver. If circumstances occur (ha) would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender (oc. p.) waive its rights with respect to subsequent events.
 - (d) Regulations of HUD Secretary. In many circumstances regulations issued by the Secretary will limit Lender's rights, in the case of payment defaults, to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or for closure if not permitted by regulations of the Secretary.
 - (e) Mortgage Note Insured. Borrower agrees that should use Security Instrument and the note secured thereby not be eligible for insurance under the National Housing Activities 60 days from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized again of the Secretary dated subsequent to 60 days from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to re nit a mortgage insurance premium to the Secretary.
- 10. Helnstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obliquions of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the oil ligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if; (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.
- 11. Borrower Not Released; Forbearance By Lender Not a Walver. Extension of the time of 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.
- 12. 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 9.b. 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.
- 13. 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 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.

 (page 3 of 4)

OTE NOS

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ROLLING MEADOWS, IL 60008 4301 ENCITD YARANE SHELTER MORTGAGE CORPORATION Ketum to:

PLORENCE E. URBRY NATIONS STATE OF ILLINOIS MY COMMISSION CERRES SAINS SAINS NABRU SEAL

" OFFICIAL LISA D. FLECK This instrument was prepared by: _ Notory Public My commission expires: 2/10/95 Given under my hand and official seal, this 26TH 1661 ' TRUBUA To yab act, for the uses and purposes therein set forth. me this day in person, and acknowledged that they signed and delivered the said instrument as their fee and voluntary personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing, as in ment appeared before do hereby certify IBROME E. MATULA, IR. AND LORI L. MATULA, HUSBAND AND WIFE , a Motery Public in and for said contray and state, PLORENCE E. URBAN STATE OF ILLINOIS, COOK County 55: (Insmgbalwomich to) ant.) aidT woisi scaqs) HOLLOWCE LORI I. MALTULA (2001) E E' WY Borrower (Scal) rider(s) executed by Borrower and recorded with it. BY SIGNING BELOW, Borrower accepts and acted to the terms contained in this Security Instrument and in any |X| Planned Unit Development Rider |X| Other (specify) BOND RIDER Growing Equity Rider Graduated Payment Rider Condominium Rider (Check applicable box(es)). the covenants and agreements of this Security Instrument as if the rider(s) were in a part of this Security Instrument. this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement 19. Walver of Homestead. Parrower Waives all right of homestead exemption in the Property.

20. Riders to this Security are no ment. If one or more riders are executed by Borrower and recorded together with Instrument without charge to Borre war, Borrower shall pay any recordation costs. 18. Release. Upon the innert of all sums secured by this Security Instrument, Lender shall release this Security ment without charge to Borrower shall pay any recordation costs. remedica provided in this anagraph 17, including, but not limited to, reasonable automeys' fees and costs of title evidence? this Security Instrumen by Indicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the , 17. Foreclosur, Freeclosure. If Lender requires immediate payment in full under Paragraph 9, Lender may foregiges of reas of the Procest shall terminate when the debt secured by the Security Instrument is paid in full. application of re to shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment breach to Box o Lender or a judicially appointed receiver may do so at any time there is a breach. Any Lender 241 not be required to enter upon, take control of or maintain the Property before or after giving notice of provent Lender from exercising its rights under this penagraph 16. Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would Lender's agent on Lender's written demand to the tenant. and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect If Lender gives notice of breach to Borrower; (a) all rents received by Borrower as trustee assignment for additional security only. as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an of any covenant or agreement in the Security Instrument, Horrower shall collect and receive all rents and revenues of the Property the Property to pay the rents to Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of 16. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the 15. Borrower's Copy. Borrower shall be given one conformed copy of this Security Instrument. Note are declared to be severable. which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note

jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the 14. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the

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The Mortgagee, SHELTER MORTGAGE CORP., or such of its successors or assigns as may by separate instrument assume responsibility for assuring compliance by the Mortgagor with the provisions of this Mortgage Rider, may declare all sums secured by this mortgage to be immediately due and payable if:

- all or part of the property is sold or otherwise transferred (other than by devise, descent, or operation of law) by Mortgagor to a purchaser or other transferee:
 - (i) who cannot reasonably be expected to occupy the property as a principal resident within a reasonable time (not to exceed 60 days) after the sale or transfer, all as provided in Section 143(c) and (i)(2) of the Internal Revenue Code of 1986, as amended; or

[Strike clause (ii) for Exception Loans]

- who has had a present ownership interest in a principal residence during any part of the three (3) year period ending on the date of the sale or transfer, all as provided in Section 143(d) and (i)(2) of the Internal Revenue Code of 1986, as amended; provided that the purchaser or transferee may have had such an interest if the property is at such time a targeted area residence; or
- it an acquisition cost which is greater than ninety percent (90%) of the then applicable average area purchase price (greater than one hurared ten percent (110%) for targeted area residences), all as provided in Section 143(e) and (i)(2) of the Internal Revenue Code of 1986, as amended; or
- (iv) whose fam'ry income exceeds one hundred percent (100%) of the then applicable median family income for families of two (2) or more, or whose family income exceeds one hundred fifteen percent (115%) of applicable median family income for families of three (3) or more [or, except for one-third of the principal amount of loans in targeted areas (for which there is no limit), one hundred twenty percent (120%) and one fundred forty percent (140%), respectively, for a family in a targeted area residence], all as provided in Section 143(f) and (i)(2) of the Internal Revenue Code of 1986, as amended;
- Mortgagor fails to occupy the property described in the mortgage without (b) prior written consent of the Mortgagee or its successors or assigns described at the beginning of this Addendum; or
- (c) Mortgagor omits or misrepresents a fact that is material with respect to the provisions of Section 143 of the Internal Revenue Code of 1986, as amended, in an application for this mortgage.
- (d) New Mortgage. At no time prior to the date hereof his there been a mortgage on the Residence (whether in the form of a deed of trust, conditional sales contract, pledge, agreement to hold title in escrow, or ownerusBAinancing)E securing form of other JEROME E. MATURA, JR. & LORI L. MATURA the proposed purchaser of the Residence (the "Mortgagor"), other than a construction loan, construction bridge loan, or other temporary initial construction financing initially incurred for the sole purpose of acquiring the Residence and initially incurred within twentyfour (24) months from the date of execution of the Mortgage, having an original term not exceeding twenty-four (24) months and not providing for scheduled payments of principal during such term.

References are to the internal Revenue Code of 1986, as amended, in effect on the date of execution of the mortgage and are deemed to include the implementing regulations.

VLoan No: 5157516

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PHA Care No. 131-6452421-703

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 26TH day of AUGUST . 1991 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to

SHELTER MORTGAGE CORPORATION

("Lender") of the same date and covering the Property described in the Security Instrument and located at:

7616 MANCHESTER MANOR, HANOVER PARK, IL 60103

The Property is a part of a planned unit development ("PUD") known as

OLDE SALEM

[Name of Planned Unit Development]

PUD COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender farber covenant and agree as follows:

- A. So long as the Owners association (or equivalent entity holding title to common areas and facilities), acting as trustee for the homeowners, maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the property located in the PUD, including all improvements now existing or hereafter erected on the mortgaged piemises, and such policy is satisfactory to Lender and provides insurance coverage in the amounts, for the perious and against the hazards Lender requires, including fire and other hazards included within the term "extender coverage," and loss by flood, to the extent required by the Secretary, then: (i) Lender waives the provision in Paragraph 2 of this Security Instrument for the monthly payment to Lender of one-twelfth of the yearly primium installments for hazard insurance on the Property, and (ii) Borrower's obligation under Paragraph 4 of this Security Instrument to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy. Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage and of any loss occurring from a hazard. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by this Security Instrument, with any excess paid to the entity legally entitled thereto.
- B. Borrower promises to pay all dues and assessments imposed pursuant to the legal instruments creating and governing the PUD.
- C. If Borrower does not pay PUD dues and assessments when due, the Lender may pay them. Any amounts disbursed by Lender under this paragraph C shall become additional debt. of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Right. 914:85:46

IEDONE E MATILIA ID

___(Scal)

IEROME E. MATULA, JR.

Borrower

(Scal)

LOBIL MATTILA

Borrower