

# UNOFFICIAL COPY

91493817

COOK COUNTY, ILLINOIS

1991 SEP 24 PM 1:20

91493817

Handwritten: H 990801 W (11/11)

Handwritten: \$19-

(Space Above This Line For Recording Data)

This instrument was prepared by:

Denise Frost & Hinckley State Bank

101 W. Lincoln, Hinckley IL 60520

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on December 10, 1990 by John J. McKenna, A SINGLE PERSON The mortgagor is:

("Borrower"). This Security Instrument is given to HINCKLEY STATE BANK

which is organized and existing under the laws of THE STATE OF ILLINOIS and whose address is 101 W. LINCOLN, P.O. BOX 1247, HINCKLEY IL 60520

("Lender"). Borrower owes Lender the principal sum of SEVENTY THOUSAND SEVEN HUNDRED NINETY NINE AND 60/100\*\*\*\*\* Dollars U.S. \$ 70,799.60\*\*\*\*\*

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note") which provides for monthly payments with the full debt, if not paid earlier, due and payable on December 17, 1997. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument, and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

SEE EXHIBIT "A" ATTACHED HERETO AND MADE A PART HEREOF

which has the address of 400 E. RANDOLPH, UNIT 2909 CHICAGO  
60601  
Illinois ("Property Address")  
60601

ILLINOIS—Single Family—Fannie Mae Freddie Mac UNIFORM INSTRUMENT

Form 3014 9 90

BANKERS SYSTEMS, INC. ST. CLOUD, MN 56302 (1-800-891-2341) FORM MORTG 11/82091

91493817

# UNOFFICIAL COPY

24. 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 riders were a part of this Security Instrument. [Check applicable boxes.]

- Adjustable Rate Rider
- Condominium Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Balloon Rider
- Rate Improvement Rider
- Others [specify]
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

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.

*John J. McKenna* (Seal)  
 John J. McKenna Borrower  
 Social Security Number 314-30-6421

..... (Seal)  
 Borrower  
 Social Security Number .....

[Space Below This Line for Acknowledgment]

STATE OF ILLINOIS, DEKALB County ss

I, Denise K. Frost

a Notary Public in and for said county and state, certify that

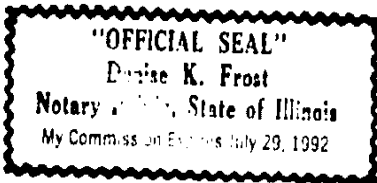
JOHN J. MCKENNA

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 instrument as A free and voluntary act, to the uses and purposes therein set forth.

Given under my hand and official seal, this 10 day of Dec, 1990.

My Commission expires:

*Denise K. Frost*  
Notary Public



*Prepared By & Mail To  
 Hixley State Bank  
 101 W. Lincoln Hwy  
 Hixley, IL 60530*

91493817  
21926416

201 023

Form 3014 9-00

8. **Mortgage Insurance.** 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 mortgage insurance in effect. If for any reason, the mortgage insurance coverage substantially equivalent to that previously provided for Borrower ceases to be in effect, Borrower shall pay the cost to obtain coverage substantially equivalent to that provided for Borrower previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect. Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapses or ceases to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of a cash loss reserve account.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, these amounts shall be an interest from the date of disbursement at the Note rate and shall be payable with interest upon notice from Lender to Borrower requesting payment.

7. **Protection of Lender's Rights in the Property.** 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 forfeiture of the entire or a portion of the Property, Lender may, at its option, bring a legal proceeding to protect the value of the Property and Lender's rights in the Property. Lender may also bring a legal proceeding to protect the value of the Property and Lender's rights in the Property. Lender's action may include paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action in court, paying reasonable attorneys' fees and entering on the Property to make repairs, Lender does not have to do so under this paragraph 7.

6. **Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, maintain and use the Property as Borrower's principal residence for at least one year after the date of occupancy unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld or unreasonably delayed, or unless the Property allows the Property to deteriorate or a condition of the Property shall be in default of any further action of proceeding to the detriment of Lender's security interest in the Property or other material impairment of the loan created by this Security Instrument or Lender's security interest in the Property. Borrower shall also be in default of the loan application process, provide material information, make material information or statements to Lender or failed to provide Lender with any material information in connection with the loan evidenced by the Note including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

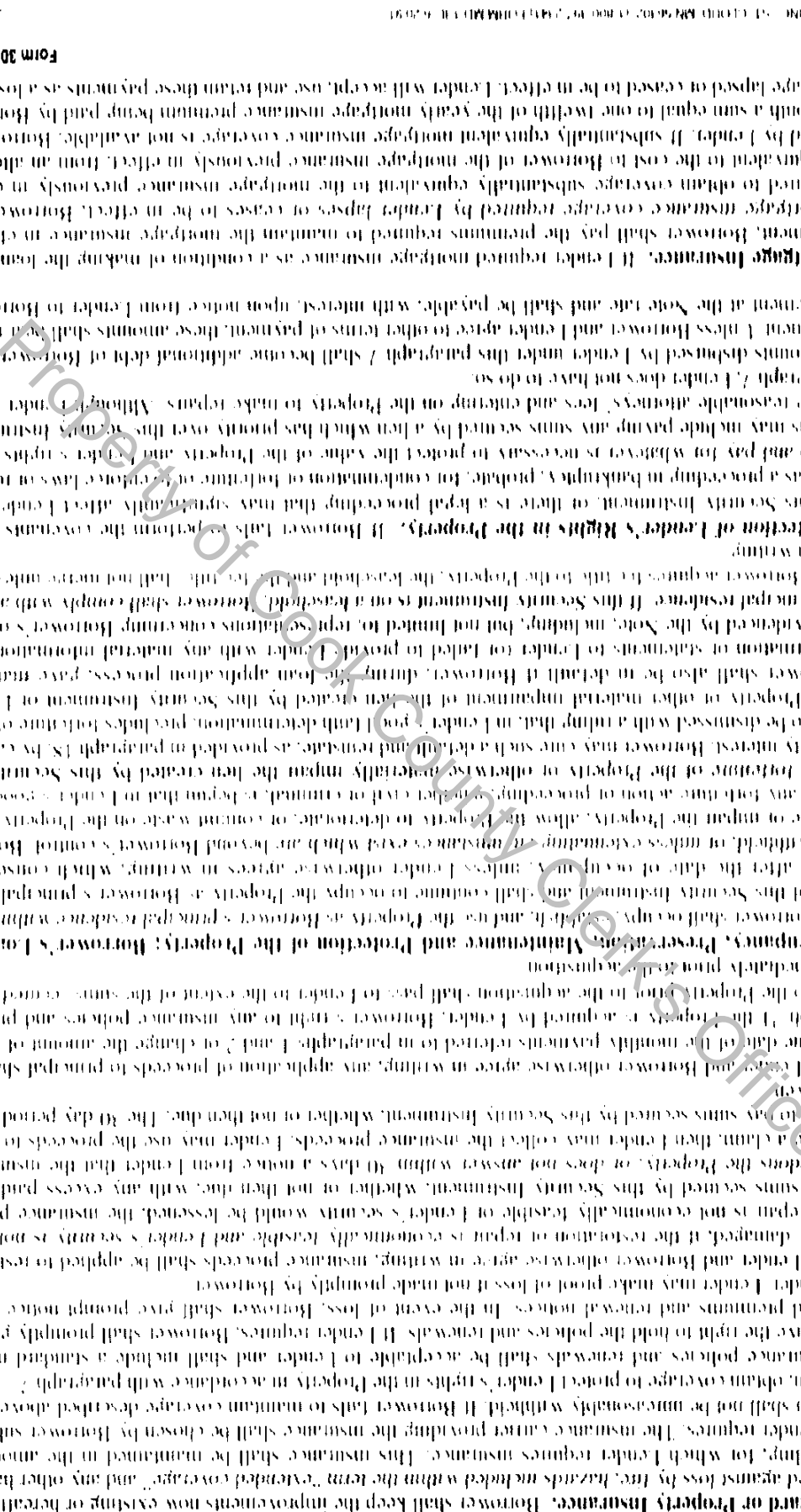
5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts 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. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause; Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

If Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender 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.

If Lender and Borrower otherwise agree in writing, any application of proceeds to payments shall not extend to 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 1, the Property is acquired by Lender, Borrower's right to any insurance proceeds 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 acquisition.

21886416



# UNOFFICIAL COPY

1004.104. With all the improvements now or hereafter effected on the property, and all fixtures, appurtenances, and 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 sell, lease, grant and convey the Property, and that the Property is free and clear of all except for the 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 contains uniform covenants for national use and is non-uniformly compliant with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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 of Funds for (a) yearly taxes and assessments, which may attain priority over this Security Instrument as a lien on the Property, (b) yearly leasehold payments or ground rents on the Property, if any, (c) yearly hazard or property insurance premiums, (d) yearly flood insurance premiums, if any, (e) yearly mortgage insurance premiums, if any, and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 5, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender) if Lender is such an institution, or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually auditing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Until 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. Borrower and Lender may agree in writing, however, that interest shall be paid 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 all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender shall so notify Borrower in writing, and, in such case, Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

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 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied, first, to any prepayment charges due under the Note, second, to amounts payable under paragraph 2, third, to interest due, fourth, to principal due, and last, to any late charges due under the Note.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the 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.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower has agreed in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (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.

Form 3014 9-90

91393817

91493817

**16. Borrower's Copy.** Borrower shall be given one confirmed 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 to a third party, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, the 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 90 days from the date the notice is delivered or mailed with the 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 Reinsure.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument continued at any time prior to the earlier of (a) 5 days for such other period as applicable law may specify for continuation of the Security Instrument. These conditions are that Borrower (a) Security Instrument, including but not limited to, reasonable attorneys' fees, and other expenses incurred in enforcing this Security Instrument, require that the lien of this Security Instrument shall continue unchanged. Lender shall continue to pay the sums secured by this Security Instrument, including but not limited to, reasonable attorneys' fees, and other expenses incurred in enforcing this Security Instrument, until the date of acceleration had occurred. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 90 days from the date the notice is delivered or mailed with the 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.

**19. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note, together with this Security Instrument may be sold one or more times without notice to Borrower. A sale may result in a change in the entity known as the "Loan Servicer" that collects monthly payments due on the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer initiated by a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 13 above and applicable law. The notice will also contain any other information required by applicable law.

**20. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or in the Property, Borrower shall not allow any one to do anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower fails to give such notice, it is not liable for any governmental or Environmental Law. Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. As used in this paragraph "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law, and the following substances, gases, vapors, fumes, or other pollutants: asbestos, lead, radon gas, and radon decay products and herbicides, pesticides, volatile organic compounds, and other solvents, materials, or hazardous substances. As located that relate to health, safety, or environmental protection.

**21. 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 paragraph 17 NOS. 1. THROUGH 10) EXCEPT: Borrower and Lender further covenant and agree as follows:

**22. 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 recording costs.

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

# UNOFFICIAL COPY

of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

**9. Inspection.** Lender or its agent may make reasonable entries upon and inspection of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**10. 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 in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, 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. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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.

**11. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification or 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 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.

**13. 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.

**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.

# UNOFFICIAL COPY

EXHIBIT "A"

17

Unit No. 2909 as delineated on Survey of certain lots in the Plat of Lake Front Plaza, a subdivision of a parcel of land lying in accretions to fractional Section 10; Township 39 North, Range 14, East of the Third Principal Meridian, according to the Plat thereof recorded April 30, 1962, as Document No. 18461961, conveyed by Deed from Illinois Central Railroad Company to American National Bank and Trust Company of Chicago, as Trustee, under Trust No. 17460, recorded May 7, 1962, as Document No. 18467558, and also Supplemental Deed thereto recorded December 23, 1964, as Document No. 19341545, which survey is attached as Exhibit "A" to Declaration of Condominium made by American National Bank and Trust Company of Chicago, as Trustee, under Trust Agreement dated April 9, 1962, and known as Trust No. 17460, recorded in the Office of the Recorder of Cook County, Illinois, as Document No. 22453315 together with an undivided .14900% interest in the property described in said Declaration of Condominium aforesaid (excepting the units defined and set forth in the Declaration of Condominium and Survey).

This is a junior encumbrance.

The lien of this mortgage on the Common Elements shall be automatically released as to the percentages of the Common Elements set forth in Amended Declaration filed of record in accordance with the Condominium Declaration recorded as Document No. 22453315 and the lien of this mortgage shall automatically attached to additional Common Elements as such amended Declaration are filed of record, in the percentages set forth in such Amended Declaration, which percentages are hereby conveyed effective on the recording of such Amended Declarations as though conveyed hereby

✓  
p11 #17-10-1103-001-1655

Cook County Clerk's Office

91493817

# UNOFFICIAL COPY

## CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 10th day of DECEMBER, 1990, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to HINCKLEY STATE BANK (the "Lender") of the same date and covering the Property described in the Security Instrument and located at: UNIT 2909, 400 E. RANDOLPH, CHICAGO IL 60601 (Property Address)

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as

THE 400 CONDOMINIUM ASSOCIATION (Name of Condominium Project)  
(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

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

**A. Condominium Obligations.** Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the (i) Declaration or any other document which creates the Condominium Project, (ii) by Laws, (iii) code of regulations, and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

**B. Hazard Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage" then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

**C. Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

**D. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

**E. Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

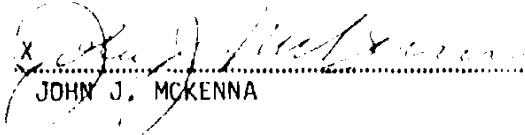
(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;

(iii) termination of professional management and assumption of self-management of the Owners Association, or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

**F. Remedies.** If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

  
..... (Seal)  
JOHN J. MCKENNA  
Borrower

..... (Seal)  
Borrower

91-193817