

PREPARED BY:  
BARBARA KONOPKA  
SCHAUMBURG, IL 60173

**UNOFFICIAL COPY**

BOX 260 137036  
91137086

RECORD AND RETURN TO:  
MORTGAGE CAPITAL CORPORATION  
1000 E. WOODFIELD ROAD-SUITE 240  
SCHAUMBURG, ILLINOIS 60173

(Space Above This Line for Recording Date)

9800486778

# MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **MARCH 25**, 1991  
The mortgagor is **RICHARD C. PONSONBY, BACHELOR**

("Borrower"). This Security Instrument is given to **MORTGAGE CAPITAL CORPORATION**, which is organized and existing under the laws of **THE STATE OF MINNESOTA**, and whose address is **111 EAST KELLOGG BOULEVARD ST. PAUL, MINNESOTA 55101** ("Lender").

Borrower owes Lender the principal sum of **ONE HUNDRED TWENTY FOUR THOUSAND EIGHT HUNDRED AND 00/100** Dollars (U.S. \$ **124,800.00**). 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 paid earlier, due and payable on **APRIL 1, 2006**. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (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 ATTACHED RIDER FOR LEGAL DESCRIPTION

DEPT-01 RECORDING \$17.00  
T#2222 TRAN 7285:03/27/91 14:29:00  
#7457 # B \* -91-137086  
COOK COUNTY RECORDER

**-91-137086**

**BOX 260**

14-16-305-021-1041

which has the address of **674 W. IRVING PARK ROAD-UNIT F5** **CHICAGO**  
(Street) (City)  
Illinois **60613** ("Property Address");  
(Zip Code)


TOGETHER WITH all the improvements now or hereafter created 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.

**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.

ILLINOIS-Single Family-FNMA/FHLMC UNIFORM INSTRUMENT

Borrower(s) Initials   
MB-954 Rev. 10/88 14864

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Form 3014 12/89 DPS 420  
Amended 5/87

7. PRIORITY OF LENDER'S RIGHTS IN THE PROPERTY, MORTGAGE INSURANCE. If Borrower fails to perform the obligations and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect the value of the Property, 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 attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

8. PRESERVATION AND MAINTENANCE OF PROPERTY, LEASEHOLD. 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.

9. HAZARD INSURANCE. Borrower shall keep the improvement 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 insured shall be chosen by Borrower and subject to Lender's approval which shall not be unreasonably withheld.

10. CHANGES IN TERMS. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may affect 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 the paragraph. If Borrower makes a payment directly, Borrower shall promptly provide Lender with receipts.

11. 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 due under paragraph 2; fourth, to interest due; and last, to principal due.

12. FUNDING OF THE ESCROW ITEMS. The Funds shall be held in an institution 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, 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. A charge assessed by Lender in connection with Borrower's entering into this Security Instrument to pay the cost of an independent tax reporting service shall not be a charge for the purpose of the preceding sentence. Borrower and Lender may 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.

13. ESCROW ITEMS. The amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due date 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.

14. ESCROW ITEMS. Lender shall promptly refund to Borrower any loan 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 13 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.

15. 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 due under paragraph 2; fourth, to interest due; and last, to principal due.

16. CHANGES IN TERMS. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may affect 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 the paragraph. If Borrower makes a payment directly, Borrower shall promptly provide Lender with receipts.

17. HAZARD INSURANCE. Borrower shall keep the improvement 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 insured shall be chosen by Borrower and subject to Lender's approval which shall not be unreasonably withheld.

18. PRESERVATION AND MAINTENANCE OF PROPERTY, LEASEHOLD. 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.

19. PRIORITY OF LENDER'S RIGHTS IN THE PROPERTY, MORTGAGE INSURANCE. If Borrower fails to perform the obligations and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect the value of the Property, 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 attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

20. ESCROW ITEMS. The amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due date 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.

21. ESCROW ITEMS. Lender shall promptly refund to Borrower any loan 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 13 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.

22. 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 due under paragraph 2; fourth, to interest due; and last, to principal due.

23. CHANGES IN TERMS. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may affect 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 the paragraph. If Borrower makes a payment directly, Borrower shall promptly provide Lender with receipts.

24. HAZARD INSURANCE. Borrower shall keep the improvement 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 insured shall be chosen by Borrower and subject to Lender's approval which shall not be unreasonably withheld.

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Any amounts disbursed by Lender under this paragraph 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.

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 bind 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 sum 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.

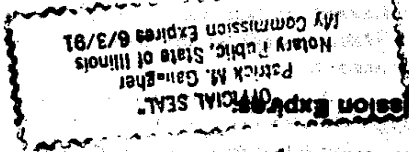
If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.



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DPS 423

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Notary Public  
*Patrick M. Gaudier*  
25th day of March 1991

Given under my hand and official seal, this

purpose therein set forth.

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/SHE, free and voluntary act, for the uses and

for said county and state, do hereby certify that RICHARD C. PONSONBY, BACHELOR, a Notary Public in and

State of Illinois, COOK County ss: *He undersigned*

(Space below this line for acknowledgment)  
Borrower (Seal) \_\_\_\_\_  
Borrower (Seal) \_\_\_\_\_  
RICHARD C. PONSONBY (Seal) \_\_\_\_\_

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

Property of Cook County

- Adjustable Rate Rider
- Condominium Rider
- 1-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Other(s) (Specify)

instrument. (Check applicable boxes))

with this Security Instrument, the covenants and agreements of the Security Instrument as if the rider(s) were a part of this Security

Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of the Security Instrument shall be incorporated into and shall amend

the instrument. Borrower shall pay any recordation costs.

21. RELEASE. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument and the property thereon, and then to the sum secured by this Security Instrument.

22. WAIVER OF HOMESTEAD. Borrower waives all right of homestead exemption in the Property.

23. RIDERS TO THIS SECURITY INSTRUMENT.

20. LENDER'S POSITION. Upon acceleration under paragraph 18 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

renters' bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

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

FAILING 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

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RIDER - LEGAL DESCRIPTION

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UNIT NUMBER 'F'-5, AS DELINEATED ON SURVEY OF THE FOLLOWING DESCRIBED PARCEL OF REAL ESTATE (HEREINAFTER REFERRED TO AS PARCEL):

PARCEL 'A': ALL OF CROSBY'S SUBDIVISION OF THE WEST 200 FEET OF LOT 14 IN SCHOOL TRUSTEES' SUBDIVISION OF SECTION 16, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 'B': THE EAST 150 FEET OF THE WEST 300 FEET OF LOT 14 IN SCHOOL TRUSTEES' SUBDIVISION AFORESAID (AS ORIGINALLY PLATTED)

PARCEL 'C': LOTS 22, 23, 24, AND 25 IN BITTERSWEET, A SUBDIVISION OF LOTS 13 AND 16 IN THE SCHOOL TRUSTEES' SUBDIVISION AFORESAID.

PARCEL 'D': LOTS 1 AND 6 IN SNYDER'S SUBDIVISION OF LOT 15 IN THE SCHOOL TRUSTEES' SUBDIVISION AFORESAID, ALL IN COOK COUNTY,

ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT 'A' TO DECLARATION OF CONDOMINIUM MADE BY BANK OF RAVENSWOOD AS TRUSTEE UNDER

TRUST NUMBER 2323, RECORDED IN THE OFFICE OF THE RECORDER OF COOK COUNTY, ILLINOIS, AS DOCUMENT NUMBER 23878669; TOGETHER WITH AN

UNDIVIDED 1.1027 PER CENT INTEREST IN SAID PARCEL (EXCEPTING FROM SAID PARCEL ALL THE PROPERTY AND SPACE COMPRISING ALL THE UNITS

THEREOF AS DEFINED AND SET FORTH IN SAID DECLARATION AND SURVEY), IN COOK COUNTY, ILLINOIS.

14-16-305-021-1041

Clerk of Cook County Clerk's Office

DPS 049

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UNOFFICIAL COPY

Property of Cook County Clerk's Office

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THIS CONDOMINIUM RIDER is made this 25TH day of MARCH, 1991, 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 MORTGAGE CAPITAL CORPORATION

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at:

674 W. IRVING PARK ROAD-UNIT F5, CHICAGO, ILLINOIS 60613

(Property Address)

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

(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.

[Signature] (Seal) RICHARD C. PONSONBY -Borrower

\_\_\_\_\_(Seal) -Borrower

\_\_\_\_\_(Seal) -Borrower

\_\_\_\_\_(Seal) -Borrower

(Sign Original Only)

# UNOFFICIAL COPY

Property of Cook County Clerk's Office

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Doc 044  
Page 044  
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