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**Insurance Company Borrower and Lender payment and agree as follows**

**1. Payment of Principal and Interest: Prepayment and Late Charges.** Borrower shall promptly pay when due the principal 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 due date monthly payments due under the Note, until the Note is paid in full, a sum ("Funds") equal to one month of tax property taxes and assessments which may attain priority over this Security Instrument (b) yearly household payments or annual rents on the Property if any (c) yearly hazard insurance premiums and (d) yearly earthquake insurance premiums, if any. These items are called "excess items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future excess items.

The Funds shall be held in or constitute the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the excess items. Lender may use charge for holding and applying the Funds, analyzing the account or verifying the excess items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. 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.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due date of the excess items, shall exceed the amount required to pay the excess 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 excess 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.

If any payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or a portion of it, 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.

**3. 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 repayment charges due under the Note, third, to amounts payable under paragraph 2 fourth, to interest due, and last, to principal due.

**4. Chargeable Items.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and household payments, 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 advance notice 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: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) posts, as in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property, or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

**5. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the 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.

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.

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

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or prepay the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

**6. Preservation and Maintenance of Property; Leasehold's.** 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.

**7. Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations) then Lender may demand payment for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying reasonable attorneys' fees and interest on the Property to make repairs. Although Lender may take a loan under paragraph 2, Lender does not have to do so.

All amounts due under this paragraph 7, if all become additional debts of Borrower secured by this Security Instrument. Lender may demand and Lender agrees to other terms of payment. These amounts shall bear interest from the date of delinquency at the Note rate and shall be payable with interest upon notice from Lender to Borrower immediately thereafter.

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If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspection of the Property. Lender shall give Borrower notice at the time of or prior to an inspection justifying 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, 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 sold by Borrower, or if, after notice by Lender to Borrower that the condempnor 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 of any condemnation, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not the condempnor offers to make an award or settle a claim for damages.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not suspend 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; Forfeiture 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 to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any donation made by the original Borrower or Borrower's successors in interest. Lender's exercise of 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. 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 person who assigns this Security Instrument but does not execute the Note (a) is consenting to this Security Instrument as a joint and several guarantor and guaranty that Borrower's interest in the Property under the terms of this Security Instrument (b) is personally obligated to pay the sums secured by this Security Instrument, and (c) agrees that Lender and any other person may agree to amend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument on the date without the Borrower's consent.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a higher interest rate than the permitted interest rate, and that law is finally interpreted so that the interest or other loan charges authorized or to be collected in connection with the loan exceed the permitted limits, then (a) any such loan charges shall be reduced to the permitted limits, and (b) any sums already collected from Borrower, and if extended permitted limits will be refunded to Borrower. Lender may choose to make this refund by crediting the amount of the refund under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be credited 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 of 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 make 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 as by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by local law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one confirmed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest to Borrower. If all of 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 the sale is not a sale of the sums secured by this Security Instrument, 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 there is a prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of a default. The notice shall include a period of not less than 30 days from the date the notice is delivered, or such other period as Borrower may pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may require any remedies permitted by this Security Instrument without further notice to Borrower.

18. Borrower's Right to Redeem. If Borrower ever obtains title to the Property, Borrower shall have the right to require redemption of this Security Instrument at any time prior to the expiration of 90 days from such other period as applicable law may specify for redemption of the Property. Borrower may exercise this right by tendering to Lender the sums secured by this Security Instrument or a lesser amount, together with any interest or other charges due to Lender on the date of redemption. These conditions are that Borrower (a) pays Lender all sums which would be due under this Security Instrument and the Note and all interest or other charges due to Lender on the date of redemption, (b) pays all expenses incurred in enforcing this Security Instrument, including but not limited to reasonable attorney's fees, and (c) takes such action as Lender may reasonably require to ensure that the sums secured by this Security Instrument shall continue unchanged. Upon redemption by Borrower, this Security Instrument and the Note shall be deemed to have been fully satisfied as if no acceleration had occurred. However, this right to redeem shall not apply in the case of acceleration under paragraph 17 or 17.

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

19. Acceleration: Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument that not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise. The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the entire indebtedness of the right to restate after acceleration and the right to assert in the future any proceeds of the sale of the Property. The notice shall further state that the right to restate after acceleration and the right to assert in the future any proceeds of the sale of the Property shall be subject to the provisions of this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further state that the right to restate after acceleration and the right to assert in the future any proceeds of the sale of the Property shall be subject to the provisions of this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further state that the right to restate after acceleration and the right to assert in the future any proceeds of the sale of the Property shall be subject to the provisions of this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further state that the right to restate after acceleration and the right to assert in the future any proceeds of the sale of the Property shall be subject to the provisions of this Security Instrument, foreclosure by judicial proceeding and sale of the Property.

20. Lender in Possession. Upon acceleration under paragraph 19 or foreclosure of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the debt secured by this Security Instrument.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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

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

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

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

MICHAEL T. PARLBERG (Seal) - Borrower

HEIDI L. PARLBERG (Seal) - Borrower

STATE OF ILLINOIS, County of DEKALB, Notary Public in and for said county and state.

do hereby certify that MICHAEL T. PARLBERG & HEIDI L. PARLBERG, HUSBAND & WIFE,

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

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

signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal this 19th day of FEBRUARY, 1992.

My Commission expires on [Signature] Notary Public, State of Illinois My Commission Expires 01/15/94

DELIVERY NAME: SIEB/CITY NATIONAL BANK STREET: 1710 SOUTH WENDEN AVENUE CITY: LAWRENCE, ILLINOIS 60438 INSTRUCTIONS OR

FOR DELIVERY TO: 1226 EAST 167TH STREET SOUTH WEAVER, ILLINOIS 60475 LEGAL TENDERS CHECK 1710 SOUTH WENDEN AVENUE LAWRENCE, ILLINOIS 60438

OFFICIAL SEAL Beverly E. Gilly Notary Public, State of Illinois My Commission Expires 01/15/94

MAIL TO BOX 330 Glen Oak School

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