

When recorded mail to:
The Northern Trust Company
50 S. LaSalle St., Home Loan Center, Level A
Chicago, IL 60675

UNOFFICIAL COPY

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92229735

MORTGAGE

92229735

DEPT-01 RECORDING 491.00
113332 LOAN 3033 04/06/92 11719100
15774 # 92-229735
COOK COUNTY RECORDER

THIS MORTGAGE ("Security Instrument") is given on MARCH 30, 1992 .

The mortgagor is John V. Novak and Susan L. Novak, husband and wife, ("Borrower"). This Security Instrument is given to The Northern Trust Company, which is organized and existing under the laws of the State of Illinois and whose address is 50 S. LaSalle Street, Home Loan Center, Level A, Chicago, IL 60675 ("Lender"). Borrower owes Lender the principal sum of: Two hundred seventy two thousand and no/100s Dollars (U.S. \$272,000.00). 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 01-May-2022. 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 in Cook County, Illinois:

Permanent Index Number: 08 11 102 022.
023.

LOT 11 IN KATHCON SUBDIVISION UNIT 2, BEING A SUBDIVISION OF THOSE PARTS OF LOT "K" IN KIRCHOFF SUBDIVISION AND LOT 9 OF KATHCON SUBDIVISION (BEING ALSO A RESUBDIVISION OF LOT "K") IN THE NORTH WEST 1/4 OF THE NORTH WEST 1/4 AND THE NORTH 10 CHAINS OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 11, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

which has the address of 1426 W. Bonita, Mt. Prospect, IL 60056 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, 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 seised 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.

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08/10/2024

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay

to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") 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; (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 8, 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,

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. 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. 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 amount of 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 may 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: (a)

agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) consents 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.

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.

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written agreement between Borrower and Lender or applicable law.

mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period Lender requires) provided by an accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be mortgage insurance premium being paid by Borrower when the insurance coverage lapses or ceases to be in effect. Lender will mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premium required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of instrument, Borrower shall pay the premiums required to maintain the insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender required mortgage insurance as a condition of making the loan secured by this Security

8. Mortgage Insurance.

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

fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations, then Lender may do and pay this Security Instrument; or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a 7. Protection of Lender's Rights in the Property.

If Borrower fails to perform the covenants and agreements contained in not merge unless Lender agree to the merger in writing. 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 Lender with any information) in connection with the loan evidenced by the Note, including, but not limited to, representations during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide impair the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the property or otherwise materially circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds; immediately prior to the acquisition.

damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given. Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or Lender may make proof of loss if not made promptly by Borrower. of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause.

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9. **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.

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 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 condemner 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 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 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 will 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)

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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.

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

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument including but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

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 prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to 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 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. 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 on or in the Property. Borrower shall not do, or allow anyone else 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 Hazard 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 learns, or is notified by any governmental or regulatory authority, that any removal or other remedial action in accordance with Environmental Law is necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos, or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

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 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to acceleration and 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 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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 recordation costs.

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

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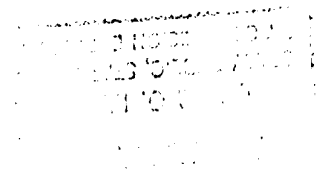
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Form 3014 9/90 (page 6 of 6 pages)

This instrument was prepared by: Rose Ellis, 50 S. LaSalle St., Chicago, IL 60675

Gary J. ...
Notary Public
(SEAL)



My Commission Expires:

Witness my hand and official seal this 30TH day of MARCH, 1992.

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that John V. Novak and Susan L. Novak, husband and wife, personally appeared before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, have executed same, and acknowledged said instrument to be their free and voluntary act and deed and that they signed said instrument for the uses and purposes therein set forth.

STATE OF ILLINOIS
COUNTY OF COOK

Space below this line for acknowledgment

John V. Novak
JOHN V. NOVAK
Borrower
(Seal)

Susan L. Novak
SUSAN L. NOVAK
Borrower
(Seal)

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.

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 rider(s) were part of this Security Instrument. (Applicable riders listed below)

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1-4 FAMILY RIDER

Assignment of Rents

THIS 1-4 FAMILY RIDER is made this 30TH day of MARCH, 1992 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note (the "Note") to The Northern Trust Company (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1426 W. Bonita, Mt. Prospect, IL 60056

("Property Address")

1-4 FAMILY COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INTEREST. In addition to the Property described in the Security Instrument, the following items are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtain and curtain rods, attached mirrors, cabinets, paneling and attached floor coverings now or hereafter attached to the Property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the Property covered by the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or leasehold estate if the Security Instrument is on a leasehold) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property."

B. USE OF PROPERTY; COMPLIANCE WITH LAW. Borrower shall not seek, agree to or make a change in the use of the Property or in its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

C. SUBORDINATE LIENS. Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

D. RENT LOSS INSURANCE. Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Uniform Covenant 5.

E. "BORROWER'S RIGHT TO REINSTATE" DELETED. Uniform Covenant 18 is deleted.

F. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in writing, the first sentence in Uniform Covenant 6 concerning Borrower's occupancy of the Property is deleted. All remaining covenants and agreements set forth in Uniform Covenant 6 shall remain in effect.

G. ASSIGNMENT OF LEASES. Upon Lender's request, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive Rents until (i) Lender has given Borrower notice of default pursuant to paragraph 21 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

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If Lender gives notice of breach to Borrower: (i) all rents received by Borrower shall be held by Borrower as trustee for the benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Rents of the Property; and (iii) Borrower agrees that each tenant of the Property shall pay all Rents due and unpaid to Lender or Lender's agents upon Lender's written demand to the tenant; (iv) unless applicable law provides otherwise, all Rents collected by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Rents, including, but not limited to, attorneys' fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and then to the sums secured by the Security Instrument; (v) Lender, Lender's agents or any judicially appointed receiver shall be liable to account for only those Rents actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Rents and profits derived from the Property without any showing as to the inadequacy of the Property as security.

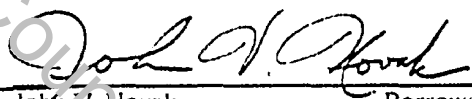
If the rents of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Rents, any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Uniform Covenant 7.

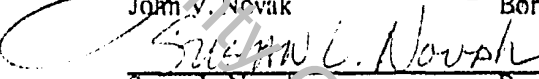
Borrower represents and warrants that Borrower has not executed any prior assignment of the Rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph.

Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender or Lender's agents or a judicially appointed receiver, may do so at any time when a default occurs. Any application of Rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of Rents of the Property shall terminate when all sums secured by the Security Instrument are paid in full.

I. CROSS-DEFAULT PROVISION. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this 1-4 Family Rider.

 (Seal)
John V. Novak Borrower

 (Seal)
Susan L. Novak Borrower

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