

PREPARED BY:  
D. DUFFY  
CHICAGO, IL 60653

Document # 5744-1

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RECORD AND RETURN TO:

ILLINOIS SERVICE FEDERAL SAVINGS & LOAN ASSOCIATION  
4619 SOUTH KING DRIVE  
CHICAGO, ILLINOIS 60653

(Space Above This Line For Recording Data)

MORTGAGE

350

THIS MORTGAGE ("Security Instrument") is given on APRIL 3, 1992

MURELL E. JAMES AND RIDDYE M. JAMES, HUSBAND AND WIFE

(\*Borrower"). This Security Instrument is given to  
ILLINOIS SERVICE FEDERAL SAVINGS & LOAN ASSOCIATION

which is organized and existing under the laws of  
address is 4619 SOUTH KING DRIVE  
CHICAGO, ILLINOIS 60653  
FOURTEEN THOUSAND  
AND 00/100

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 MAY 1, 2007

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:  
LOT 12 (EXCEPT THE NORTH 10 FEET THEREOF), THE NORTH 20 FEET OF LOT  
13 IN BLOCK 5 OF THE SOUTH SHORE PARK, BEING A SUBDIVISION  
OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 30, TOWNSHIP 39  
NORTH, RANGE 15 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK  
COUNTY, ILLINOIS.

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PIN#  
21-30-302-019-0000 /

which has the address of 7638 SOUTH PHILLIPS, CHICAGO  
Illinois 60649  
Zip Code

Street, City ,

ILLINOIS-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

U.S. GPO (GPO:0101)

VMP MORTGAGE FORMS - 13130200 0100 100018217281

Page 1 of 6

DPS 1088  
Form 3014 9/90  
Initials \_\_\_\_\_

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Form 301a 9/90  
DPS 1080

Page 2 of 6

Form 301a 9/90

more of the sections set forth above within 10 days of the giving of notice.

This Security Instrument, Lender may give Borrower a notice terminating the lien. Borrower shall satisfy the lien or take one of this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach priority over this Security Instrument, or (c) secures from the holder of the lien an agreement satisfactory to Lender releasing the lien to enforcement of the lien; or (d) secures from the holder of the lien in legal proceedings which in the Lender's opinion relate to prevent the Lender from recovering his interest in the lien in a manner acceptable to Lender; (b) contest in good faith the lien writing to the payee of the obligation secured by the lien in the original instrument unless Borrower: (a) agrees in

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in it Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments, to the person owed payment, Borrower shall furnish to Lender all notices of amounts to be paid under this paragraph, these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly which may affect priority over this Security Instrument, and thereafter hold payment of ground rents, if any, Borrower shall pay

4. Charges: Lender, Borrower shall pay all taxes, assessments, charges, fines and importations attributable to the Property

third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

5. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs

of the Property, shall apply any funds held by Lender at the time of acquisition of title as credit against the sums secured by Funds held by Lender. If, under paragraph 2, Lender shall acquire or sell the Property, Lender, prior to the acquisition of title

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any twelve months' payments, at Lender's sole discretion.

If the funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower the amount necessary to make up the deficiency in no more than time is not sufficient to pay theorrow items when due, Lender may notify Borrower in writing, and, in such case Borrower for the excess funds in accordance with the requirements of applicable law. If the amount of the funds held by Lender is not sufficient to pay theorrow items when due, Lender shall make up the deficiency in no more than

debit to the funds was made. The funds are pledged as additional security for all sums secured by this Security Instrument.

Without charge, an annual account of the funds, showing credits and debits to the funds and the purpose for which each

Borrower and Lender may agree in writing, however, that interest shall not be paid on the funds. Lender shall give to Borrower, applicable law requires interest to be paid, Lender shall pay a one-time charge for an independent real estate tax reporting service to Lender

and by Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service to Lender

verifying the Escrow items, unless Lender may not charge Borrower interest for holding funds and applying the escrow account, or Escrow items, Lender may not charge Borrower interest for holding funds and applying the escrow account, or

interferring Lender, if Lender is subject to taxation) or in any Federal Home Loan Bank, Lender shall apply the funds to pay the

The funds shall be held in an institution whose depositors are insured by a federal agency, intermediately, or entity

Escrow items or otherwise in accordance with applicable law

Lender may estimate the amount of funds due on the basis of current data and reasonable estimates of expenditures of future

sets a lesser amount, it so, Lender may, at any time, collect and hold funds in an amount not to exceed the lesser amount, 1974 is amended hereby to add section 260 et seq. ("RESPA"), unless another law applies to the funds

related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of Lender may, at any time, collect and hold funds in an amount not to exceed the maximum amount a Lender for a federally

the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums, those items are called "Escrow items," if any); (e) yearly mortgage insurance premiums, if any); and (f) any sums payable by Borrower to Lender, in accordance with

of ground rents on the Property, if any); (g) yearly hazard or property insurance premiums; (h) yearly liability insurance premiums and assessments which may affect this Security Instrument as a lien on the Property; (i) yearly leasehold premiums

Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Fund") for (a) yearly taxes

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

principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

1. Payment of Premium and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the

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

variations by substitution to constitute a uniform security instrument covering real property.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited

grant and convey the title to the Property to all claimants and demands, subject to any encumbrances of record.

BORROWER COVENANTS that Borrower is lawfully seized of the entire hereby conveyed and has the right to mortgage,

instrument. All of the foregoing is referred to in this Security instrument as the "Property."

fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security

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payments may no longer be required, at the option of Lender, a mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender against decays attributable and insurable. 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 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 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 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 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.

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8. **Mortgage Insurance.** If Lender requires 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. For any reason, the mortgage insurance required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Lender of insuring the property. If a cost substantially equivalent to the cost to Lender of insuring the property subsequently equated to the cost to Lender of insuring the property previously in effect, Borrower shall pay the premium required to obtain coverage insuring the property subsequently equated to the cost to Lender of insuring the property previously in effect, at a cost substantially equivalent to the cost to Lender of insuring the property previously in effect, if the cost to Lender of insuring the property subsequently equated to the cost to Lender of insuring the property previously in effect, exceeds the cost to Lender of insuring the property previously in effect, Borrower shall pay the difference between the cost to Lender of insuring the property subsequently equated to the cost to Lender of insuring the property previously in effect, and the cost to Lender of insuring the property previously in effect, plus interest thereon at the rate of one-twelfth of the yearly mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance coverage in lieu of mortgagor's loss resulting from the insufficiency. Losses reserved to be in effect, Lender will accept use and retain these prepayments as a loss reserve in lieu of mortgage insurance. Losses reserved

Any amounts disbursed by Lender under this paragraph 7 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

7. Protection of Leander's Rights in the Property. If Borrower fails to pay to me the convenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Leander's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce liens or judgments), then Leander may do and proceed in bankruptcy, probate, for condemnation or forfeiture or to enforce liens or judgments, to the value of the Property (such as a reasonable attorney's fees and entomies) to make repairs. Although Leander may take action under this paragraph to protect his interests, Leander does not have to do so.

6. Ownership, Maintenance and Protection of the Property: Borrower's Loan Application; Leases/Rents, Maintenance and Protection of the Property, except that, and to use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender or a spouse agrees in writing, which consent shall not be unreasonably withheld, or unless circumstances exist which are beyond Borrower's control. Borrower shall not be liable for damage or impairment of the Property, allowing the Property to deteriorate, or to 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 impair the loan created by this Security Instrument or Lender's security interest. Borrower may cure such a default and repossess, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith interpretation, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the loan created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Lender with any material information, in connection with the loan evidenced by the Note, including to provide Lender with any material information, fails to receive timely instruments or statements to Lender (or failed to repayments of the loan application process, gave notice of its SecuritY instrument to Lender's security interest. Borrower shall also be in default if Lender is 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.

diminution 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.

Unless less than and Borrower and Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend out under paragraph 21 if the property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from

required 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, insurance Proceeds shall be applied to restoration or repair of the property damaged, if the restoration of repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible and Lender's security is not lessened, the insurance Proceeds shall be applied to the sum secured by this Security Instrument, whether or not them 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

Any insurance policies and renewals shall be subject to renewal and premium increases to reflect the experience of losses, Borrower shall promptly give to Lender all receipts of paid premiums and renewals notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender shall have the right to hold the policies and renewals. If Lender receives any sum in excess of the amount paid by Borrower, Lender may apply such sum to the payment of any unpaid premium or other amount due under any insurance policy.

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23. **Value of Homestead:** However, values will right off homestead exemption in the Property.

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 all recording costs.

21. **Accessioning Requirements.** Lender shall give notice to Borrower prior to acceleration (and, where Borrower's breach of any covenant or agreement in this Security Instrument) the earliest date on which Borrower's payment obligations have been satisfied in full, provided that he entitled to collect all expenses incurred in pursuing the remedies provided in this instrument, but not limited to, reasonable attorney fees and costs of suit and expense.

NON-UNIFORM COVENANTS. However, under further examination and agrees as follows:

As used in this paragraph 20, "hazardous substances" are those substances defined as toxic or hazardous substances by Environmental law and the following substances: presolvent, ketones, other flammable materials, leaded paint products, lead-based paints and lead-removals, volatile solvents, methanol, gasoline, asbestos, and laws of the jurisdiction where the property is located shall apply to health, safety or environmental protection.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any government or regulatory agency or private party investigating the propriety and any unusual substance or unusual use of which Borrower has actual knowledge. If Borrower learns, or is advised by any government or regulatory authority, that any removal of other remediation of any unusual substance is necessary, Borrower shall promptly take all necessary remedial actions in accordance with law.

20. **Interactions with substances, substances, Biotin** shall not cause or permit the presence, use, disposal, storage, or release of any hazardous substance, or permit the presence, use, disposal, storage, or release of any

19. Sale of Note. Change of Loan Service. The Note or a partial interest in the Note (together with this Security instrument) may be sold or otherwise disposed of from time to time without prior notice to Borrower. A sale may result in a change in the entity known as the "Loan Service," that collects monthly payments due under the Note and this Security instrument. There also may be one or more changes of the Loan Service; however, Borrower will be advised of the Note or a change of the Note if there is a change of the "Loan Service." The note will also contain any other provision required by applicable law.

entitlement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable) from the date the Borrower meets certain conditions, Borrower shall have the right to terminate this Security Instrument if this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable) for specifically for reinstatement, before sale of the property pursuant to any power of sale contained in this Security Instrument; or (b) entity of a judgment entitling this Security Instrument. Those conditions are that Borrower: (a) pays under all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) pays under all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (c) pays all expenses incurred in enforcing this Security Instrument; and the Note as if no acceleration had occurred; (d) takes such action as Borrower's security interest in the Property and Borrower's obligation to pay the sums secured by this Security Interest 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.

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.

1.1. Trustee of the Property or a Beneficial Interests 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.

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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 a part of this Security Instrument.

(Check applicable box(es))

- Adjustable Rate Rider  
 Graduated Payment Rider  
 Balloon Rider  
 V.A. Rider

- Condominium Rider  
 Planned Unit Development Rider  
 Rate Improvement Rider  
 Other(s) (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.

Witness

MURELL E. JAMES

(Seal)

Borrower

Witness

EDDY M. JAMES

(Seal)

Borrower

(Seal)  
Borrower

(Seal)  
Borrower

STATE OF ILLINOIS, COOK

County ss:

I, MARION E. KENNARD

, a Notary Public in and for said

county and state do hereby certify that  
MURELL E. JAMES AND EDDYE M. JAMES, HUSBAND AND WIFE

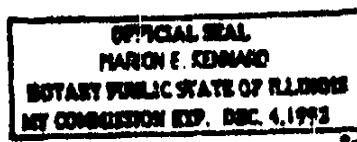
personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that THEY signed and delivered the said instrument as THEIR free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 3rd day of

APRIL

, 1992

My Commission Expires:



Notary Public

92256156

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## 1-4 FAMILY RIDER Assignment of Rents

THIS 1-4 FAMILY RIDER is made this 3RD day of APRIL , 1992 , 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 ILLINOIS SERVICE FEDERAL SAVINGS & LOAN ASSOCIATION (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

7638 SOUTH PHILLIPS, CHICAGO, ILLINOIS 60649  
(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 INSTRUMENT.** 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, ranges, stoves, refrigerators, dishwashers, dryers, awnings, storm windows, storm doors, screens, blinds, shades, curtains 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 the household estate if the Security Instrument is on a household) 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 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 household.

**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 the 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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GLENCOE  
Office

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--BORROWER  
(Seal)

--BORROWER  
(Seal)

--BORROWER  
EDDIE M. JAMES  
(Seal)

--BORROWER  
MURKEL E. JAMES  
(Seal)

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

## Security Instrument

An interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the instrument.

## 1. CROSS-DEFAULT PROVISION.

Borrower's default or breach under any of the instruments or agreements of Rents shall not cause or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a Lender, or Lender's agents or a judicially appointed receiver, shall not be required to enter upon, take control of or

Borrower represents 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.

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 and funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Uniform Government.

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