

UNOFFICIAL COPY

PREPARED BY
SUZANNE M. HENSON
CHICAGO, ILLINOIS

94427452

RECORD AND RETURN TO:

LASALLE TALMAN BANK FSB
4981 WEST IRVING PARK ROAD
CHICAGO, ILLINOIS 60641

ITI
BOX 97

ATTENTION: SUZANNE M. HENSON

03042944

(Enter The Line For Recording Data)

MORTGAGE

94427452

This MORTGAGE (Security Instrument) is given on NOVEMBER 29, 1978

The mortgagor is

JOHN S. SCHULZE
AND PATRICIA A. SCHULZE, HUSBAND AND WIFE

This Security Instrument is given to
LASALLE TALMAN BANK FSB

DEPOSIT RECORDING 835.50
TRAVEL TEAM 8881 11 20 93 09150100
ISSUE # 015 0042944
SERIAL # 00000000000000000000

which is organized and existing under the laws of UNITED STATES OF AMERICA

and whose

address is 4242 NORTH HARLEM
BRIDGE, ILLINOIS 60634
SIXTY THOUSAND
AND SEVENTY

(Lender) Borrower owes Lender the principal sum of

Dollars (U.S. \$ 60,000.00)

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 JANUARY 1, 2074

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 debts, 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 21 IN BLOCK 7 IN S. S. HAYES KELVYN GROVE ADDITION TO CHICAGO,
BEING A SUBDIVISION OF THE SOUTHWEST 1/4 OF SECTION 27, TOWNSHIP 40
NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK
COUNTY, ILLINOIS

THIS MORTGAGE IS BEING RE-RECORDED TO CORRECT THE FLOOR ON THE A.K.A. RIDER

11-27-198-024

94427452

which has the address of 4546 WEST SCHUBERT AVENUE, CHICAGO
Illinois 60639 (Property Address);

Street, City

ILLINOIS Single Family Home Mac Freddie Mac UNIFORM INSTRUMENT

Page 1 of 4

OPB 1988
Form 3014 9/88

945

PROPERTY OF COOK COUNTY CLERK'S OFFICE
51378509
INTERCOUNTY TITLE

03042944

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

9. Inspection. Lender or its agent may make reasonable entries upon and 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 if a condemnation 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 continue 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. Notice. 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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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 boxes]

- 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.

Witnesses:

JOHN F. SCHULZE

PATRICIA A. SCHULZE

STATE OF ILLINOIS, COOK County ss. I, the undersigned, a Notary Public in and for said county and state, do hereby certify that JOHN F. SCHULZE AND PATRICIA A. SCHULZE, HUSBAND AND WIFE

personally known to me to be the same person(s) whose names are 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 24th day of [Month] 1992.

My Commission Expires:

This Instrument was prepared by:



Form 8876 0-888 8876 0-888

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or an interest in it is sold or transferred or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person, without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by Federal law as of the date of this Security Instrument.

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

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) 90 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. These 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 had 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 right 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, nor 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 Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all 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, aerosols, 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.

NOEN 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, set a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (c) 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 non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 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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Form 2014 0700
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B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

1. Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in Section A above, Uniform Covenant 17 of the Security Instrument shall be in effect as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or an 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.

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 of this 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.

2. When Borrower's initial fixed interest rate changes to an adjustable rate under the terms stated in Section 4 above, Uniform Covenant 17 of the Security Instrument contained in Section B 1 above shall cease to be in effect, and the provisions of Uniform Covenant 17 of the Security Instrument shall be amended to read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and conditions contained in this Adjustable Rate Rider.

John A. Schuler
BORROWER
JOHN A. SCHULER

Patricia A. Schuler
BORROWER
PATRICIA A. SCHULER

BORROWER

BORROWER

ADJUSTABLE RATE RIDER (1 YEAR TREASURY INDEX - RATE CAPS)

THIS ADJUSTABLE RATE RIDER is made this 19th day of September, 1977 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 Adjustable Rate Note (the "Note") to Equity National Bank (the "Lender") of the same date and covering the property described in the Security Instrument and located at

4546 West Schubert Avenue
Chicago, IL 60631

(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 6.5000%. The Note provides for changes in the interest rate and the monthly payments, as follows:

1. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on January 1, 1978 and on that day and every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an index. The index is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year as made available by the Federal Reserve Board. The most recent index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of the choice.

(C) Calculation of Changes

Before each Change Date the Note Holder will calculate my new interest rate by adding two and three quarters percentage points (2.75%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 6.5000 % or less than 1.0000 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 12.0000 %, nor lower than 2.75 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

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THIS SECURITY INSTRUMENT combines uniform covenants for uniform and uniform purposes, and limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located.

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. Borrower shall pay to Lender on the day monthly payments for the under the Note, until the Note is paid in full, a sum ("Funds") equal to Lender's estimate as described below of the amount of each type of yearly taxes and assessments which may attain priority over this Security Instrument in any amount of the yearly leasehold payments or ground rents on the Property if any, one twelfth of the yearly amount of property insurance premiums if any, one twelfth of the yearly third insurance premiums of any, one twelfth of the yearly mortgage insurance premiums, if any, and the one twelfth of any other taxes which are commonly paid by homeowners for lenders, whether now or in the future, in connection with a secured debt. The Funds described in this paragraph are called "Escrow Items".

The Funds shall be placed in an account ("Escrow Account") at an institution which may be a governmental or a financial agency instrumentally or entity including any of Lender's bank or other financial institution. Lender may charge Borrower for holding and operating the Escrow Account and for the Escrow Items, and Lender may require Borrower to pay a one-time charge to establish a year weight tax regarding the amount of Funds provided by Lender in connection with this loan. Lender shall not be required to pay Borrower any interest on a percentage of the Funds.

Lender shall annually analyze the Escrow Account to determine the adequacy of the monthly Funds being collected for each Escrow Item. At its option Lender may analyze the Escrow Account at any time. Lender shall estimate the amount of Funds needed in the Escrow Account to pay future Escrow Items. Lender shall estimate the amount of Funds needed in the Escrow Account to pay future Escrow Items based on the past performance of the Escrow Account, including the anticipated disbursement dates for each Escrow Item, the past performance of the Escrow Account, including the time interval between disbursements for each Escrow Item, and the amount of Funds in the Escrow Account for each Escrow Item at the time Lender analyzes the Escrow Account. Lender and Borrower agree that neither a shortage of the amount of Funds needed in the Escrow Account nor an over-estimate of the amount of Funds in the Escrow Account for each Escrow Item will not be sufficient to pay each Escrow Item when due. Lender may notify Borrower in writing and may require Borrower to pay to Lender the amount of the deficiency in the Escrow Account as of the date of receipt of notice from Lender. Borrower shall promptly pay to Lender the amount of the deficiency. Lender's sole discretion. Borrower may repay any deficiency in the Escrow Account by making payments of any amount to the Escrow Account. If the Funds in the Escrow Account for each Escrow Item exceed the amount needed to pay each future Escrow Item when due, Lender shall refund any such excess to Borrower within 90 days. The Funds described in this paragraph are called "Escrow Items". In addition to the Funds estimated as described above, and to ensure that the Funds in the Escrow Account are sufficient to pay Escrow Items when due, Lender may require Borrower to maintain in the Escrow Account a minimum balance of Funds not to exceed 2 monthly escrow payments.

Lender shall apply the Funds to pay the Escrow Items when due. Lender shall give to Borrower an annual statement of the Escrow Account, showing credits and debits to the Escrow Account and the purposes for which each debit to the Escrow Account was made. The Funds in the Escrow Account are pledged to Lender as collateral and are to be held and secured by this Security Instrument. Upon payment in full of all sums secured by this Security Instrument, Lender shall refund to Borrower any Funds held by Lender. Such refund shall be made within 90 days of the date of payment in full of all sums secured by this Security Instrument. If, under paragraph 2, Lender shall require to sell the Property, Lender shall apply any Funds held by Lender at the time of foreclosure or sale to a lien against the sums secured by this Security Instrument.

Lender and Borrower's covenants and agreements under this paragraph 2 shall not be subject to applicable state and federal law.

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, and any sums payable by Borrower to Lender be applied with the proceeds of paragraph 2 in the order of the payment of mortgage insurance premiums, 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, fees and other obligations on the Property which may attain priority over this Security Instrument and to make payments of 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 forward to Lender all evidence of payments to be made under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.