

UNOFFICIAL COPY

FORM # 88760004

COOK COUNTY, ILLINOIS
FILED FOR RECORD

1994 JAN -4 11:03:03

Mail To:

BELL FEDERAL SAVINGS AND
 LOAN ASSOC.
 CORNER MONROE and CLARK
 CHICAGO, ILLINOIS 60603
 BOX 112
 HOME OFFICE LOAN No. 02156534

94005159

94005159

(Space Above This Line For Recording Date)

MORTGAGE

31 BMM

THIS MORTGAGE ("Security Instrument") is given on DECEMBER 29
 19 83. The mortgagor is LAWRENCE A. ZALUD AND BARBARA ZALUD, HIS WIFE
 ("Borrower"). This Security Instrument is given to
 BELL FEDERAL SAVINGS AND LOAN ASSOCIATION, which is organized and existing
 under the laws of THE UNITED STATES OF AMERICA, and whose address is
70 West Monroe Street - Chicago, IL 60603 ("Lender").

Borrower owes Lender the principal sum of FOURTY FIVE THOUSAND AND NO/100
 Dollars (U.S. \$ 45,000.00). 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 01-01-88. 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 prop-
 erty located in COOK County, Illinois:

LOT 2 IN MC LEAN RESUBDIVISION, BEING A SUBDIVISION OF BLOCK 5 IN DEARBORN PARK
 UNIT NUMBER 2, SUBDIVISION OF SUNDRY LOTS AND VACATED STREETS AND ALLEYS IN PART
 OF THE NORTHEAST 1/4 OF SECTION 21, TOWNSHIP 33 NORTH, RANGE 14 EAST OF THE THIRD
 PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

THIS IS A JUNIOR MORTGAGE

PERMANENT TAX I.D. NUMBER 17-21-213-003-0000

which has the address of 33 W. 13TH STREET, CHICAGO, ILLINOIS 60605
 (City) (Zip Code)
 ("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 seized of the estate hereby conveyed and has the right to mortgage,
 grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants
 and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited
 variations by jurisdiction to constitute a uniform security instrument covering real property.

7412485A-LD

94005159

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 be levied on the Property; (b) yearly flood insurance premiums; (c) yearly hazard or property insurance premiums; (d) yearly leasehold payments or ground rents on the Property; (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, Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying 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 amounts permitted to be held by 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 acquires or sells 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 be levied on the Property, 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 any 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 which may be levied on the Property or the 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.

65150376

UNOFFICIAL COPY

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)]

- | | | |
|--|--|---|
| <input type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider | <input type="checkbox"/> 1-4 Family Rider |
| <input type="checkbox"/> Graduated Payment Rider | <input checked="" type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider | <input type="checkbox"/> Rate Improvement Rider | <input type="checkbox"/> Second Home Rider |
| <input checked="" type="checkbox"/> Other(s) [specify] | EQUITY LOAN MORTGAGE 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:

..... x Lawrence A. Zalud (Seal)
 LAWRENCE A. ZALUD Borrower

..... x Barbara Zalud (Seal)
 BARBARA ZALUD Borrower

(Space below This Line For Acknowledgment)

STATE OF ILL }
 COUNTY OF COOK } SS:

I, _____ a Notary Public in and for said county and state, do hereby certify that LAWRENCE A. ZALUD AND BARBARA ZALUD, HIS 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... executed said instrument for the purposes and uses therein set forth.
(he, she, they) (his, her, their)

Witness my hand and official seal this 23rd day of Dec, 1993.

My Comm. Expires: SEAL
SYLVIA BLANCHARD
 NOTARY PUBLIC, STATE OF ILLINOIS
 MY COMMISSION EXPIRES 07/2007

x [Signature] (SEAL)
 Notary Public

This instrument was prepared by... KARIN GRUZALSKI 70 W. MONROE CHICAGO IL 00003

035159

UNOFFICIAL COPY

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged. If the restoration or repair is economically feasible and Lender's security is not lessened, if the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and 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 otherwise agrees in writing, which consent shall not unreasonably withhold, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the 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 impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and remain, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other matter at issue. If the lien created by this Security Instrument or Lender's security interest in the Property or other matter is in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but 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.

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

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 payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage 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 Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve 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.

65150046

UNOFFICIAL COPY

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) 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 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 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, 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, 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.

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 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.

94C05139

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 condemner offers to make an award or other 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 exceed 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 may be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

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

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

17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural

94005139

UNOFFICIAL COPY

Loan No. 02750534

EQUITY LOAN MORTGAGE RIDER

(Adjustable Rate and Payment)
(Revolving Line of Credit)

THIS EQUITY LOAN MORTGAGE RIDER is made this 23RD day of DECEMBER, 1989, and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Equity Loan Note to BELL FEDERAL SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at:

39 W. 13TH STREET, CHICAGO, IL 60605

Pa3
PROPERTY ADDRESS

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE. IF THE INTEREST RATE INCREASES, THE BORROWER'S MONTHLY PAYMENTS WILL BE HIGHER. IF THE INTEREST RATE DECREASES, THE BORROWER'S MONTHLY PAYMENTS WILL BE LOWER.

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, MONTHLY PAYMENT CHANGES AND BILLING NOTICES

Section 2.a., 3., 4. and part of 5. of the Equity Note provides for changes in the interest rate, the monthly payments, billing notices, and a revolving line of credit, as follows:

2. INTEREST

a. Interest Rate

The interest rate may change monthly. Interest rate changes may occur on the first day of any billing cycle beginning on 02-01-1994 and on the first day of every billing cycle thereafter. Billing cycles shall begin on the first day of each month.

1) The Index

Interest rate changes will be based on an interest rate index which will be called the "Index." The "Index" is the Prime Rate, the base rate on corporate loans at large U.S. money center commercial banks as published in the Money Rates section of the Midwest Edition of the Wall Street Journal on the last day the Journal is published each month. If more than one Prime Rate is listed on that day, the index in effect for your Equity Loan will be an average of the Prime Rates listed.

If the Index ceases to be made available the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of its choice.

2) Setting the Interest Rate

The Note Holder shall calculate the per annum interest rate for any given billing cycle by adding two percentage points (2%) to the Index as published on the last day the Journal is published the previous month. However, the interest rate on this loan will never exceed 18.000 percent per annum.

3. PAYMENTS

Monthly payments of principal and interest shall be due on the first day of each month beginning the first of the month following the first advance under this Note. The monthly payment shall be sufficient to repay in full the principal and accrued interest of my Note in substantially equal payments by the Maturity Date at the interest rate effective for the billing cycle immediately prior to the payment and rounded up to the next dollar. Except for the last payment, IN NO EVENT SHALL ANY PAYMENT BE LESS THAN \$100. Advances under this Note will increase the payment and prepayments will reduce the payment unless offset by changes in the interest rate. The interest rate on this Note may change from time to time. An increase in the interest rate will result in an increased payment and a decrease in the interest rate will result in a decreased payment unless offset by prepayments or advances. Prepayment in whole or in part shall be permitted without penalty or fee, but prepayment shall not excuse my subsequent failure to pay principal or interest as it becomes due.

UNOFFICIAL COPY

BELL FEDERAL SAVINGS AND
 LOAN ASSOC.
 CORNER MONROE AND CLARK
 CHICAGO, ILLINOIS 60603
 BOX 112
 HOME OFFICE LOAN NO. 62756534

BARBARA ZALUD
 (Seal) *[Signature]*
 LAWRENCE A. ZALUD
 (Seal) *[Signature]*

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Equity Loan Mortgage Rider.

31. LIEN OF MORTGAGE. The lien of this Mortgage secures payment of any existing indebtedness and future advances made pursuant to this Mortgage without regard to whether or not there is any indebtedness or standing at the time any advance is executed and without regard to whether or not there is any indebtedness or standing at the time any advance is made.

30. ASSUMPTION. Notwithstanding anything in Paragraph 17 of the Mortgage to the contrary, 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) the Lien of Credit will be terminated. Termination of the Lien of Credit pursuant to this Paragraph will not affect or negate any of Lender's other rights and remedies under Paragraph 17 of the Mortgage.

29. DEFAULT. In the event of any default under the terms of the Mortgage, the Equity Loan Mortgage Rider or the Equity Loan Note, Lender will notify Borrower in writing pursuant to Paragraphs 13, 17 and 19 of the Mortgage, of acceleration. If Borrower cures the default to Lender's satisfaction, no future advances under the Lien of Credit will be permitted. If

28. STAFF ATTORNEYS' FEE. The term "attorneys' fees" shall include reasonable fees charged by the Lender for the services of attorneys on its staff.

27. DEFERRAL OF TAX AND INTEREST ESCROWS. This mortgage provides for payments to be made for tax and insurance escrows. As long as the mortgage referred to in Paragraph 26 is outstanding and all taxes and insurance premiums are paid the escrow provisions in this mortgage will not be enforced. However, should said previous mortgage be repaid, the Borrower will begin making escrow payments in accordance with this mortgage.

26. PRIOR MORTGAGE. The Borrower affirms that they are the obligors under a mortgage secured by a mortgage, in the original sum of \$1,000.00, dated AUGUST 28, 1983, Document No. 93699152 and recorded in the Recorder's Office of Cook County, Illinois, as Document No. 93699152. Lender shall take the steps specified in the second paragraph of paragraph 17.

25. RELEASE FEE. Notwithstanding Covenant 21 of the Security Instrument to the contrary, this Security Instrument shall be released upon cancellation of the line of credit and payment to the Lender of the indebtedness secured hereby pursuant to the terms hereof and the payment of its reasonable release fee.

24. ADDITIONAL INSURANCE. In the event that any of the undersigned Borrowers shall elect to secure the interest at the Note rate, as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

as additional security for the indebtedness hereby secured, the Borrowers agree to pay or provide for the payment of all such insurance policies, and add the amount so advanced in payment of premiums as additional debt secured hereby, with

94005159

803

5. WHEN PRINCIPAL RECEIVED. The principal of this loan represents a revolving line of credit available to me. . . . In no event shall voluntary advances be made after the twentieth anniversary of the original Note.
4. BILLING NOTICES. Each month that there is an outstanding principal balance carried forward from the last billing date, the date and amount of additional advance(s) of principal or percentage rate, periodic rate, payment due, late charge date, new balance, available balance and any other items the Note Holder may choose to disclose.

UNOFFICIAL COPY
PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 23RD day of DECEMBER, 1993, 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 BELL FEDERAL SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 33 W. 13TH STREET CHICAGO, ILLINOIS 60605 [Property Address]

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in DEARBORN PARK II (the "Declaration"). The Property is a part of a planned unit development known as DEARBORN PARK II [Name of Planned Unit Development]

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

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

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage provided by the master or blanket policy.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

(ii) any amendment to any provision of the "Constituent Documents" if the provision is for the express benefit of Lender;

(iii) termination of professional management and assumption of self-management of the Owners Association; or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this PUD Rider.

Lawrence A. Zalud (Seal)
LAWRENCE A. ZALUD Borrower

Barbara Zalud (Seal)
BARBARA ZALUD Borrower

BELL FEDERAL SAVINGS AND
LOAN ASSOC.
CORNER MICHIGAN AND CLARK
CHICAGO, ILLINOIS 60603

BOX 112
HOME OFFICE LOAN No. 02796534

94005159

UNOFFICIAL COPY

Property of Cook County Clerk's Office