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CHESTERFIELD FEDERAL SAVINGS AND LOAN ASSOCIATION HOME EQUITY CREDIT LINE MORTGAGE

(Corporate Trustee)

4/10/04

75-U4-840L

MAR 29

This Home Equity Credit Line Mortgage is made this 25th day of March, 19 94, between the Mortgagor SOUTHWEST FINANCIAL BANK AND TRUST COMPANY

a Corporation organized and existing under the Laws of the STATE OF ILLINOIS, not personally but as Trustee under the provisions of a Deed or Deeds in Trust duly recorded and delivered to the undersigned in pursuance of a Trust Agreement dated August 18, 1992 and known as Trust Number 1-0712, (herein "Borrower"), and the Mortgagee, Chesterfield Federal Savings and Loan Association of Chicago, a Corporation organized and existing under the laws of the United States of America whose address is 10801 South Western Avenue, Chicago, Illinois 60643 (herein "Lender").

WHEREAS, Borrower and Lender have entered into a Chesterfield Federal Savings and Loan Association Home Equity Credit Line Agreement (The "Agreement") dated March 25, 19 94, pursuant to which Borrower may from time to time until March 25, 2004 borrow from Lender sums which shall not in the aggregate outstanding principal balance exceed \$27,000.00 the "Maximum Credit" plus interest. Interest on the sums borrowed pursuant to the Agreement is payable at the rate and at the times provided for in the Agreement. After March 25, 2004 (the "Final Maturity Date") all sums outstanding under the Agreement, together with interest thereon, are due and payable.

TO SECURE to Lender the repayment of the indebtedness incurred pursuant to the Agreement, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower contained herein and in the Agreement, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of COOK, State of Illinois:

Lot 10 in Phase 1 of Palos West, a planned unit development in the South East one-quarter of Section 29 and the Northeast one-quarter of Section 32, Township 37 North, Range 12 East of the Third Principal Meridian, in COOK COUNTY, ILLINOIS, according to the Plat thereof recorded January 14, 1981, as Document 25737378, in COOK COUNTY, ILLINOIS.

COOK COUNTY, ILLINOIS
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PERMANENT INDEX NUMBER: 23-29-406-010-0000.

which has the address of 10521 Grandview DR., Palos Park, Illinois, 60464-1589, (herein "Property Address").

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights, and water stock, and all fixtures 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 this Mortgage; and all of the foregoing, together with said property, (or leasehold estate if this Mortgage is on a leasehold) are herein referred to 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 Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any mortgages, declarations, easements or restrictions listed in a schedule of coverage in any title insurance policy insuring Lender's interest in the property.

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1001 S. WESTERN AVE., CHICAGO, ILL. 60604
SAVINGS AND LOAN ASSOCIATION
Chesterfield Federal
DIANE L. GODLEWSKI
CHESSTERFIELD FEDERAL SAVINGS & LOAN ASS'N.
10135 S. ROBERTS RD., FAIRVIEW HILLS, ILL. 60465-1592
THIS INSTRUMENT WAS PREPARED BY
Please Receipt & Return

Home Equity Credit Line No. 01-90017095

OFFICIAL SEAL
PATRICIA M. LAKE
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES 6/1/98

Patricia M. Lake
Notary Public

GIVEN under my hand and Notarial Seal, this 28th day of March, 1997
set forth.
I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY THAT
PERSONALLY KNOWN TO ME TO BE THE TRUSTEE
President of Financial Bank & Trust Co.
personally known to me to be the Authorized Officer
Secretary of said corporation, and personally known to me to be the same persons whose names are ascribed to the fore-
going instrument, appeared before me this day in person and severally acknowledged that as such TRUST OFFICER
President and Authorized Officer Secretary, they signed and delivered the said instrument as TRUST OFFICER
President and Authorized Officer Secretary, of said corporation and caused the corporate
seal of said corporation to be affixed thereto, pursuant to authority, given by the Board of Directors of said corporation as
their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein

STATE OF ILLINOIS
COUNTY OF Cook

Robert B. Wozniak
President
As Trustee as aforesaid and not personally

Joseph B. Hatzlauer
Secretary

ATTEST:
(Corporate Seal)

IN WITNESS WHEREOF, the undersigned corporation, not personally but as Trustee as aforesaid, has caused this Mortgage
to be signed by its President, and its corporate seal to be hereunto affixed and
Secretary, this 28th day of March, 1997

- by action to enforce the person's liability of the guarantor, if any.
23. This Mortgage is executed by the undersigned not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said undersigned hereby warrants that it possesses full power and authority to execute this instrument) and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on the said undersigned, either individually or as Trustee aforesaid, personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant, condition, express or implied herein contained, all such liability, if any, being expressly waived by the Mortgage and by every person now or hereafter claiming any right or security hereunder, and that so far as the undersigned, either individually or as Trustee aforesaid, or its successors, personally are concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed or to the payment thereof, by the enforcement of the lien hereby created in the manner herein and in said Note provided or provided for by action to enforce the person's liability of the guarantor, if any.
22. If The Corporate Trustee named herein is duly authorized to do so by the Trust instrument or by any person having a power of direction over the Trustee, and if the property hereby conveyed under this Mortgage consists of a dwelling for five or more families, the corporate Trustee does hereby waive any and all rights of redemption from sale under any order or decree foreclosing this Mortgage.
21. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.
20. Release. Upon payment of all sums secured by this Mortgage and termination of the Agreement Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.
19. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration under paragraph 18 hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following judicial sale, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

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9. Borrower not Released. Extension of the time for payment or modification of any other term of the Agreement or this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify any term of the Agreement or this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

10. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy under the Agreement or hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's rights to accelerate the maturity of the indebtedness secured by this Mortgage.

11. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

13. Notice. Except for any notice required under applicable law to be given in another manner (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by First Class Mail, addressed to Borrower at the Property address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by First Class Mail to Lender's address or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender (i) the earlier of: (1) the date hand delivery is actually made, or (2) the date notice is deposited into the U.S. Mail system by First Class Mail.

14. Governing Law; Severability. This Mortgage shall be governed by the law of the State of Illinois. In the event that any provision or clause of this Mortgage or the Agreement conflicts with applicable law, such conflict shall not affect provisions of this Mortgage or the Agreement which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Agreement are declared to be severable.

15. Borrower's Copy. Borrower shall be furnished a conformed copy of the Agreement and of this Mortgage at the time of execution or after recordation hereof.

16. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold, transferred or conveyed by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances or (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable.

17. Revolving Credit Loan. This Mortgage is given to secure a revolving credit loan and shall secure not only presently existing indebtedness under the Agreement but also future advances, whether such advances are obligatory or to be made at the option of the Lender, or otherwise, as are made within 10 years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no indebtedness secured hereby outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all indebtedness secured hereby, including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the Property is located. The total amount of indebtedness secured hereby may increase or decrease from time to time, but the total unpaid balance of indebtedness secured hereby (including disbursements which the Lender may make under this Mortgage, the Agreement, or any other document with respect thereto) at any one time outstanding shall not exceed the Maximum Credit, plus interest thereon and any disbursements made for payment of taxes, special assessments or insurance on the Property and interest on such disbursements (all such indebtedness being hereinafter referred to as the "maximum amount secured hereby"). This Mortgage shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, excepting solely taxes and assessments levied on the Property, to the extent of the maximum amount secured hereby.

18. Acceleration. (A) **REMEDIES:** Upon an event of Default or Borrower's breach of any covenant or agreement of Borrower in this Mortgage or the Agreement, including the covenants to pay when due and sums secured by this Mortgage, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand, and/or may terminate the availability of loans under the Agreement and may foreclose on this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees, and costs of documentary evidence, abstracts and title reports.

(B) **TERMINATION AND ACCELERATION UPON DEFAULT:** This Agreement may be terminated by the Lender and require you to pay us the entire outstanding balance in one payment, and charge you certain fees if (a) you engage in fraud or material misrepresentation in connection with this plan; (b) you fail to meet the repayment terms of the Agreement; or (c) you act or fail to act in a way that adversely affects our security interest. Upon Default, the Lender at its option may refuse to make additional Loans and declare all amounts you owe to the Lender under this Agreement to be immediately due and payable. All outstanding Loans and accrued Finance Charges shall be immediately due and owing, and the Account shall be automatically terminated.

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COVENANTS. Borrower and Lender covenant and agree as follows:

- 1. Payment of Principal and Interest.** Borrower shall promptly pay when due the principal of and interest on the indebtedness incurred pursuant to the Agreement, together with any fees and charges as provided in the Agreement.
- 2. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Agreement and paragraph 1 hereof shall be applied by Lender first in payment of interest, fees, charges and advances payable pursuant to the Agreement, then to the principal amounts outstanding under the Agreement.
- 3. Charges; Liens.** Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property which may arise in a priority over this Mortgage, and leasehold payments or ground rents, if any, including all payments due under any mortgage disclosed by the title insurance policy insuring Lender's interest in the Property. Borrower shall, upon request of Lender, promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage, except for the lien of any mortgage disclosed by the title insurance policy insuring Lender's interest in the Property; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.
- 4. Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazard, included within the term "extended coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed the amount of coverage required to pay the sums secured by this Mortgage and any other mortgage on the Property.
- The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in a timely manner. All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Upon request of Lender, Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. 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, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.
- Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payments due under the Agreement, or change the amount of such payment. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.
- 5. Preservation and Maintenance of Property; Leaseholds; Covenants; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and consistent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.
- 6. Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, any proceeding brought by or on behalf of a prior mortgagee, eminent domain, insolvency, code enforcement, or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower pursuant to paragraph 13, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs.
- Any amounts disbursed by Lender pursuant to this paragraph 6, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Agreement. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder.
- 7. Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause related to Lender's interest in the Property.
- 8. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of a total or partial taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower.
- If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.
- Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payments due under the Agreement, or change the amount of such payment. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

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MORTGAGE

75-04-842L
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THIS MORTGAGE is made this 28th day of March, 1994, between the Mortgagor DANIEL K. HUGHES and SHARON R. HUGHES, his wife, (herein "Borrower"), and the Mortgagee

CHESTERFIELD FEDERAL SAVINGS AND LOAN ASSOCIATION OF CHICAGO, a Corporation organized and existing under the Laws of the United States of America, whose address is 10801 South Western Avenue, Chicago, Illinois (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of FIFTY-FIVE THOUSAND AND NO/100-----(\$55,000.00)----- DOLLARS which indebtedness is evidenced by Borrower's Note dated March 28, 1994 (herein "Note"), providing for monthly installments of principal and interest, and shall continue until the entire indebtedness is paid in full.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of COOK State of Illinois:

The East 150 feet of the North half of Lot 8 in J. S. HOVLAND'S CENTRAL PARK AVENUE SUBDIVISION of the West 20 acres of the South 60 acres of the North East quarter of Section 14, Township 37 North, Range 13 East of the Third Principal Meridian in COOK COUNTY, ILLINOIS.

COOK COUNTY, ILLINOIS
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which has the address of 10630 S. St. Louis Ave., Chicago, Illinois 60655-2531 (herein "Property").

REAL ESTATE INDEX NUMBER 24-14-213-207-0000.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, and all fixtures 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 this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are herein referred to as the "Property."

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

Loan No. M-1303049-8

Please Receipt & Return
Chesterfield Federal
SAVINGS AND LOAN ASSOCIATION
10801 S. Western Ave., Chicago, Ill. 00000
Attention: Dolores Wallinberg

BOX 333-CT1

OFFICIAL SEAL
ROBERT J. CUSACK
Notary Public, State of Illinois
My Commission Expires 11/17/94

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Property of Cook County Clerk's Office

GIVEN under my hand and Notarial Seal, this 28th day of March, 1994, DANIEL K. HUGHES and SHARON R. HUGHES, his wife, personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as the free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

1. *Robert J. Cusack*
a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT DANIEL K. HUGHES and SHARON R. HUGHES, his wife, personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as the free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

STATE OF ILLINOIS
COUNTY OF COOK SS
DANIEL K. HUGHES
SHARON R. HUGHES
(Seal) (Seal)

IN WITNESS WHEREOF, Borrower has executed this Mortgage.
20. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the right to collect and retain such rents as they become due and payable.
21. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to release of this Mortgage, may make Future Advances to Borrower, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note.
22. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage and Borrower shall pay a Release Fee to Lender and all costs of recordation, if any.
23. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.

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8. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, 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 Mortgage with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

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 such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

10. **Borrower Not Released.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. **Remedies Cumulative.** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender at address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. **Uniform Mortgage; Governing Law; Severability.** This form of mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provisions, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and this Mortgage at the time of execution or after recordation hereof upon request.

17. **Transfer of the Property.** If all or any part of the property or an interest therein is sold or transferred by Borrower or if the beneficial interest or any part thereof in any Land Trust holding title to the property is assigned, sold or transferred, or if the Borrower or title holding Land Trust enters into Articles of Agreement for Deed or any agreement for installment sale of the Property or the beneficial interest to the title holding Land Trust, WITHOUT THE LENDER'S PRIOR WRITTEN CONSENT, excluding, (a) the creation of a lien or encumbrance subordinate to this Mortgage securing the Note, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the property is to be sold or transferred reach agreement in writing that the application by such person to assume the obligation is satisfactory to the Lender and that the interest shall be at such rate as the Lender shall request.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration, such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by Law.

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

18. **Acceleration Remedies.** Except as provided in Paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in Paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform the Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceedings the non-existence of a default or any other defense of Borrower to acceleration or foreclosure. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceedings all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

19. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the

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1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any future Advances secured by this Mortgage.

2. Funds for Tax and Insurance. Borrower further agrees to pay monthly, in addition to the payment aforementioned, one-twelfth of the annual real estate taxes, as estimated by the Lender, so as to provide for payment in full of the annual tax during the term of this obligation. Borrower promises, further, to pay monthly a pro-rata share of all assessments, insurance premiums and any other charges that may accrue against the property securing this indebtedness. Such payments shall be placed in a non-interest bearing Tax and Insurance Escrow Account for the payment of said items.

In the event such monies are insufficient for the purpose, and Borrower fails to pay to the Lender without demand the amount of such deficiency, then the Lender at its sole option may at any time pay the whole or any part of such items from its own funds; any such payment from its own funds shall constitute an advance on Borrower's account and shall be added to the principal sum. Such advance shall bear interest from the date thereof. It shall not be obligatory upon the Lender to inquire into the validity or accuracy of any of said items before making payment of the same and nothing herein contained shall be construed as requiring the Lender to advance other monies for said purpose. The Lender has the right to pay the entire tax bill as soon as it is available notwithstanding the fact it is shown payable in installments. The Lender may commingle with its general funds any monies received by it pursuant to the provisions of this agreement, and Lender shall not be liable for any payment of any interest thereon, nor shall the Lender incur any liability to the Borrower, or any other party on account of such monies, except to account for funds disbursed under the terms hereof. Any monies received pursuant to the provisions of this agreement are hereby pledged to the Lender to further secure the Mortgage indebtedness.

3. Application of Payments. All payments received by the Lender in accordance with the terms of the Note secured by this Mortgage shall be applied first to interest, then to the Tax and Insurance Escrow Accounts, and the remainder to principal. Whenever Borrower fails to make a payment, or pay less than the required amount during any month, or elect to skip payments in accordance with the provisions contained herein, Borrower hereby authorizes the Lender to add to the unpaid balance of Borrower's loan account at the end of that month, the amount necessary to provide for interest, taxes and insurance and the amount of the tax and insurance charges, which will be deposited by the Lender into our Tax and Insurance Account.

4. Changes. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may be levied or assessed over this Mortgage, and leasehold payments or ground rents, if any, in the manner provided under Paragraph 2 hereof, or if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage, provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to the Lender, or shall enforce the lien or forfeiture of the Property or any part thereof.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards including within the term "extended coverage", and such other hazards as Lender may require and in such amounts and for such periods as Lender may require, provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by the Lender; provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under Paragraph 2 hereof, or if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier. All insurance policies and renewals hereof shall be in form acceptable to the Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. 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, provided such restoration or repair is economically feasible and the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess if any, paid to Borrower. If the property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds as Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend to postpone the date of the monthly installments referred to in Paragraph 1 and 2 hereof or change the amount of such installments. If under Paragraph 18 hereof the Property is acquired by the Lender, all rights, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property or to the title or acquisition thereof shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such title acquisition.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease (if this Mortgage is on a leasehold) or on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or governing instrument of the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and shall amend and supplement the governing documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, involuntary code enforcement, or arrangements, or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearance, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under Paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requiring payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or take any action hereunder.

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