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WHEN RECORDED MAIL TO:

1ST FEDERAL OF WESTCHESTER  
2121 S. MANNHEIM RD  
WESTCHESTER, IL 60154-4391

DEPT-01 RECORDING \$37.50  
T90014 TRAN 7032 08/10/95 14:05:00  
#4724 + JW \* -95-529169  
COOK COUNTY RECORDER



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This Mortgage prepared by: EDWARD A. MATUGA, ATTORNEY AT LAW  
2121 S. MANNHEIM RD  
WESTCHESTER, IL. 60154

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**A.N.T.N.**

**MORTGAGE**

THIS MORTGAGE ("Security Instrument") is given on August 4, 1995. The mortgagor is JOHN SALKA and LORETTA M. SALKA, HUSBAND AND WIFE ("Borrower"). This Security Instrument is given to 1st FEDERAL SAVINGS & LOAN ASSOCIATION OF WESTCHESTER, which is organized and existing under the laws of the United States of America and whose address is 2121 S. MANNHEIM RD, WESTCHESTER, IL 60154-4391 ("Lender"). Borrower owes Lender the principal sum of One Hundred Twenty Five Thousand & 00/100 Dollars (U.S. \$125,000.00). 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 September 1, 2025. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

LOTS 17 AND 18 TOGETHER WITH THOSE PARTS OF THE 16 FOOT NORTH-SOUTH AND EAST-WEST ALLEYS SOUTH OF AND WEST OF SAID LOTS LYING NORTH OF THE CENTER LINE OF SAID EAST-WEST ALLEY AND EAST OF THE CENTER LINE OF SAID NORTH-SOUTH ALLEY, ALL IN BLOCK 9 IN NEW PROVIDO, BEING A SUBDIVISION OF THE SOUTH 26.42 CHAINS OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 21, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

37<sup>50</sup>

which has the address of 2140 GARDNER ROAD, WESTCHESTER, Illinois 60154-4479 ("Property Address") and the Real Property Tax Identification Number of 15-21-424-026 & 15-21-424-027;

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, ILLINOIS-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT Form 3014 9/90 (page 1 of 6)

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Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower promptly furnish to Lender receipts evidencing the payments.

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 any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to due under the Note.

amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to

**3. Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender credit against the sums secured by this Security Instrument.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a

discretion. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole

Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the Funds held by Lender at any time is not sufficient to pay the Escrow items which due, Lender may so notify

to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the if the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account

this Security Instrument. The Funds are pledged as additional security for all sums secured by

without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for

Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and

loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest a one-time charge for an independent real estate tax reporting service used by Lender in connection with this

Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay annually analyzing the escrow account, or verifying the Escrow items, unless Lender pays Borrower interest on the

the Funds to pay the Escrow items. Lender may not charge Borrower for holding and applying the Funds, entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or with applicable law.

basis of current data and reasonable estimates of expenditures of future Escrow items or otherwise in accordance

hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and

Settlement Procedures Act of 1974, as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), Federally related mortgage loan, may require for Borrower's escrow account under the federal Real Estate

Lender may, at any time, collect, and hold Funds in an amount not to exceed the maximum amount a lender for a paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow items."

premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance

on the Property; (a) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum

**2. Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower under the Note

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

**1. Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

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

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with subject to any encumbrances of record.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to record, grant and convey the Property and that the Property is unencumbered, except for encumbrances of

Property." Borrower warrants and will defend generally the title to the Property against all claims and demands, 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

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FNMA/FHLMC MORTGAGE

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Loan No 11965-20

(Continued)

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.

9. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

10. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not the sums are then due.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

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

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

12. **Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. **Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or

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(a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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, 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 be unreasonably withheld, 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 tortious 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 reinstate, 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 material impairment of the lien created by this Security Instrument. Lender's security interest in the Property shall also be 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 that 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. Assignment. Borrower shall not assign, convey, or otherwise dispose of the Property or any interest therein, or any part thereof, without the prior written consent of Lender. Any assignment, conveyance, or disposition of the Property or any interest therein, or any part thereof, made in violation of this paragraph 8 shall be null and void. Lender shall not be bound by any assignment, conveyance, or disposition of the Property or any interest therein, or any part thereof, made in violation of this paragraph 8.

9. Successors. This Security Instrument shall bind the Borrower, the Borrower's heirs, assigns, personal representatives, and all persons claiming through the Borrower, and shall be enforceable against the Borrower, the Borrower's heirs, assigns, personal representatives, and all persons claiming through the Borrower.

10. Entire Agreement. This Security Instrument, together with the Note, constitute the entire agreement between the Borrower and Lender, and shall supersede all other agreements, understandings, or negotiations between the Borrower and Lender, whether oral or written, made prior to the date of this Security Instrument.

11. Notices. All notices to Lender shall be in writing and shall be given to Lender at the address set forth in the Note, or to such other address as Lender may designate in writing to Borrower. Notices to Borrower shall be given to Borrower at the address set forth in the Note, or to such other address as Borrower may designate in writing to Lender.

12. Waiver. Borrower hereby waives any and all rights to demand or require strict compliance with the terms and conditions of this Security Instrument, and agrees that Lender shall not be bound by technicalities or defects in this Security Instrument.

13. Remedies Cumulative. The remedies provided in this Security Instrument are cumulative and shall not be exclusive of any other remedies available to Lender under applicable law.

14. Severability. If any provision of this Security Instrument is held to be unenforceable, the remaining provisions shall survive and remain enforceable.

15. Governing Law. This Security Instrument shall be governed by the laws of the State of California.

16. Acknowledgment. The Borrower acknowledges that he or she understands the contents of this Security Instrument and the obligations it imposes, and that he or she enters into this Security Instrument voluntarily and without duress, coercion, fraud, or undue influence.

17. Counterparts. This Security Instrument may be executed in counterparts, each of which shall be deemed to be an original copy of this Security Instrument, and all of which together shall be deemed to constitute one and the same Security Instrument.

18. Electronic Delivery. Lender may deliver this Security Instrument to Borrower in electronic form, and Borrower agrees to accept delivery in electronic form.

19. Assignment of Rights. Lender may assign its rights under this Security Instrument to any third party.

by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

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

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

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

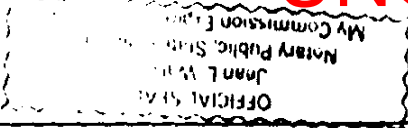
**21. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration

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My commission expires \_\_\_\_\_



Notary Public in and for the State of \_\_\_\_\_

By \_\_\_\_\_ Residing at \_\_\_\_\_

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

On this day before me, the undersigned Notary Public, personally appeared JOHN SALKA and LORETTA M. SALKA, HUSBAND AND WIFE, to me known to be the individuals described in and who executed the Mortgage, and acknowledged that they signed the Mortgage as their free and voluntary act and deed, for the uses and purposes therein mentioned.

COUNTY OF \_\_\_\_\_

STATE OF \_\_\_\_\_

## INDIVIDUAL ACKNOWLEDGMENT

LORETTA M. SALKA-Borrower (Seal) \_\_\_\_\_

JOHN SALKA-Borrower (Seal) \_\_\_\_\_

Witnesses: \_\_\_\_\_

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.

- Adjustable Rate Rider
- Condominium Rider
- 1-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Biweekly Payment Rider
- Balloon Rider
- Rate Improvement Rider
- Second Home Rider
- Other(s) [specify] \_\_\_\_\_

23. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property. Borrower shall pay any recordation costs.

22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Lender may charge Borrower a fee for releasing this Security Instrument. Lender shall release this Security Instrument. Lender shall release this Security Instrument. Lender shall release this Security Instrument.

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.



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**ADJUSTABLE RATE RIDER**  
(Cost of Funds Index-Rate Caps-Fixed Rate Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this 4th day of August, 1995, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to 1st FEDERAL SAVINGS & LOAN ASSOCIATION OF WESTCHESTER (the "Lender") of the same date and covering the property described in this Security Instrument and located at:

2140 GARDNER ROAD, WESTCHESTER, Illinois 60154-4479  
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT MY ADJUSTABLE RATE TO A FIXED RATE.

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

**A. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial interest rate of 8.000%. The Note provides for changes in the interest rate and the monthly payments, as follows:

**4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES**

**(A) Change Dates**

The interest rate I will pay may change on the first day of September, 1996, and on that day every twelve (12) month(s) thereafter. Each date on which my interest rate could change is called a "Change Date."

**(B) The Index**

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the monthly weighted average cost of savings, borrowings and advances of members of the Federal Home Loan Bank of San Francisco (the "Bank"), as made available by the Bank. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

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

**(C) Calculation of Changes**

Before each Change Date, the Note Holder will calculate my new interest rate by adding 2.500 percentage points to the Current Index. The Note Holder will then round the result of this calculation to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

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

**(D) Limits on Interest Rate Changes**

The interest rate I am required to pay at the first Change Date will not be greater than 8.000% or less than 4.000%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.000%) from the rate of interest I have been paying for the preceding twelve (12) month(s). My interest rate will never be greater than 12.000%, which is called the "Maximum Rate".

**(E) Effective Date of Changes**

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

**(F) Notice of Changes**

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

**B. FIXED INTEREST RATE OPTION**





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ADJUSTABLE RATE RIDER  
(Continued)

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

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

John Salka (Seal)  
JOHN SALKA-Borrower

Loretta M. Salka (Seal)  
LORETTA M. SALKA-Borrower

## INDIVIDUAL ACKNOWLEDGMENT

STATE OF Illinois)  
COUNTY OF Cook) ss

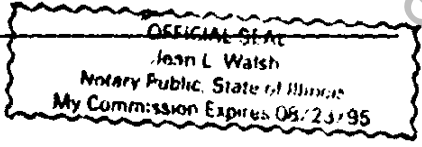
On this day before me, the undersigned Notary Public, personally appeared JOHN SALKA and LORETTA M. SALKA, HUSBAND AND WIFE, to me known to be the individuals described in and who executed the Adjustable Rate Rider, and acknowledged that they signed the Adjustable Rate Rider as their free and voluntary act and deed, for the uses and purposes therein mentioned.

Given under my hand and official seal this 14th day of July, 19 95.

By Jean L Walsh Residing at Cook

Notary Public in and for the State of Ill

My commission expires \_\_\_\_\_



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