

BOX 333-CTI

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

Initials RMR/FSK

Illinois 60067 - (Zip Code)

(Property Address)

BUFFALO GROVE (City)

which has the address of 504 PARK VIEW TERRACE # 202

PERMANENT INDEX NO: 03-08301029 03-08301020

IN COOK COUNTY, ILLINOIS TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS CONDOMINIUM RECORDED MARCH 23, 1995 AS DOCUMENT 95196587, AS AMENDED FROM TIME ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF PLAT THEREOF RECORDED DECEMBER 22, 1994 AS DOCUMENT 04068268, IN COOK COUNTY, FEET THEREOF, EXCEPT THE NORTH 495 FEET OF THE ABOVE TRACT), ACCORDING TO THE NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF THE EAST 840 653.45 FEET OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 8, TOWNSHIP 42 CO'S COVES OF BUFFALO GROVE, BEING A SUBDIVISION OF THAT PART OF THE NORTH A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOT 1 IN EDWARD SCHWARTZ AND UNIT 202 IN BUILDING IN THE COVES OF BUFFALO GROVE CONDOMINIUM AS DELINEATED ON

howing described property located in COOK County, Illinois; 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; and (c) the performance of Borrower's covenants and agreements under this Security Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the and payable on August 1st, 2025. This Security Instrument secures to Lender: (a) the this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due Dollars (U.S. \$ 135,900.00). This debt is evidenced by Borrower's note dated the same date as Borrower owes Lender the principal sum of One Hundred Thirty Five Thousand Nine Hundred and 00/100 50 NORTH BROCKWAY STREET PALATINE, ILLINOIS 60067 ("Lender"), and existing under the laws of THE STATE OF ILLINOIS, which is organized HARRIS BANK PALATINE, N.A. ("Borrower"). This Security Instrument is given to The mortgagor is FRANK S. KMET AND KANDACE M. KMET, HIS WIFE THIS MORTGAGE ("Security Instrument") is given on July 28th, 1995

95603124

48.00

MORTGAGE 95028867 75636052 [Space Above This Line For Recording Data]

Dr. Blumberg

DEPT-01 RECORDING \$43.00 150012 TRAN 6323 09/08/95 14:53:00 \$4187 ÷ JM *-95-603124 COOK COUNTY RECORDER

95603124

Prepared by and return to: HARRIS BANK PALATINE, N.A. 50 NORTH BROCKWAY STREET PALATINE, IL 60067

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4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, 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 due under the Note.

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.

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 credit against the 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.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentally, 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.

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 attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (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. Section 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.

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.

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

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.

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agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and

leaseshold and the fee title shall not merge unless Lender agrees to the merger in writing.

Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the

Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold,

in connection with the loan evidenced by the Note, including, but not limited to, representations concerning

false or inaccurate information or statements to Lender (or failed to provide Lender with any material information)

security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially

interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's

to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's in-

Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding

Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest.

proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the

Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or

exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the

wise agrees in writing, which consent shall not be unreasonably withheld, or unless, in tenuring circumstances

Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender other-

residence within sixty days after the execution of this Security Instrument and shall continue to occupy the

Application; Leasesholds. Borrower shall occupy, establish, and use the Property as Borrower's principal

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan

intent of the sums secured by this Security Instrument immediately prior to the acquisition.

and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the ex-

the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance

lend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not ex-

whether or not then due. The 30-day period will begin when the notice is given.

Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument,

Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds.

any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from

insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with

lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the in-

repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or

notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

give to Lender all receipts or paid premiums and renewal notices. In the event of loss, Borrower shall promptly

clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage

the Property in accordance with paragraph 7.

maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in

be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to

tained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be main-

other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be main-

erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter

forth above within 10 days of the giving of notice.

give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set

that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may

lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines

which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the

Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings

Borrower; (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless

Borrower shall promptly furnish to Lender receipts evidencing the payments.

nish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly,

that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly fur-

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Loan Number:

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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

such payments tend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or repair of the Property or to the sums secured by this Security Instrument, whether or not then due. the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date if the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers applied to the sums secured by this Security Instrument whether or not the sums are then due. Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be immediately before the taking is less than the amount of the sums secured immediately before the taking, unless 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, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be 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. 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 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, the proceeds shall be applied to the sums secured by this 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 sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be immediately before the taking is less than the amount of the sums secured immediately before the taking, unless 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 sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be immediately before the taking is less than the amount of the sums secured immediately before the taking, unless 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 sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be immediately before the taking is less than the amount of the sums secured immediately before the taking, unless 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 sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be immediately before the taking is less than the amount of the sums secured immediately before the taking, unless 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 sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be immediately before the taking is less than the amount of the sums secured immediately before the taking, unless 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 sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be immediately before the taking is less than the amount of the sums secured immediately before the taking, unless paid to Lender.

10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of a part of the Property, or for conveyance in lieu of

inspection. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property, and Lender or applicable law.

until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will not available, Borrower shall pay to Lender each month a sum equal to 1/12th of the yearly mortgage insurance in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance is previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance 8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan Lender to Borrower requesting payment.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this A 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

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

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Loan Number: PAL-44 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 maxi-

mum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be

collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced

by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from

Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund

by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces

principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

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

or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be direc-

ted 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, its option shall not be exercised by Lender if ex-

ercise 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 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.

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(Seal)
-Borrower

KANDACE M. KMET

Kandace M. Kmet

(Seal)
-Borrower

FRANK S. KMET

*Frank S. Kmet by *Kandace M. Kmet**

[Signature]
Witnesses:

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any order(s) executed by Borrower and recorded with it.

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

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)]

23. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property. Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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.

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.

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 applicable 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. Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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)]

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any order(s) executed by Borrower and recorded with it.

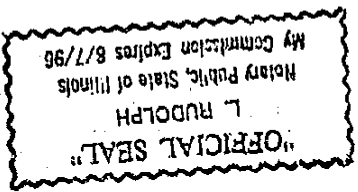
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Form 3014 9/90
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95603124

Property of Cook County Clerk



This instrument was prepared by and returned to:
HARRIS BANK PALATINE, N.A.
50 NORTH BROCKWAY STREET
PALATINE, IL 60067

My Commission expires:

[Signature]
Notary Public

Given under my hand and official seal, this 28th day of July, 1995

a Notary Public in and for said county and state, do hereby certify that FRANK S. KMET, AND K. NDACE M. KMET, HIS WIFE * personally known to me, be the same person(s) is/are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she/they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

See undersigned

County ss:

STATE OF ILLINOIS, *McHenry*

[Space Below This Line For Acknowledgment]

(Seal) Borrower

(Seal) Borrower

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Loan Number: PAL-44

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 28th day of July, 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 Note to HARRIS BANK PALATINE, N.A.

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

504 PARK VIEW TERRACE, #202 BUFFALO GROVE, ILLINOIS 60089-
[Property Address]

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

THE COVES OF BUFFALO GROVE

[Name of Condominium Project]

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

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

A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. 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 on the Condominium Project 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 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.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application 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, whether of the unit or of the common elements, 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 10.

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 Condominium Project, 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;

MULTI-STATE CONDOMINIUM RIDER - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
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(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 condominium 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 Condominium Rider.

Frank S. Kmet by Kandace M. Kmet (Seal)
FRANK S. KMET -Borrower

Kandace M. Kmet (Seal)
KANDACE M. KMET -Borrower

____ (Seal)
-Borrower

____ (Seal)
-Borrower

Property of Cook County Clerk's Office

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FIXED/ADJUSTABLE RATE RIDER
(10 Year Treasury Index-Rate Caps)
THIS FIXED/ADJUSTABLE RATE RIDER is made this 28th day of July, 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 Fixed/Adjustable Rate Note (the "Note") to

HARRIS BANK PALATINE, N.A.

(the "Lender") of the same date and covering the property described in the Security Instrument and located at:
504 PARK VIEW TERRACE, # 202
BUFFALO GROVE, ILLINOIS 60089-

[Property Address]

THE NOTE PROVIDES FOR ONE CHANGE IN THE BORROWER'S INTEREST RATE. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 6.875%. The Note provides for a change in the initial fixed rate, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate I will pay will change on the first day of August, 2000 which is called the "Change Date."

(B) The Index

At the Change Date, my interest rate will be based on an index. The "index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 10 years, as made available by the Federal Reserve Board. The most recent index figure available as of the date 45 days before the Change Date is called the "Current Index." If the index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Change

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

The interest rate I am required to pay at the Change Date will not be greater than 12.875% which is called the "Maximum Rate."

(E) Effective Date of Change

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

(F) Notice of Change

The Note Holder will deliver or mail to me a notice of any change 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.

MULTI-STATE FIXED/ADJUSTABLE RATE RIDER-10 YEAR TREASURY - Single Family - Fannie Mae Uniform Instrument
Form 3176 11/89 (page 1 of 2 pages)

GFS Form 3176

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Form 3176 11/89 (page 2 of 2 pages)

95603124

Property of Cook County Clerk's Office

(Seal)
-Borrower

(Seal)
-Borrower

(Seal) **KANDACE M. KMET**
-Borrower

(Seal) **FRANK S. KMET**
-Borrower
Frank S. Kmet by Kandace M. Kmet

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

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PROPERTY

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UNIT 202 IN BUILDING IN THE COVES OF BUFFALO GROVE CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: LOT 1 IN EDWARD SCHWARTZ AND CO'S COVES OF BUFFALO GROVE, BEING A SUBDIVISION OF THAT PART OF THE NORTH 653.45 FEET OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 8, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING WEST OF THE EAST 840 FEET THEREOF, EXCEPT THE NORTH 495 FEET OF THE ABOVE TRACT), ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 22, 1994 AS DOCUMENT 04068268, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED MARCH 23, 1995 AS DOCUMENT 95196587, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS IN COOK COUNTY, ILLINOIS

LEGAL DESCRIPTION:

ORDER NUMBER: 1409 007563605 AH
 STREET ADDRESS: 504 PARKVIEW TERRACE
 CITY: BUFFALO GROVE
 COUNTY: COOK
 TAX NUMBER: 03-08-201-020-0000
 UNIT #202

CHICAGO TITLE INSURANCE COMPANY



PROPERTY

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