

UNOFFICIAL COPY

Prepared By:

96250077

PREFERRED MORTGAGE ASSOCIATES, LTD.
3436 FINLEY ROAD, SUITE 104
DOWNERS GROVE, ILLINOIS 60515

PREPARED BY:
H.A. DAVIS
DOWNERS GROVE, IL 60515

WHEN RECORDED MAIL TO:
SBI TITLE, INC.
1821 Walden Office Sq. #120
Schaumburg, Illinois 60173

96 MAR 27 AM 11:07

COOK COUNTY
RECORDER
JESSE WHITE
ROLLING MEADOWS

RECORDING 35.00
MAIL 0.50
H. 96250077

SBI-9625007740

[Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **MARCH 14**, 1996
The mortgagor is **JEFFREY JONES AND EILEEN JONES, HUSBAND AND WIFE**

("Borrower").

This Security Instrument is given to
PREFERRED MORTGAGE ASSOCIATES, LTD.

THE STATE OF ILLINOIS

, and whose

which is organized and existing under the laws of
address is

3030 FINLEY ROAD, SUITE 104, DOWNERS GROVE, ILLINOIS 60515

("Lender").

Borrower owes Lender the principal sum of **SIXTY-THREE THOUSAND SEVEN HUNDRED AND 00/100** Dollars

Dollars

(U.S. \$ **63,700.00**). 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 **APRIL 1, 2011**. 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:

ALL OF LOT 29 AND THE SOUTH 1/2 OF LOT 30 IN BLOCK 45 IN HILL'S ADDITION TO SOUTH CHICAGO, IN THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 38 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

21-31-312-017

which has the address of

8447 S COLFAX AVE

(Street)

Illinois

60617

(Zip Code)

("Property Address");

CHICAGO

(City).

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

ILLINOIS - Single Family - Fannie Mae/Freddie Mac UNIFORM INSTRUMENT
Form 3014 9/90 Amended 5/91

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35.50
35.50

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Form 3014 Rev. 9/80
FMA3014.2 - 1A/1A8

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Single Family - Federal Home Loan Bank Security Instrument

96250077

which shall not be unreasonably withheld. If Borrower fails to make any payment described above, Lender may, at Lender's option, require that the instrument carter providing the instrument shall be chosen by Borrower subject to Lender's approval. Lender requires, for which Lenders requires. This instrument includes all amounts due under this instrument, including the amount due under this instrument, for which Lenders requires. This instrument includes all amounts due under this instrument, including the amount due under this instrument, for which Lenders requires. This instrument includes all amounts due under this instrument, including the amount due under this instrument, for which Lenders requires. This instrument includes all amounts due under this instrument, including the amount due under this instrument, for which Lenders requires.

5. Standard of Property Maintenance. Borrower shall keep the property in good condition or better than it was at the time of the original conveyance. Borrower shall pay all costs of the repairing or replacing of the property in accordance with the terms "extended coverage", and any other hazards, including floods or

more of the actions set forth above within 10 days of the giving of notice.

6. Security Instrument. Lender may give Borrower a notice terminating the loan. Borrower shall notify the loan or take one of the Security Instruments. If Lender determines that any part of the property is subject to a lien which may attach priority over this Security Instrument, if (c) security from the holder of the lien in agreement satisfactory to Lender abiding among the lien to confirmation of the lien; or (c) security from the holder of the lien in good faith to Lender's opinion prevents the lien to

by, or defers assignment of the lien in, legal proceedings which in the opinion of Lender is appropriate to prevent the writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contains in good faith the lien

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

(a) agrees to pay all amounts due under this Security Instrument prior to the payment of the principal.

(b) pays all amounts due under this Security Instrument prior to the payment of the principal.

(c) pays all amounts due under this Security Instrument, charges, fines and impoundments attributable to the property which

inured, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraph 2;

and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2;

Security Instrument.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impoundments attributable to the property which

held by Lender. If, under paragraph 2, Lender shall acquire of all the property, Lender, prior to the acquisition of all of

the property, shall apply any funds held by Lender at the time of acquisition of all as credit against the sums secured by this

loan payment in full of all sums secured by this Security Instrument; and Lender shall promptly refund to Borrower any funds

held by Lender to Lender the amount paid to be held by applicable law. Lender shall account to Borrower any funds

which were mortgaged by Lender, at Lender's sole discretion.

If the funds held by Lender exceed the amount paid to be held by applicable law, Lender shall account to Borrower for

debt to the funds was made. The funds are pledged as additional security for all sums secured by this Security Instrument.

Without charge, in usual accounting of the funds, Lender shall agree to do nothing which each

Borrower and Lender may agree to do however, that Lender shall be paid on the funds. Lender shall give to Borrower,

applicable law requires interest to be paid, unless applicable law provides otherwise. Lender shall account to Borrower

service used by Lender in connection with this loan, unless applicable law provides otherwise. Lender shall account to Borrower

such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting

service. Lender may not charge Borrower for holding and applying the funds, annually paying the escrow account, or

any other service provided to Lender in any Federal Home Loan Bank. Lender shall apply the funds to pay the escrow

Lender, if Lender is sure to receive payment) or in any event (settlement) or entity (including

The funds shall be paid in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including

institutions or otherwise in accordance with applicable law.

may determine that certain of funds due on the basis of current data and reasonable estimates of expenditure of future escrow

fees or amounts, if so, Lender may, at any time, collect and hold funds in an account not to exceed the lesser amount. Lender

1974 as amended from time to time, 12 U.S.C. 2601 et seq. (RFSPA), unless Lender law that applies to the funds sets a

related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of

Lender may, at any time, collect and hold funds in an amount not to exceed the maximum amount a lender for a federal

provisions of paragraph 8, in lieu of the payment of mortgage instruments. These items are called "escrow items".

(a) yearly mortgage insurance premiums, if any; and (c) any sums payable by Borrower to Lender, in accordance with the

ground rents on the property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if

assessments which may affect this Security Instrument as a lien on the property; (b) yearly leasehold premiums or

on the day monthly payments are due under this Note, until the Note is paid in full, a sum ("funds") for: (a) yearly taxes and

2. Funds for Taxes and Insurance. Subject to applicable law or to written waiver by Lender, Borrower shall pay to Lender

of and incur on the debt evidenced by the Note and any prepayment and late charges due under the Note.

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall pay monthly, when due the principal

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

various 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 limited

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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, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

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

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not 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 forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeitures 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, protects forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower 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. 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.

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Single Family - Family Household Note Uniforin Instrument

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If Leader exercises this option, Leader shall give Borrower notice of acceleration. This notice shall provide a period of not less than 30 days.

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 security instrument, however, this option shall not be exercised by Leader if exercise is prohibited by federal law as of the date of transfer.

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

15. Governing Law; Governing Law. This Security Instrument shall be governed by federal law and the law of the state in which the Property is located. In the event that any provision of this Security Instrument or the Note which can be given effect throughout the country is invalid, such conflict shall not affect other provisions of this Security Instrument or the Note or be declared to be applicable law.

14. Notice. Any notice to Borrower provided for in this Security Instrument shall be given by delivery to the Property Address of any other address Borrower designates by notice to Leader. Any notice to Leader shall be given by mail to Leader's first class mail unless otherwise specified in a separate method. The notice shall be directed to the Property Address or instrument shall be deemed to have been given to Leader when given as provided in this paragraph.

13. Loan Charge. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and does not exceed the permitted limit, then: (a) any such loan charge shall be reduced by a amount necessary to reduce the loan that law is finally interpreted so that the interest or other loan charges called for to be collected in connection with the loan exceeds the permitted limit; and (b) any such loan charge shall be reduced by a amount necessary to reduce the charge to the point where the note is reduced to the amount of principal, the reduction will be treated as a partial prepayment of the Note.

12. Successors and Assigns; Joint and Several Liability; Co-signer. The successors and assignments of this Security Instrument with regard to the terms of this Note without the Borrower's consent, the Borrower may choose to make this note personally obligated to pay the sum secured by this Note or by making a direct payment. Leader may choose to make this note personally obligated under the Note or by making a direct payment. Any such loan charge shall be reduced by a amount necessary to reduce the charge to the point where the note is reduced to the amount of principal, the reduction will be treated as a partial prepayment of the Note.

11. Borrower May Not Assign; Retention of Title; Payment of Proceeds. Extension of the time for payment of the note due to the exercise of any right or remedy.

10. Successors and Assigns; Joint and Several Liability; Co-signer. The successors and assignments of this Security Instrument with regard to the terms of this Note without the Borrower's consent, the Borrower may choose to make this note personally obligated to pay the sum secured by this Note or by making a direct payment. Any such loan charge shall be reduced by a amount necessary to reduce the charge to the point where the note is reduced to the amount of principal, the reduction will be treated as a partial prepayment of the Note.

9. Notice Leader and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the note due by either party to 1st paragraph 1 and 2 or change the amount of such payment.

8. Notice Leader and Borrower otherwise agree in writing, any application of proceeds to principal or interest or postponement of the note due by either party to 1st paragraph 1 and 2 or change the amount of such payment.

7. If the Property is abandoned by Borrower, or if, after notice by Leader to Borrower within 30 days after the date the notice is given, Leader is authorized to collect and apply the proceeds, at its option, either to reversion or repair of the Property or to the award of settle a claim for damages, Borrower fails to respond to Leader within 30 days after the date the notice is given, Leader or settle a claim for damages by Leader before the taking is made by the owner secured immediately before the market value of the Property immediately before the taking is less than the amount of the sum secured immediately before the taking.

6. Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the same secured by the note 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 same secured by the note before the taking is equal to or greater than the amount of the sum secured by this Security Instrument, unless Borrower and Leader otherwise agree in writing, the sum secured by this Security Instrument immediately before the taking, unless Borrower and Leader otherwise agree in writing or unless otherwise provided, the proceeds shall be applied to the sum secured by this Security Instrument whether or not the sums are due.

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

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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 earliest of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. Sale of Note: Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

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

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option, may require immediate payment, in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

23. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

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ILLINOIS - Single Family - Farm/Moo/Freddie Mac Unfunded Instrument

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RNMA3014.6 - TS 1/98

My Comm. Seal (Ex. A-12-98)

NOTARY PUBLIC'S SIGNATURE
OFFICIAL SEAL
NOTARY PUBLIC'S SIGNATURE OF ILLINOIS

My Comm. Seal (Ex. A-12-98)
4/12/98

96

14TH day of MARCH

Given under my hand and official seal, this 14TH day of MARCH

sugared and delivered the said instrument to ARB
subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that personally known to me to be the same, (see) whom I declare
(see) to be the true and lawful signers thereto set forth.

I, THE UNDERSIGNED,
do hereby certify that JEFFREY JONES AND KELLEN JONES, HUSBAND AND WIFE,
, a Notary Public in the said county and state,

Clerk's Office:

STATE OF ILLINOIS, COOK

(Please Below This Line For Acknowledgment)

Borrower
(Seal)

Borrower
(Seal)

Borrower
(Seal)

Borrower
(Seal)

Witnesses:

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

24. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this
Security Instrument, the coveralls and agreements of each such rider shall be incorporated into and shall amend and
supplement the coveralls and agreements of this Security Instrument as if the rider(s) were part of this Security Instrument.
[Check applicable box(es)]
- | | | | | |
|--------------------------|--------------------------------|--------------------------|--------------------------|--------------------------|
| Adjusatable Rate Rider | Condominium Rider | 1-4 Family Rider | V. A. Rider | Other(s) (Specify) |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Graduated Payment Rider | Planned Unit Development Rider | Biweekly Payment Rider | Balloon Rider | Rate Improvement Rider |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Second Home Rider | | | | |

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1-4 FAMILY RIDER

Assignment of Rents

LOAN NO. A014396

THIS 1-4 FAMILY RIDER is made this 14TH day of MARCE , 19 96 , 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 PREFERRED MORTGAGE ASSOCIATES, LTD.

AN ILLINOIS CORPORATION

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at:

8447 S COLFAX AVE
CHICAGO, IL 60617

[Property Address]

1-4 FAMILY COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADDITIONAL PROPERTY SUBJECT TO THE SECURITY INSTRUMENT. In addition to the Property described in the Security Instrument, the following items are added to the Property description, and shall also constitute the Property covered by the Security Instrument: building materials, appliances and goods of every nature whatsoever now or hereafter located in, on, or used, or intended to be used in connection with the Property, including, but not limited to, those for the purposes of supplying or distributing heating, cooling, electricity, gas, water, air and light, fire prevention and extinguishing apparatus, security and access control apparatus, plumbing, bath tubs, water heaters, water closets, sinks, ranges, stoves, refrigerators, dishwashers, disposals, washers, dryers, awnings, storm windows, etc., in doors, screens, blinds, shades, curtains and curtain rods, attached mirrors, cabinets, panelling and attached floor coverings 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 the Security Instrument. All of the foregoing together with the Property described in the Security Instrument (or the household estate if the Security Instrument is on a household) are referred to in this 1-4 Family Rider and the Security Instrument as the "Property".

B. USE OF PROPERTY; COMPLIANCE WITH LAW. Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.

C. SUBORDINATE LIENS. Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.

D. RENT LOSS INSURANCE. Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Uniform Covenant 5.

E. "BORROWER'S RIGHT TO REINSTATE" DELETED. Uniform Covenant 18 is deleted.

F. BORROWER'S OCCUPANCY. Unless Lender and Borrower otherwise agree in writing, the first sentence in Uniform Covenant 6 concerning Borrower's occupancy of the Property is deleted. All remaining covenants and agreements set forth in Uniform Covenant 6 shall remain in effect.

G. ASSIGNMENT OF LEASES. Upon Lender's request, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph G, the word "lease" shall mean "sublease" if the Security Instrument is on a household.

H. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION. Borrower absolutely and unconditionally assigns and transfers to Lender all the rents and revenues ("Rents") of the Property, regardless of to whom the Rents of the Property are payable. Borrower authorizes Lender or Lender's agents to collect the Rents, and agrees that each tenant of the Property shall pay the Rents to Lender or Lender's agents. However, Borrower shall receive the Rents until (i) Lender has given Borrower notice of default pursuant to paragraph 21 of the Security Instrument and (ii) Lender has given notice to the tenant(s) that the Rents are to be paid to Lender or Lender's agent. This assignment of Rents constitutes an absolute assignment and not an assignment for additional security only.

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11/81
Form 3170-B/80

MULTISTATE 1-A FAMILY MORTGAGE - Form 3170-B/80
Multi-State Standardized Home Loan Instrument

Initials: *BB* Page 2 of 2

96250077

Borrower _____
(Seal) _____

Borrower _____
(Seal) _____

Borrower _____
(Seal) _____

Borrower _____
(Seal) _____

JOHN JONES

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BY SIGNING BELOW, Borrower agrees and agrees to the terms and provisions contained in this 1-A Family Rider.

I. CROSS-DEFAULT PROVISION. Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

Borrower agrees and warrants that Borrower has not executed any prior assignments of this Note and has not performed any act that would prevent Lender from recovering its rights under this paragraph.
Lender, or Lender's agents or a judicially appointed receiver, shall not be required to carry upon, take control of or maintain the Property before or after giving notice of default to Borrower. However, Lender, or Lender's agents or a judicially appointed receiver, may do so, at any time when a default occurs. Any application of Receipts shall not cause all the sums secured by the Security Instrument to be paid in full.

If the Receipts of the Property are not sufficient to cover the costs of taking control of and managing the Property and of collecting the Receipts any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument pursuant to Uniform Convention 7.
If the Receipts of the Property are not sufficient to take possession of and manage the Property and of collecting the Receipts any funds expended by Lender for such purposes shall become indebtedness of Borrower to Lender secured by the Security Instrument.
(v) Lender, Lender's agents or a judicially appointed receiver shall be liable to account for only those Receipts actually received; and (vi) Lender shall be entitled to have a receiver appointed to take possession of and manage the Property and collect the Receipts and profits derived from the Property without any showing as to the inadequacy of the Property as security.
Receipts, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and claim to the sums received by the Security Instrument, by Lender or Lender's agents shall be applied first to the costs of taking control of and managing the Property and collecting the Receipts, including, but not limited to, attorney's fees, receiver's fees, premiums on receiver's bonds, repair and maintenance costs, insurance premiums, taxes, assessments and other charges on the Property, and claim to the sums received by the Security Instrument, by Lender or Lender's agents upon Lender's written demand to the lessor; (iv) unless applicable law provides otherwise, all Receipts collected or Lender's agents upon Lender's written demand to the lessor; (iii) Borrower agrees that each owner of the Property shall pay all Receipts due and unpaid to Lender all of the Receipts of the Property; (ii) Lender shall be entitled to collect and receive benefits of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the Receipts of the Property only, to be applied to the sums secured by the Security Instrument.