

# UNOFFICIAL COPY

WARRANTY DEED  
TENANCY BY THE ENTIRETY

98934229



98934229

GRANTOR, RAYMOND J. LICHTER  
and NITA M. LICHTER, his wife  
of Glenview, in the County of  
Cook, in the State of  
Illinois, for & in  
consideration of Ten Dollars  
(\$10.00) & other good and  
valuable consideration in  
hand paid, CONVEYS & WARRANTS  
to the grantees, ALBERT F.  
LEVIN and MINNETTE LEVIN,  
husband and wife of 3137  
Central Avenue, Wilmette, in  
the County of Cook, in the  
State of

DEPT-01 RECORDING \$23.50  
T#0009 TRAN 4108 10/19/98 11:22:00  
#0944 # RC \*-98-934229  
COOK COUNTY RECORDER

Illinois, not as JOINT TENANTS or TENANCY IN COMMON but in  
TENANCY BY THE ENTIRETY, the following described real estate, to wit:

REI TITLE SERVICES # 631472

See Legal Description Attached "Legal Description"

Permanent Index No: 04-21-201-067-1027  
Known as: 3100 Lexington Lane #301, Glenview, Illinois 60062

SUBJECT TO: General real estate taxes for the year 1998 & subsequent  
years, Covenants, conditions & restrictions of record, building lines &  
building & liquor restrictions of record, zoning & building laws &  
ordinances, public & utility easements, if any.

hereby releasing and waiving all rights under and by virtue of the  
Homestead Exemption Laws of the State of Illinois. TO HAVE AND TO HOLD  
said premises not as JOINT TENANTS or TENANCY IN COMMON but in TENANTS  
BY THE ENTIRETY forever.

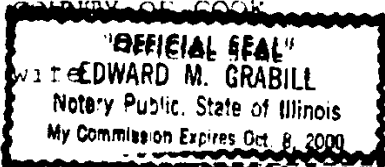
DATED this 15<sup>th</sup> day of October, 1998.

Raymond J. Lichter  
RAYMOND J. LICHTER

Nita M. Lichter  
NITA M. LICHTER

STATE OF ILLINOIS

The foregoing instrument was acknowledged  
before me this Oct. 15, 1998 by  
RAYMOND J. LICHTER and NITA M. LICHTER, his wife.



Edward M. Grabill Notary Public

Prepared By: Edward M. Grabill, 707 Skokie Blvd.  
Northbrook, Illinois 60062  
Tax Bill To: ALBERT F. LEVIN  
3100 Lexington Lane #301, Glenview, Illinois 60062  
Return to: Dan Hofstetter  
1701 E. Lake, Glenview, Illinois 60025



#160

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Property of Cook County Clerk's Office

## LEGAL DESCRIPTION:

PARCEL 1:

THAT PART OF LOT 10 OF POPLAR CREEK CLUB HOMES, UNIT 1, DESCRIBED AS FOLLOWS:

COMMENCING AT THE SOUTHEAST CORNER OF SAID LOT 10; THENCE SOUTH 71 DEGREES 42 MINUTES 30 SECONDS WEST ALONG THE SOUTHERLY LINE OF SAID LOT 10, 9.95 FEET; THENCE NORTH 10 DEGREES 58 MINUTES 21 SECONDS WEST, 11.05 FEET TO AN EXTERIOR CORNER OF A CONCRETE FOUNDATION; THENCE SOUTH 79 DEGREES 01 MINUTES 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 15.00 FEET; THENCE SOUTH 10 DEGREES 58 MINUTES 21 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 1.65 FEET; THENCE SOUTH 79 DEGREES 01 MINUTE 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 5.93 FEET; THENCE NORTH 10 DEGREES 58 MINUTES 21 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 1.65 FEET; THENCE SOUTH 79 DEGREES 01 MINUTES 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION; 15.94 FEET; THENCE SOUTH 10 DEGREES 58 MINUTES 21 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 1.50 FEET; THENCE SOUTH 79 DEGREES 01 MINUTES 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 5.00 FEET; THENCE NORTH 10 DEGREES 58 MINUTES 21 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 1.70 FEET; THENCE SOUTH 79 DEGREES 01 MINUTE 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 22.70 FEET; THENCE SOUTH 10 DEGREE 58 MINUTES 21 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 1.67 FEET; THENCE SOUTH 79 DEGREES 01 MINUTE 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 5.02 FEET; THENCE NORTH 10 DEGREES 58 MINUTES 21 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 1.67 FEET; THENCE SOUTH 79 DEGREES 01 MINUTES 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 22.67 FEET FOR THE POINT OF BEGINNING; THENCE SOUTH 10 DEGREES 58 MINUTES 21 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 1.67 FEET; THENCE SOUTH 79 DEGREES 01 MINUTE 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 5.02 FEET; THENCE NORTH 10 DEGREES 58 MINUTES 21 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 1.67 FEET; THENCE SOUTH 79 DEGREES 01 MINUTES 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 22.60 FEET; THENCE SOUTH 79 DEGREES 01 MINUTES 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION EXTENDED WESTERLY, 0.59 FEET TO A POINT OF INTERSECTION WITH THE CENTERLINE OF THE COMMON FOUNDATION WALL BETWEEN PARCELS 1755 AND 1757; THENCE NORTH 10 DEGREES 58 MINUTES 21 SECONDS WEST ALONG THE CENTERLINE OF SAID COMMON WALL, 48.16 FEET TO A POINT OF INTERSECTION WITH A NORTHERLY EXTERIOR SURFACE OF SAID FOUNDATION; THENCE NORTH 79 DEGREES 01 MINUTE 39 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 21.18 FEET; THENCE SOUTH 10 DEGREES 58 MINUTES 21 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 4.00 FEET; THENCE SOUTH 79 DEGREES 01 MINUTE 39 SECONDS WEST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 0.34 FEET; THENCE SOUTH 10 DEGREES 58 MINUTES 21 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 12.38 FEET;

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THENCE NORTH 79 DEGREES 01 MINUTE 39 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION, 6.58 FEET; THENCE NORTH 79 DEGREES 01 MINUTE 39 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION EXTENDED EASTERLY, 0.28 FEET TO A POINT OF INTERSECTION WITH THE CENTERLINE OF THE COMMON FOUNDATION WALL BETWEEN PARCELS 1753 AND 1755; THENCE SOUTH 10 DEGREES 58 MINUTES 21 SECONDS EAST ALONG THE CENTERLINE OF SAID COMMON WALL, 31.78 FEET TO A POINT OF INTERSECTION WITH A SOUTHERLY EXTERIOR SURFACE OF SAID FOUNDATION; THENCE NORTH 79 DEGREES 01 MINUTE 39 SECONDS EAST ALONG THE EXTERIOR SURFACE OF SAID FOUNDATION EXTENDED WESTERLY 0.51 FEET TO SAID POINT OF BEGINNING IN COOK COUNTY, ILLINOIS.

BEING A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 8, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 12, 1984 AS DOCUMENT 27170191 AND CERTIFICATE OF CORRECTION RECORDED DECEMBER 5, 1984 AS DOCUMENT 27360398, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 AS CREATED BY TRUSTEE'S DEED FROM LYONS SAVINGS AND LOAN ASSOCIATION, AS TRUSTEE UNDER TRUST AGREEMENT DATED OCTOBER 23, 1983 AND KNOWN AS TRUST NUMBER 209, TO SUSAN E. KRAUSOFF RECORDED APRIL 25, 1985 AS DOCUMENT 27524773 FOR INGRESS AND EGRESS OVER THE PROPERTY DESCRIBED IN EXHIBIT "E" ATTACHED TO THE DECLARATION OF PARTY WALL RIGHTS, COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS RECORDED NOVEMBER 14, 1984 AS DOCUMENT 27336477, AND ANY AMENDMENTS THERETO.

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**D. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 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 PUD, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

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

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

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

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

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

WILLIAM JOHN GUNN, AS  
TRUSTEE UNDER TRUST  
AGREEMENT DATED MARCH 14,  
1996 AND KNOWN AS THE  
WILLIAM JOHN GUNN REVOCABLE  
LIVING TRUST

By: William John Gunn (Seal)  
WILLIAM JOHN GUNN, JR. -Borrower

By: Frances Alice Gunn (Seal)  
FRANCES ALICE GUNN ( ) -Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

\_\_\_\_\_  
(Seal)  
-Borrower

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 6TH day of OCTOBER 1998, 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

LIBERTY FEDERAL BANK

(the "Lender")

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

1755 PEBBLE BEACH DRIVE
HOFFMAN ESTATES, ILLINOIS 60194

(Property Address)

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

(the "Declaration").

The Property is a part of a planned unit development known as POPLAR CREEK

(Name of Planned Unit Development)

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

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

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

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

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

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

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

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

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

Handwritten signature

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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.

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 boxes):

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

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

Witnesses:

WILLIAM JOHN GUNN, AS TRUSTEE UNDER TRUST AGREEMENT DATED MARCH 14, 1996 AND KNOWN AS THE WILLIAM JOHN GUNN REVOCABLE LIVING TRUST

By: William John Gunn (Seal)  
WILLIAM JOHN GUNN -Borrower

By: Frances Alice Gunn (Seal)  
FRANCES ALICE GUNN -Borrower

(Seal)

-Borrower

(Seal)

-Borrower

STATE OF ILLINOIS,

Clark County, ss:

Barbara Tuttle

, a Notary Public in and for said county and state do hereby certify that

William John Gunn & Frances Alice Gunn

, personally known to me to be the same person(s) whose name(s)

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 6 day of October 1996

My Commission Expires

Barbara Tuttle  
Notary Public





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 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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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 it, 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 as 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 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.

*[Handwritten signatures]*

**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, 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 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 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