

UNOFFICIAL COPY

0 3 5 1 7 9 5 3

FEDERAL TAX LIEN AFFIDAVIT

(PLEASE PRINT OR TYPE)

State of Illinois }
County of Cook }

George L. Banks

being duly sworn, upon oath states that he

is 32 years of age and

1. has never been married

2. the widow(er) of _____

3. married to Elizabeth m. Banks

said marriage having taken place on

10-06-74

4. divorced from _____

date of decree _____

case _____

county & state _____

Affiant further states that his social security number is 323-44-2236 and that there are no United States Tax Liens against him

Affiant further states that during the last 10 years, affiant was residing at the following address and none other:

FROM (DATE)	TO (DATE)	STREET NO.	CITY	STATE
July, 1984	Present	106 WILTSHIRE	Schaumburg	IL. 60192
Aug. 1978	July 1984	105 Burr. OAK	Schaumburg	IL. 60192
Jan 1976	Aug. 1978	7628 Golf Course	Des Plaines	IL.

Affiant further states that during the last 10 years, affiant has had the following occupations and business addresses and none other:

FROM (DATE)	TO (DATE)	OCCUPATION	EMPLOYER	ADDRESS (STREET NO.) CITY STATE
Nov. 1976	Present	Officer	Holmoid	Elk Grove, IL.

Affiant further states that affiant makes this affidavit for the purpose of inducing the Registrar of Titles, Cook County, Illinois, to issue his Torrens Certificate of Title free and clear of possible United States Tax Liens.

Subscribed and sworn to me this 23rd day of May 1984

George L. Banks

James M. Hill

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 23 day of May, 1986 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Instrument (the "Borrower") to secure Borrowers Adjustable Rate Note (the "Note") to The First National Bank of Elgin (the "Lender") of the same date and covering the property described in the Security Instrument and located at: 106 Wiltshire, Schaumburg, Illinois (Property Address)

NOTICE: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS A PROVISION ALLOWING FOR CHANGES IN THE INTEREST RATE. INCREASES IN THE INTEREST RATE WILL RESULT IN HIGHER PAYMENTS. DECREASES IN THE INTEREST RATE WILL RESULT IN LOWER PAYMENTS.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows: A. INTEREST RATE AND SCHEDULED PAYMENT CHANGES The Note provides for an initial interest rate of 10.00%. The Note provides for changes in the interest rate and the payments, as follows:

3. PAYMENTS

(A) Time and Place of Payments All references in the Security Instrument to "monthly payments" are changed to "scheduled payments." I will pay principal and interest by making payments when scheduled (mark one): I will make my scheduled payments on the first day of each month beginning on I will make my scheduled payments as follows: See bi-weekly payment rider attached hereto and made a part hereof by reference.

**First to late charges, then to tax and insurance payments as provided in the security instrument securing this note, then to interest, and last to principal. I will make these payments as scheduled until I have paid all of the principal and interest and any other charges described in the Note. My scheduled payments will be applied xxxxxxxx to the Note, I will pay those amounts in full on that date, which is called the "maturity date." I will make my scheduled payments at First National Bank of Elgin, 6 Fountain Square Plaza, Elgin, Illinois, 60120 or at a different place if required by the Note Holder.

(B) Amount of My Initial Scheduled Payments Each of my initial scheduled payments will be in the amount of U.S. \$ 517.77 This amount may change.

(C) Scheduled Payment Changes Changes in my scheduled payment will reflect changes in the unpaid principal of my loan and in the interest rate that I must pay. The Note Holder will determine my new interest rate and the changed amount of my scheduled payment in accordance with Section 4 of the Note.

4. INTEREST RATE AND SCHEDULED PAYMENT CHANGES

(A) Change Dates Each date on which my interest rate could change is called a "Change Date." (Mark one) The interest rate I will pay may change on the first day of July, 1989 (and) on that day every month thereafter. The interest rate I will pay may change and on every thereafter.

(B) The Index Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is: Weekly average yield on U.S. Treasury Securities adjusted to a constant maturity of 3 years. The most recent index figure available as of the date 45 days See below.

before each Change Date, the Note Holder will calculate my new interest rate by adding two percentage points (2.00%) 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 limits stated in Section 4(1) below, this rounded amount will be my new interest rate until the next Change Date. The Note Holder will then determine the amount of the scheduled 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 scheduled payment. ** Current index will be the index figure available as of the date of the date

UNOFFICIAL COPY

MULTISTATE ADJUSTABLE RATE BANKERS SYSTEMS, INC., ST. LOUIS, MO 63101

3517953

(D) Limits on Interest Rate Changes

[Mark box (1), (2) or (3) or boxes (2) and (3) to indicate whether there is any maximum limit on interest rate changes; if no box is marked, there will be no maximum limit on changes.]

- (1) There will be no maximum limit on interest rate changes.
- (2) My interest rate will never be increased or decreased on any single change date by more than .2.00..... percentage points from the rate of interest I have been paying for the preceding period.
- (3) My interest rate will never be greater than ...15.00.... %

(E) Effective Date of Changes

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

(F) Notice of Changes

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

B. FUNDS FOR TAXES AND INSURANCE

[Mark one]

- Uniform Covenant 2 of the Security Instrument is waived by the Lender
- Uniform Covenant 2 of the Security Instrument is amended to read as follows:

2. SCHEDULED PAYMENTS FOR TAXES AND INSURANCE

(A) Borrower's Obligations

I will pay to Lender all amounts necessary to pay for taxes, assessments, leasehold payments or ground rents (if any), and hazard insurance on the Property and mortgage insurance (if any). I will pay those amounts to Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I will make those payments on the same day that my scheduled payments of principal and interest are due under the Note.

Each of my payments under this Paragraph 2 will be the sum of the following:

- (i) The estimated yearly taxes and assessments on the Property which under the law may be superior to this Security Instrument, divided by the number of scheduled payments in a year; plus,
- (ii) The estimated yearly leasehold payments or ground rents on the Property, if any, divided by the number of scheduled payments in a year; plus
- (iii) The estimated yearly premium for hazard insurance covering the Property, divided by the number of scheduled payments in a year; plus
- (iv) The estimated yearly premium for mortgage insurance (if any), divided by the number of scheduled payments in a year.

Lender will estimate from time to time my yearly taxes, assessments, leasehold payments or ground rents and insurance premiums, which will be called the "escrow items." Lender will use existing assessments and bills and reasonable estimates of future assessments and bills. The amounts that I pay to Lender for escrow items under this Paragraph 2 will be called the "Funds".

(B) Lender's Obligations

Lender will keep the Funds in a savings or banking institution which has its deposits or accounts insured or guaranteed by a federal or state agency. If Lender is such an institution, Lender may hold the Funds. Except as described in this Paragraph 2, Lender will use the Funds to pay the escrow items. Lender will give to me, without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge me for holding or keeping the Funds, for using the Funds to pay escrow items, for analyzing my payments of Funds, or for receiving, verifying and totaling assessments and bills. However, Lender may charge me for these services if Lender pays me interest on the Funds and if the law permits Lender to make such a charge. Lender will not be required to pay me any interest or earnings on the Funds unless either (i) Lender and I agree in writing, at the time I sign this Security Instrument, that Lender will pay interest on the Funds; or (ii) the law requires Lender to pay interest on the Funds.

(C) Adjustments to the Funds

If Lender's estimates are too high or if taxes and insurance rates go down, the amounts that I pay under this Paragraph 2 will be too large. If this happens at a time when I am keeping all of my promises and agreements made in this Security Instrument, I will have the right to have the excess amount either promptly repaid to me as a direct refund or credited to my future scheduled payments of Funds. There will be excess amounts if, at any time, the sum of (i) the amount of Funds which Lender is holding or keeping, plus (ii) the amount of the scheduled payments of Funds which I still must pay between that time and the due dates of escrow items is greater than the amount necessary to pay the escrow items when they are due.

If, when payments of escrow items are due, Lender has not received enough Funds to make those payments, I will pay to Lender whatever additional amount is necessary to pay the escrow items in full. I must pay that additional amount in one or more payments as Lender may require.

When I have paid all of the sums secured, Lender will promptly refund to me any Funds that are then being held by Lender. If, as a result of the exercise by Lender of any of its rights under this Security Instrument, either Lender acquires the Property or the Property is sold, then immediately before the acquisition or sale, Lender will use any Funds which Lender is holding at the time to reduce the sums secured.

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

..... J. J. Banks (Seal)
 -Borrower
Jessie M. Banks (Seal)
 -Lender

UNOFFICIAL COPY

0 3 5 1 7 9 5 3 . .

BI-WEEKLY PAYMENT RIDER

NOTICE TO BORROWER: THIS RIDER PROVIDES FOR BI-WEEKLY PAYMENTS.

The undersigned, hereinafter "borrower" has duly executed a promissory note on this date wherein the borrower promised to pay U.S. \$ 59,000.00 (principal) plus interest to the order of the FIRST NATIONAL BANK OF ELGIN, hereinafter "lender"; in initial monthly payments in the amount of U.S. \$ 517.77 beginning on July 1st, 1986. and the 1st of every month thereafter the "Note";

THIS RIDER IS MADE A PART OF THE NOTE

AND THE UNDERSIGNED HEREBY MODIFIES

THE NOTE AS FOLLOWS:

1. PAYMENTS.

A. Borrowers Payments.

I/We, borrowers(s), hereby agree to pay to the order of the lender bi-weekly payments of principal and interest beginning on Friday July 4th, 1986, and every other Friday thereafter until the entire indebtedness evidenced by the Note is fully paid.

I/We understand that my/our first payment will be adjusted to reflect the accurate number of days until my/our first payment date, Friday July 4th, 1986 and that I/we will pay this adjusted amount at the time of closing.

I/WE UNDERSTAND THAT I/WE WILL BE MAKING TWENTY-SIX (26)

BI-WEEKLY PAYMENTS ANNUALLY WHICH WOULD CONSTITUTE 13 MONTHLY PAYMENTS UNDER THE MONTHLY PAYMENT TERMS OF THE NOTE.

3517953

UNOFFICIAL COPY

0 3 5 1 7 9 5 3

RIDER - page 2

B. Amount of Bi-Weekly Payments.

Once I/we have paid my/our first adjusted payment, my/our initial bi-weekly payment will be in the amount of U.S. \$ 258.89.

If the interest rate that I/we pay changes in accordance with the Note, I/we understand that the amount of my bi-weekly payments will change. Increases in the interest rate will result in higher payments and decreases in the interest rate will result in lower payments. My/our bi-weekly payment pursuant to this Rider will be the equivalent of 1/2 of the monthly payment stated in the Note.

C. Method of Payment.

I/we understand that I/we must maintain a checking account at the FIRST NATIONAL BANK OF ELGIN and that my/our bi-weekly payment will be automatically withdrawn from my/our account at 12:00 noon on the due date of said payment.

I/we further understand that I/we are hereby waiving the fifteen (15) day grace period under the Note and that I/we will be charged a late fee of five (5%) per cent of my/our bi-weekly payment if there are not sufficient funds in my/our account within five (5) days of the date my/our bi-weekly payment is due.

2. BORROWERS FAILURE TO PAY PURSUANT TO THIS RIDER.

A. If I/we fail to have sufficient funds in my/our checking account on the date a bi-weekly payment is due, I/we will be in default as provided in Section 7(B) of the Note and if I/we do not pay the amounts owing within a certain date as provided in Section 7(C) of the Note, lender can require me/us to immediately pay all principal and interest as provided in Section 7(C) of the Note.

3517953

In the event that I/we fail to have sufficient funds in my/our checking account on the date my/our bi-weekly payment is due on more than two (2) occasions in any one year period, or if an attachment is made against my/our account at FIRST NATIONAL BANK OF ELGIN, at the option of lender, I/we revert to the schedule of monthly payments contained in the Note.

B. Except as may be otherwise provided in Section 2A of this Rider, in the event that I/we fail to comply with any provision of this Rider, I/we understand that my/our payments will revert at the option of the lender to the monthly payment terms stated in the Note. If the lender requires the reversion to monthly payment terms, I/we understand that I/we must pay the outstanding principal balance of the Note in accordance with the monthly payment terms of the Note and I/we will be required to make monthly payments on the outstanding principal beginning one month from the date of the reversion and every month thereafter until fully paid.

C. The lender's failure to declare or enforce a default under the Note, this Rider, or the mortgage securing my/our obligations under the Note and this Rider or lender's failure to opt to revert to the monthly payments terms contained in the Note shall not be considered a waiver of the right to enforce any other term or condition of the Note, this Rider, or the mortgage or on a subsequent occasion that same term or condition or to opt to revert to the monthly payment terms contained in the Note.

D. My scheduled payments will be applied first to late charges, then to tax and insurance payments as provided in the security instrument securing this note, then to interest and last to principal. If on March 30, 2007 I still owe amounts under this Note, I will pay those amounts in full on that date, which is called the "maturity date".

3517953

UNOFFICIAL COPY

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this 1st day of January, 1900.

1900

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this 1st day of January, 1900.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this 1st day of January, 1900.

Property of Cook County Clerk's Office

The undersigned do hereby certify that the foregoing is a true and correct copy of the original as the same appears in the records of the Court.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this 1st day of January, 1900.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this 1st day of January, 1900.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this 1st day of January, 1900.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this 1st day of January, 1900.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Court at Chicago, Illinois, this 1st day of January, 1900.

UNOFFICIAL COPY

03517953

RIDER - page 4

THE SAVINGS IN INTEREST PAID AND PROJECTED TIME TO MATURITY ARE BASED ON CERTAIN FIXED RATE LOAN COMPARISONS. YOUR INTEREST SAVED AND YEARS TO MATURITY MAY VARY DEPENDING ON THE ACTUAL RATE, TERM AND OTHER CONDITIONS OF YOUR LOAN. ACCURATE INTEREST SAVINGS ARE NOT PREDICTABLE FOR ADJUSTABLE RATE LOANS.

James M. Ott (BORROWER) Mr. J. Banks
Witness GEORGE L. BANKS

James M. Ott (BORROWER) Elizabeth M. Banks
Witness ELIZABETH M. BANKS

____ (BORROWER) _____
Witness

____ (BORROWER) _____
Witness

STATE OF ILLINOIS
ELGIN, ILLINOIS

May 23rd, 1986

The aboved-named borrowers personally appeared and acknowledged the foregoing instrument to be their voluntary act and deed.

James M. Ott
Notary Public

My commission expires 12/31, 1988

(SEAL)

3517953

UNOFFICIAL COPY

0 3 5 1 7 9 3 3

AUTHORIZATION FOR AUTOMATIC WITHDRAWAL

I/we (borrower(s)) hereby authorize the FIRST NATIONAL BANK OF
ELGIN to charge ACCOUNT NUMBER 1738178 at 12:00 noon on
the due date of the payments under our bi-weekly loan as in-
dicated on the Bi-Weekly Payment Rider to the Note.

<u>Janet M. Ott</u> (BORROWER)	<u>George L. Banks</u>
Witness	GEORGE L. BANKS
<u>Janet M. Ott</u> (BORROWER)	<u>Elizabeth M. Banks</u>
Witness	ELIZABETH M. BANKS

FIRST NATIONAL BANK OF ELGIN

Janet M. Ott
Loan Originator
JANET M. OTT

3517933

3517953

[Space Above This Line For Recording Data]

This instrument was prepared by:
First National Bank of Elgin
(Name)
6 Fountain Square Plaza
(Address)
Elgin, Illinois 60120

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on May 23, 1986. The mortgage is given to George L. Banks and Elizabeth M. Banks, his wife, as joint tenants ("Borrower"). This Security Instrument is given to The First National Bank of Elgin, which is organized and existing under the laws of The United States of America, and whose address is 6 Fountain Square Plaza, Elgin, Illinois 60120 ("Lender"). Borrower owes Lender the principal sum of Fifty Nine Thousand and 00/100's Dollars (U.S. \$ 59,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on June 1, 2016. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (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:

The East 34.08 feet of AREA THREE------(3)
In Carlisle Cove Unit 1 being a Subdivision in Section 27, Township 41 North, Range 10, East of the Third Principal Meridian, according to Plat thereof registered in the Office of the Registrar of Titles of Cook County, Illinois, on October 29, 1975, as Document Number 283772.

PROPERTY INDEX NUMBERS

07-27-208-084-0000

which has the address of 106 Wiltshire, Schaumburg, Illinois 60193 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all 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.

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.

NOTE TO YOU: YOU MAY WANT TO CHECK WITH THE COUNTY CLERK'S OFFICE FOR RECORDING FEES AND REQUIREMENTS.

Property Clerk's Office

3517953

UNOFFICIAL COPY

3517953

MAR 20 9 17 AM '88

3517953

IN DUPLICATE
12/25/88
12/25/88

Subscribed _____
Address _____
Promised _____
Delivered to _____
Address _____
Deliver to _____ Trust
Deed to _____
Address _____
Notified _____
La Farge

12/25/88
TITLE INS. CO. 10/34/88
12/25/88

Notary Public
James M. Ott
Given under my hand and official seal, this 3rd day of May, 1988
My Commission expires 12/24/88
George L. Banks and Elizabeth M. Banks, his wife, as joint tenants
do hereby certify that _____
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 _____
signed and delivered the said instrument as _____ their _____ free and voluntary act, for the uses and purposes therein
set forth
STATE OF ILLINOIS
County ss: _____
James M. Ott
Notary Public

GEORGE L. BANKS
ELIZABETH M. BANKS
Borrower
Borrower
(Seal)
(Seal)

NON-UNIFORM COVENANTS, Borrower and Lender further covenant and agree as follows:
19. Acceleration; Remedies. Lender shall give notice to acceleration under paragraphs 13 and 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 19, including, but not limited to, reasonable attorneys' fees and costs of the evidence.
20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.
21. 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.
22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.
23. 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 riders) were a part of this Security Instrument. (Check applicable boxes)
 Adjustable Rate Rider
 Plotted Payment Rider
 (Others) (Specify) 1-Weekly Payment Rider
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any riders) executed by Borrower and recorded with it.
M. D. L.
GEORGE L. BANKS
ELIZABETH M. BANKS
Borrower
Borrower
(Seal)
(Seal)

Property of Cook County Clerk

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 insurance in effect until such time as a requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. **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.

9. **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, 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 taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date 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.

10. **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.

11. **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.

12. **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.

13. **Legislation Affecting Lender's Rights.** If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

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.

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 Reinstatae.** 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 had no acceleration 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 paragraphs 13 or 17.

UNOFFICIAL COPY

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

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.

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"), equal to one-twelfth of: (a) yearly taxes and assessments which may accrue in priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items, unless Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. 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. 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 the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as requested by Lender.

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 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

4. Charges; Liens; Mortgages. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may accrue 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 that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

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

5. Hazard 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 for which Lender requires insurance. This insurance shall be maintained in the amount 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.

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, five prompt notice to the insurance carrier and Lender, make prompt notice 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, then 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 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. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. 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 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.

3517953