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ADJUSTABLE RATE LOAN RIDER

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.

This Rider is made this 9TH day of APRIL, 1987, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to CRAGIN FEDERAL SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at 281 FOREST KNOLL DRIVE, PALATINE, ILLINOIS 60067

Property Address

Modifications. 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 MONTHLY PAYMENT CHANGES

The Note has an "Initial Interest Rate" of 8.00%. The Note interest rate may be increased or decreased on the 1ST day of the month beginning on JUNE 01, 1990, and on that day of the month every 36 months thereafter.

Changes in the interest rate are governed by changes in an interest rate index called the "Index". The Index is the: [Check one box to indicate Index.]

- (1) ☐ "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders" published by the Federal Home Loan Bank Board.
(2) ☒ SEVENTH DISTRICT COST OF FUNDS, FEDERAL HOME LOAN BANK BOARD

[Check one box to indicate whether there is any maximum limit on changes in the interest rate on each Change Date; if no box is checked there will be no maximum limit on changes.]

- (1) ☐ There is no maximum limit on changes in the interest rate at any Change Date.
(2) ☒ The interest rate cannot be changed by more than .3 percentage points at any Change Date.

If the interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

B. LOAN CHARGES

It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan would exceed permitted limits. If this is the case, 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.

C. PRIOR LIENS

If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

D. TRANSFER OF THE PROPERTY

If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17.

By signing this, Borrower agrees to all of the above.

Steve Drouganis (Seal)
STEVE DROUGANIS —Borrower

Mary Jean Drouganis (Seal)
MARY JEAN DROUGANIS —Borrower

* If more than one box is checked or if no box is checked, and Lender and Borrower do not otherwise agree in writing, the first Index named will apply.

ADJUSTABLE RATE LOAN RIDER—6/81—FHLMC UNIFORM INSTRUMENT

44205-4 SAF Systems and Forms

E. The mortgage interest may increase or decrease based upon the change of the stated index, however, the lender will not reduce the interest rate below 8.000% floor rate nor exceed 13.000% ceiling rate.

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* If more than one box is checked or if no box is checked, and Lender and Borrower do not otherwise agree in writing, the first index named will apply.

E. The mortgage interest may increase or decrease based upon the change of the stated index, however, the lender will not reduce the interest rate below 8.000% floor rate nor exceed 13.000% ceiling rate.

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.

ADJUSTABLE RATE LOAN RIDER

This Rider is made this 27th day of April, 1982, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to CRAIG FEDERAL SAVINGS AND LOAN ASSOCIATION, (the "Lender"), of the same date (the "Note"), and covering the property described in the Security Instrument and located at 201 FOREST KNOLL DRIVE, FARMINGTON, ILLINOIS 60067.

Modifications. 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 MONTHLY PAYMENT CHANGES
The Note has an "Initial Interest Rate" of 8.00%. The Note interest rate may be increased or decreased on the 1st day of the month beginning on June 01, 1982, and on that day of the month every 36 months thereafter. Changes in the interest rate are governed by changes in an interest rate index called the "Index". The Index is the: (1) "Contract Interest Rate, Purchase of Previously Occupied Homes, National Average for all Major Types of Lenders," published by the Federal Home Loan Bank Board, (2) "SEVENTH DISTRICT COST OF FUNDS, FEDERAL HOME LOAN BANK BOARD." (Check one box to indicate Index)

(1) ☐ There is no maximum limit on changes in the interest rate at any Change Date.
(2) ☒ The interest rate cannot be changed by more than .5%, percentage points at any Change Date. If the interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

B. LOAN CHARGES
It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan would exceed permitted limits. If this is the case, 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 exceed 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.

C. PRIOR LIENS
If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower a notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.
D. TRANSFER OF THE PROPERTY
If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one-in-interest rate change (if there is a limit), or (3) a change in the Base Index figure, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17.

By signing this, Borrower agrees to all of the above.

STEVE DROUGANIS (Borrower) (Seal)
MARY DEAN DROUGANIS (Borrower) (Seal)

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SCHAUMBURG

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This instrument was prepared by:

..RICHARD J. JAHNS...

(Name)

..5133 W. FULLERTON AVE

(Address)

CHICAGO, ILL 60639

MORTGAGE

NOTE IDENTIFIED

THIS MORTGAGE is made this 27TH day of APRIL 1987 between the Mortgagor, STEVE DROUGANIS AND MARY JEAN DROUGANIS, HUSBAND AND WIFE (herein "Borrower"), and the Mortgagee, CRAGIN FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation organized and existing under the laws of THE UNITED STATES OF AMERICA, whose address is 5200 West Fullerton — Chicago, Illinois 60639 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of SEVENTY FIVE THOUSAND AND NO/100 Dollars, which indebtedness is evidenced by Borrower's note dated APRIL 09, 1987 (herein "Note"), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on MAY 01, 2012

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances"), Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of COOK, State of Illinois:

PARCEL 1:

LOT 69 OF FOREST KNOLL TOWNHOMES, A PLOT OF PLANNED UNIT DEVELOPMENT IN THE SOUTH WEST 1/4 OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2: Subject to

EASEMENTS APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1 AS SET FORTH IN THE DECLARATION OF EASEMENTS DATED AUGUST 11, 1978 AND REGISTERED SEPTEMBER 13, 1978 AS DOCUMENT LR 3045756 AND AS AMENDED BY INSTRUMENT REGISTERED NOVEMBER 29, 1978 AS DOCUMENT LR 3062101 AND AS DISCLOSED BY PLAT OF PLANNED UNIT DEVELOPMENT OF FOREST KNOLL TOWNHOMES REGISTERED SEPTEMBER 13, 1978 AS DOCUMENT LR 3045755.

02-02-301-076 5408

which has the address of 281 FOREST KNOLL DRIVE PALATINE
ILLINOIS 60067 (Street) (City)
..... (herein "Property Address");
(State and Zip Code)

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, water rights, and water stock, and all fixtures 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 this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are herein referred to as the "Property".

Borrower covenants that Borrower is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

5-492
DESCRIPTION AFFECTS DEED
2-4-69
CREATED BY DCG-304555 FROM CITY 671456

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27 MAY - 4 PM 3 22
MARY (MRS) YOURSELF
REGISTER OF TITLES

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Submitted by

3613530

duplicate Trust

Deed

Agreement

Notarized

CHICAGO TITLE INS.

Q#

7409458

(Space Below This Line Reserved For Lender and Recorder)

Notary Public

Michael E. P. P. P.

Given under my hand and official seal, this 5/4/89, day of May, 1989.

My Commission expires: 5/4/89

set forth.

signed and delivered the said instrument as . . . the said instrument, free and voluntary act, for the uses and purposes therein

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that . . . he, she, it, or they, are . . .

do hereby certify that . . . STEVE DROUGANIS, AND MARY JEAN DROUGANIS, HUSBAND AND WIFE

STATE OF ILLINOIS, . . . a Notary Public in and for said county and state.

County ss:

MARY JEAN DROUGANIS

—Borrower

STEVE DROUGANIS

—Borrower

IN WITNESS WHEREOF, Borrower has executed this Mortgage, . . .

20. Assignment of Rents; Appointment of Receiver; Lender in Possession. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, 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. All 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 attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

21. Future Advances. Upon request of Borrower, Lender, at Lender's option prior to release of this Mortgage, may make future advances to Borrower. Such future advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note plus US \$. . . 15000.00 . . .

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

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

24. This mortgage is specifically made subject to the terms and provisions of . . .

25. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

26. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

27. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

28. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

29. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

30. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

31. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

32. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

33. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

34. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

35. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

36. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

37. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

38. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

39. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

40. Lender agrees to execute a deed of reconveyance to Borrower upon payment of the sums secured by this Mortgage.

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PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT ("PUD") RIDER is made this 9TH day of APRIL 1987, and is incorporated into and shall be deemed to amend and supplement a Mortgage, Deed of Trust or Deed to Secure Debt (herein "security instrument") dated of even date herewith, given by the undersigned (herein "Borrower") to secure Borrower's Note to CRAGIN FEDERAL SAVINGS AND LOAN ASSOCIATION (herein "Lender") and covering the Property described in the security instrument and located at 281 FOREST KNOLL DRIVE PALATINE, ILLINOIS 60067
(Property Address)

..... The Property comprises a parcel of land improved with a dwelling, which, together with other such parcels and certain common areas and facilities, all as described in
.....
(herein "Declaration"), forms a planned unit development known as
FOREST KNOLL
(Name of Planned Unit Development)
(herein "PUD").

PLANNED UNIT DEVELOPMENT 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: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document required to establish the homeowners association or equivalent entity managing the common areas and facilities of the PUD (herein "Owners Association"); and (iii) by-laws, if any, or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all assessments imposed by the Owners Association.

B. Hazard Insurance. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the common areas and facilities of the PUD, any such proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the security instrument, with the excess, if any, paid to Borrower.

C. 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 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 in the manner provided under Uniform Covenant 9.

D. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, consent to:

- (i) the abandonment or termination of the PUD;
- (ii) any material amendment to the Declaration, trust instrument, articles of incorporation, by-laws of the Owners Association, or any equivalent constituent document of the PUD, including, but not limited to, any amendment which would change the percentage interests of the unit owners in the common areas and facilities of the PUD;
- (iii) the effectuation of any decision by the Owners Association to terminate professional management and assume self-management of the PUD; or
- (iv) the transfer, release, encumbrance, partition or subdivision of all or any part of the PUD's common areas and facilities, except as to the Owners Association's right to grant easements for utilities and similar or related purposes.

E. Remedies. If Borrower breaches Borrower's covenants and agreements hereunder, including the covenant to pay when due planned unit development assessments, then Lender may invoke any remedies provided under the security instrument, including, but not limited to, those provided under Uniform Covenant 7.

IN WITNESS WHEREOF, Borrower has executed this PUD Rider.


STEVE DROUGANIS —Borrower


MARY JEAN DROUGANIS —Borrower

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or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

19. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time

insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and condition of making the loan secured by this Mortgage. Borrower shall pay the premiums required to maintain such reasonable attorney's fees and carry upon the Property to make repairs. If Lender required mortgage insurance as a sum and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of bankruptcy or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appraisals, disburse such including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements involving a Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this

where a part hereof. shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider shall be executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider or covenants creating or governing the condominium or planned unit development, and constituting unit development condominium or planned unit development, Borrower shall perform all of Borrower's obligations under the declaration and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property 6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments. Borrower

acquisition. or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale such installments. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or to the sums secured by this Mortgage.

date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of by Borrower.

Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof. All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage insurance carrier.

provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided, such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of against loss by fire, hazards included within the term "extended coverage", and such other hazards as Lender may require 5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof, such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien in, Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, in the manner 4. Charges; Liens. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to

principal on any Future Advances. under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower 3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the

Lender at the time of application as a credit against the sums secured by this Mortgage. shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by held by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds by Lender to Borrower requesting payment thereof.

Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed promptly repay to Borrower or credited to pay taxes, assessments, insurance premiums and ground rents as they fall due, held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, either the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents, together with the future monthly installments of Funds payable prior to If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to by this Mortgage.

purpose for which each debt to the Funds was made. The Funds are pledged as additional security for the sums secured shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account, state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, The Funds shall be held in an institution or accounts of which are insured or guaranteed by a Federal or time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this to Lender on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, 2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay

indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Mortgage. 1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the

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

Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, 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 Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds 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 such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

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

10. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. Uniform Mortgage; Governing Law; Severability. This form of mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest herein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or charge subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

* or if the borrower ceases to occupy the property as his principal residence

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

18. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, 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 breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

19. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time

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UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:
1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Mortgage.