

UNOFFICIAL COPY

Form 1423 (Rev. 11/82)

Form 3140 12/83

MULTI-STATE CONDOMINIUM RIDER - Single Family - TRAIL/PLAINS VERSION INSTRUMENT

(Seal) Borrower

The mortgage is executed by First State Bank a Trust Company of Park Ridge, not personally but as Trustee as recorded, in the exercise of the power and authority conferred upon it as such Trustee, and it is expressly understood and agreed by the mortgagor herein and by every person now or hereafter claiming any right or security hereunder that nothing contained herein or in any of the documents relating to this mortgage shall be construed as creating any liability on First State Bank a Trust Company of Park Ridge or on any of the beneficiaries under said trust agreement personally to pay said note or any interest that may accrue thereon, or any indebtedness resulting hereunder or to perform any covenants either express or implied herein contained, all such liability, if any, being expressly waived, and that any recovery on this mortgage and the note secured hereby shall be solely against and out of the property hereby conveyed by enforcement of the provisions hereof and of said note, but this waiver shall in no way affect the personal liability of any co-owner, endorser or guarantor of said note.

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

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.

F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. The Owners Association shall be deemed to be the lender.

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

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

Lender:

(vi) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of

eminent domain;

(vii) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction, action by fire or other casualty or in the case of a taking by condemnation or

consent, either partition or subdivision of the Property or consent to:

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, be applied for Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

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.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

(iii) 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.

(ii) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

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

Borrower and Lender further covenant and agree as follows:

A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

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

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment 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.

(iii) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment 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.

(iii) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

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THIS CONDOMINIUM RIDER is made this 29th day of December, 19 88, 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 First Federal Savings and Loan Association of Des Plaines

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

203-209 Vine Street, Unit 28, Park Ridge, Illinois 60068

(Property Address)

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

The Ridge Square Condominium

(Name of Condominium Project)

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

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

A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

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

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment 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.

(iii) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment 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.

(iii) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

(iv) 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.

(v) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

(vi) 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.

(vii) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

(viii) 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.

(ix) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

(x) 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.

(xi) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

(xii) 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.

(xiii) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

(xiv) 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.

(xv) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installment for hazard insurance on the Property; and

(xvi) 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.

Subject to the pre-printed provisions of this form and made a part hereof.

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Property of Cook County Clerk

IN WITNESS WHEREOF First State Bank and Trust Company of Park Ridge
not personally but as Trustees as aforesaid, has caused their names to be signed by Assistant Trust Officer
President, and its corporate seal to be hereunto set and attested by Assistant Trust Officer Secretary,
this 27th day of December, A.D. 19 58.

ATTEST

[Signature]
Assistant Trust Officer Secretary

First State Bank and Trust Company of Park Ridge
As Trustees as aforesaid and not personally
[Signature]
Assistant Trust Officer President

STATE OF ILLINOIS }
COUNTY OF COOK } m. L. Mildred Nosko

Notary Public in

and for said County, in the State aforesaid, DO HEREBY CERTIFY that
Eugene A. Bensinger, Assistant Trust Officer

President of First State Bank and Trust Company of Park Ridge

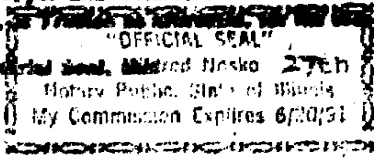
and Tom Olen, Assistant Trust Officer

Secretary of said corporation, who is personally known to me to be

Assistant Trust Officer, Asst. Trust Officer

the same persons whose names are subscribed to the foregoing instrument as Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and in the free and voluntary act of said corporation, as Trustees as aforesaid for its use and purpose therein set forth; and the said Assistant Trust Officer Secretary then and there acknowledged that he is the holder of the corporate seal of said corporation, and affix said seal to said instrument as his own free and voluntary act and in the free and voluntary act of said corporation, as Trustees as aforesaid, for its use and purpose therein set forth.

GIVEN under my hand and Notarial Seal, Mildred Nosko 27th
by Commission Expires



day of December, A.D. 19 58

Mildred Nosko
Notary Public

07700005

[Handwritten initials]

UNOFFICIAL COPY

Unit 3-B in Ridge Square Condominium, as delineated on a Survey of the following described Property.

Parcel 1: Lot 2 in Block 9 in L. Hodge's Addition to Park Ridge, being a Subdivision of the Northeast 1/4 of Section 35, South of Railroad, except 40 acres in the Southwest Corner of said Northeast 1/4 and East 1/2 of the Southeast 1/4 of Section 35, Township 41 North, Range 12, East of the Third Principal Meridian, and 8.73 acres in the Northeast 1/4 of the Northeast 1/4 of Section 2, Township 40 North, Range 12, East of the Third Principal Meridian, lying North of Public Road in Cook County, Illinois.

Parcel 2: A Tract of Land of the Southwesterly Side of Lot 1 in Block 9 in L. Hodge's Addition to Park Ridge, in Section 35, Township 41 North, Range 12, East of the Third Principal Meridian, described as follows: Commencing at the most Easterly Corner of Lot 1, being the intersection of the Southeasterly Line thereof with the Westerly Line of Right of Way of Chicago and Northwestern Railroad Company, thence in a Northwesterly direction along the Northeasterly line of said Lot 1, being Southwesterly Line of Right of Way of Railroad Company a distance of 9 feet 2-1/2 inches to a point; thence in a Southwesterly direction to a point on the Westerly Line of Lot 1 aforesaid, being the Easterly Line of Vine Avenue, 13 feet 7 inches Northerly from Southerly Corner of said Lot 1; thence Southerly along the West Line of said Lot 1, being the Easterly Line of Vine Avenue, a distance of 13 feet 7 inches to most Southerly Corner of said Lot; thence Northeasterly along the Southeasterly Line of said Lot 1 to the point of beginning, in Cook County, Illinois.

Parcel 3: The Northwesterly 50 feet of Lot 5 in Block 9 in L. Hodge's Addition to Park Ridge, being a Subdivision of the Northeast 1/4 of Section 35, South of Railroad, except 40 acres in the Southwest Corner of said Northeast 1/4 of East 1/2 of the Southeast 1/4 of Section 35, Township 41 North, Range 12, East of the Third Principal Meridian, and 8.73 Acres in the Northeast 1/4 of the Northeast 1/4 of Section 2, Township 40 North, Range 12 East of the Third Principal Meridian, lying North of Public Road in Cook County, Illinois, as delineated on the Survey which is attached as Exhibit "C" to the Condominium Declaration made by Parkway Bank and Trust Company, as Trustee under Trust Number 5203 dated December 22, 1979 and Registered with the Registrar of Torrens Titles, for Cook County, Illinois on March 23, 1982 as Document Number 3253705 and Recorded with the Recorder of Deeds of Cook County, Illinois on March 23, 1982 as Document 26180275; together with its Undivided Percentage Interest in the Common Elements.

Mortgagor also hereby grants to mortgagee, its successors and assigns, as rights and easements appurtenant to the above described real estate, the rights and easements for the benefit of said property set forth in the aforementioned Declaration.

09-35-216-050-1007

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Subject to the terms
herein and made

This mortgage is executed by First State Bank & Trust Company of Park Ridge, not personally but as trustee as stated, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed by the mortgagee herein and by every person now or hereafter claiming any right or estate therein that nothing contained herein or in the note secured by this mortgage shall be construed as creating any liability on First State Bank & Trust Company of Park Ridge on any of the beneficiaries under said trust agreement personally to pay said note or to answer that any person thereon, or any indebtedness accruing hereunder or to perform any covenant or implied herein or thereon, all such liability, if any, being expressly waived, and that any recovery on this mortgage and the note secured hereby shall be solely against the property hereby conveyed by enforcement of the provisions hereof and of said note, but the waiver shall in no way affect the personal liability of any co-signer, endorser or guarantor of said note.

Cook County Clerk's Office

UNOFFICIAL COPY

NON-UNIFORM COVENANTS: Borrower and Lender (attached hereto) and agree as follows:

19. 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 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 title 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 rider(s) were a part of this Security Instrument. (Check applicable box(es))

- Adjustable Rate Rider
- Condominium Rider
- 2-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- 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.

IN WITNESS WHEREOF, First State Bank and Trust Company of Park Ridge

not personally, but as Trustee as aforesaid, has (caused) this document to be signed by its Assistant Trust Officer

President, and its corporate seal to be hereunto affixed and witnessed by its Assistant Trust Officer Secretary,

this 27TH day of December, A.D. 19 88.

ATTEST:

[Signature]
Assistant Trust Officer Secretary

First State Bank and Trust Company of Park Ridge
As Trustee as aforesaid and not personally
By [Signature]
Assistant Trust Officer President

STATE OF ILLINOIS }
COUNTY OF COOK } s. Mildred Nosko

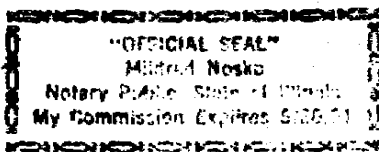
and for said County, in the State aforesaid, DO HEREBY CERTIFY that

Eugene A. Bensinger, Assistant Trust Officer President of First State Bank and Trust Company of Park Ridge
and Tom Olen, Assistant Trust Officer Secretary of said corporation, who are personally known to me to be Assistant Trust Officer Asst. Trust Officer President of

the same persons whose names are subscribed to the foregoing instrument as such Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered (a) said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, as Trustee as aforesaid for the use and purpose therein set forth; and the said Assistant Trust Officer Secretary then and there acknowledged that he as secretary of the corporate seal of said corporation, did affix said seal to said instrument as his own free and voluntary act and as the free and voluntary act of said corporation, as Trustee as aforesaid, for the use and purpose therein set forth.

GIVEN under my hand and Notarial Seal, this 27TH day of December, A.D. 19 88

My Commission Expires



205 PLAZA, NUNOKS

FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF DES PLAINES 205 LIN STREET

MORTGAGE (Corporate Trustee)

11021455-1 Loan No.

UNOFFICIAL COPY

This instrument was prepared by [Name] Clerk of Cook County, Illinois. Notary Public

My Commission Expires: [Date] day of [Month] 19[Year] (SZAI)

Witness my hand and official seal this [Date] day of [Month] 19[Year] (He, she, they) executed said instrument for the purposes and uses therein set forth. (this, her, their) before me and in (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, personally appeared, free and voluntary act and deed and that

I, a Notary Public in and for said county and state, do hereby certify that [Name] STATE OF [State] COUNTY OF [County] SS:

Property of Cook County Clerk's Office

[Space Below This Line For Acknowledgment] (Seal) BORROWER (Seal) BORROWER

UNOFFICIAL COPY

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Submitted by
Address
City
State
Zip
Date

(Space Above This Line For Recording Date)

MORTGAGE 11021455-1

THIS MORTGAGE ("Security Instrument") is given on December 27, 1988. The mortgagor is First State Bank and Trust Company of Park Ridge as Trustee under Trust number 172 dated December 20, 1988 ("Borrower"). This Security Instrument is given to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF DES PLAINES, which is organized and existing under the laws of the United States of America, and whose address is 742 Lee Street, Des Plaines, Illinois 60018 ("Lender"). Borrower owes Lender the principal sum of Sixty Three Thousand and No/100 Dollars (U.S. \$ 63,000.00). 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 JANUARY 1, 2004. 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:

SEE ATTACHED LEGAL

which has the address of 203-209 Vine Street, Unit 3B Park Ridge Illinois 60068 ("Property Address");
(Cover) (City) (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 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 contains uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

ILLINOIS—Single Family—FNSB/FHLC UNIFORM INSTRUMENT

Form 3014 12/87
4-715 SBF SYSTEMS AND FORMS
CHICAGO, IL

"OFFICIAL SEAL"
M. J. J. Nosko
Notary Public, State of Illinois
My Commission Expires 5/29/91

FIRST FEDERAL SAVINGS
AND LOAN ASSOCIATION
OF DES PLAINES
742 LEE STREET
DES PLAINES, ILLINOIS

Notary Public
MORTGAGE
(Corporate Trustee)
11021455-1
Loan No.

Legal description affects property on Certificate #1161712 and other property.

1-6-89

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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 late charges and fees provided in the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay 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 be levied on the Property; (b) yearly mortgage payments or ground rents on the Property; (c) yearly hazard insurance premiums; and (d) yearly interest on the debt. 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 amount of each debt to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

3. Escrow Items. Lender, together with the future monthly payments of Funds payable prior to the date 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 required by Lender.

4. 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.

5. 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.

6. Charges and Fees. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may be levied or assessed against the Property, together with the amount of any 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 or persons to whom they are payable. Borrower shall promptly furnish to Lender receipts evidencing the payments.

7. 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 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.

8. 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 renewals. 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.

9. 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.

10. 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 19 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.

11. 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.

12. 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 sue 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 12, Lender does not have to do so.

13. Any amounts disbursed by Lender under this paragraph 12 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.

5905943

UNOFFICIAL COPY

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 the 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 the 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 an 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 reinstatae shall not apply in the case of acceleration under paragraphs 13 or 17.

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