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MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on APRIL 4 19 89. The mortgagor is MARTIN A. SALAFSKI AND BARBARA J. SALEFSKI, HUSBAND AND WIFE ("Borrower"). This Security Instrument is given to

LENDOR: MCA LENOX STATE BANK under the laws of THE STATE OF ILLINOIS, and whose address is 110 WEST MAPLE STREET, NEW LENOX, ILLINOIS 60451 ("Lender").

Borrower owes Lender principal sum of TWENTY-SEVEN THOUSAND THREE HUNDRED NINETY AND 80/100 Dollars (U.S. \$27,390.89). 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 AUGUST 2, 1989. 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 situated in COOK County, Illinois:

LOT NO. 3 IN OAK COURT SUBDIVISION OF PART OF THE SOUTH EAST QUARTER OF SECTION 3, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY ON AUGUST 18, 1972 AS DOCUMENT NO. 234714 IN COOK COUNTY, ILLINOIS.

PIN: 28-31-402-003

which is the address of 1721A SOUTH 65TH COURT, TINLEY PARK, ILLINOIS 60472 ("Property Address");

TOGETHER WITH all the improvement, 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 seised 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 certain variations by jurisdiction to constitute a uniform security instrument covering real property.

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Handwritten signature/initials in the top left corner.

Handwritten vertical text on the left margin.

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IN DUPLICATE

3786610

Deliver order to
 Address
 A. J. Dress
 110 WEST MAPLE STREET
 NEW LENOX, ILLINOIS 60451

Deliver duplicate
 Address
 A. J. Dress
 110 WEST MAPLE STREET
 NEW LENOX, ILLINOIS 60451

NEW LENOX, ILLINOIS 60451
 110 WEST MAPLE STREET
 NEW LENOX STATE BANK
 "OFFICIAL SEAL"
 Frank B. Hurd
 President

My Commission expires: _____
 Given under my hand and official seal, this _____ day of _____, 1985.
 signed and delivered the said instrument as **THEIR** WIFE, personally known to me to be the same person (s) as **MARTIN A. SALEFSKI AND BARBARA J. SALEFSKI, HUSBAND AND WIFE**, do hereby certify that **THE UNDERSIGNED** a Notary Public in and for said county and state, County of _____ State of ILLINOIS, WILL _____

From Below the line is a document printed

MARTIN A. SALEFSKI
BARBARA J. SALEFSKI
 BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in the Security Instrument and is any rider(s) executed by Borrower and recorded with it.
 Adjustable Rate Rider
 Concomitandum Rider
 2-4 Family Rider
 Graduated Payment Rider
 Planned Unit Development Rider
 Other(s) (specify) _____
 This Security Instrument, the covenants and agreements of each rider shall be incorporated into and shall read and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument without change to Borrower. Borrower shall pay _____ under this Security Instrument.
 19. Accelerating Demand. Lender may give notice to Borrower prior to acceleration if Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 and (d) that fails to cure the default on or before the date specified in the notice may result in acceleration of the entire amount of the debt; (e) if date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; (f) the notice and specific (a) the default; (b) the action required to cure the default; and (c) the amount of the debt. The notice shall be given by registered mail to the Borrower at the address provided in the Security Instrument and to the lender's attorney at the address provided in the Security Instrument. If the default is not cured on or before the date specified in the notice, the lender may request immediate payment in full of all sums secured by this Security Instrument without further demand and may request immediate payment in full of all sums secured by this Security Instrument. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay _____ under this Security Instrument.
 20. Lender in Foreclosure. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following paragraph 19, Lender (in person, by agent or by specially appointed receiver) shall be entitled to enter upon, take possession of, and manage the Property and to collect the rent 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 a bond and reasonable attorney's 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 _____ under this Security Instrument.
 22. What if Foreclosed. Borrower waives all right of redemption in the Property. Lender shall pay _____ under this Security Instrument without charge to Borrower. Borrower shall pay _____ under this Security Instrument.
 23. Rider(s) in 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 rider shall be incorporated into and shall read 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
 Concomitandum 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 the Security Instrument and is any rider(s) executed by Borrower and recorded with it.

If Lender requires 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 condemner 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 a Waiver; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification or amortization of the sums secured by this Security Instrument granted by Lender to a 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 an extension 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) in signing this Security Instrument only conveys 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 respect 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 informed 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 Reinstatement. 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) 90 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.

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1. PAYMENT OF PRINCIPAL AND INTEREST; PREPAYMENT AND ESCROW. Borrower shall promptly pay, when due the principal of and interest on the debt evidenced by the Note and any prepayment or other charges due under the Note, as follows:

2. Funds for Taxes and Insurance. Subject to applicable law or to a written agreement between Lender and Borrower, Lender shall pay on the part of the Borrower, all taxes and assessments which may be levied on the Property, including but not limited to property taxes, and shall pay the cost of any fire and theft insurance, and shall pay the cost of any other insurance which may be required by Lender. 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, 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 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 in monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Lender shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly return 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 its maturity date or the date of 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 paragraph 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; Lender. Lender shall pay all taxes, assessments, charges, fines and impositions attributable to the Property, which may arise from this Security Instrument, and leasehold payments or ground rent, 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 in 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) contents in good faith the lien by or 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 arise prior to the 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 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 give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to replacement or repair of the Property damaged, if the restoration or repair is not economically feasible or Lender's security would be impaired. If the restoration or repair is not economically feasible or Lender's security would be impaired, the insurance proceeds shall be applied to the payment of the debt secured by this Security Instrument, and the amount of the proceeds shall be applied to the extent of the sums secured by this Security Instrument from damage to the Property prior to the acquisition of the Property by Lender to the extent of the sums secured by this Security Instrument. Lender shall not be liable for the cost of the acquisition of the Property by Lender to the extent of the sums secured by this Security Instrument.

6. Protection 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 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 attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower returned by this Security Instrument. Unless Borrower and Lender agree in writing, these amounts shall bear interest from the date of the disbursement of the amount. If the date of disbursement is not stated, the date of the disbursement shall be the date of the disbursement.

8. Assignment 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 attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 8 shall become additional debt of Borrower returned by this Security Instrument. Unless Borrower and Lender agree in writing, these amounts shall bear interest from the date of the disbursement of the amount. If the date of disbursement is not stated, the date of the disbursement shall be the date of the disbursement.

9. Payment 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 attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 9 shall become additional debt of Borrower returned by this Security Instrument. Unless Borrower and Lender agree in writing, these amounts shall bear interest from the date of the disbursement of the amount. If the date of disbursement is not stated, the date of the disbursement shall be the date of the disbursement.

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