

4. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the property insured against loss by fire, hazards included within its own expanded coverage and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. The insurance carrier for which the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

5. Insurance Policies and Renewals. Lender shall have the right to hold the policies and renewals. Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall promptly give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

6. Insurance Proceeds. 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 pay 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.

7. Underpayment. If the party is acquired by Lender, Borrower's right to any insurance proceeds 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.

8. Preservation and Repair of Property. Lender 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 agrees to the lease, the lease shall not merge unless Lender agrees to the merger in writing.

9. Protection of Lender's Rights. 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, in any and all ways, take any action necessary to protect the sums secured by 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.

10. Amounts Disbursed by Lender. Under this paragraph, Lender shall become additional debt of Borrower secured by this Security Instrument. Lender agrees to other terms of payment, these amounts shall bear interest from the date of disbursement at the agreement rate and shall be payable with interest, upon notice from Lender to Borrower (including payment).

11. 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 on a specifying reasonable cause for the inspection.

12. Condemnation. The proceeds of any award or claim for damages, or any part of the property, in condemnation, or hereby assigned and shall be paid to Lender.

13. 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 sum 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.

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

15. Borrower Not Released. For purposes of this paragraph, Lender shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successor 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.

16. Successors and Assigns Bound. Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind Lender, its successors and assigns of Lender and Borrower, subject to the provisions of paragraph 18. Borrower's covenants and agreements shall bind Lender and assigns. Any donor who co-signs this Security Instrument but does not execute the Agreement and general, subject to the provisions of paragraph 18, Borrower's covenants and agreements shall bind Lender and assigns. The Security Instrument (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

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19. Acceleration: Lender shall give notice to Borrower prior to acceleration following: (a) Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 12 and 16 unless applicable law provides otherwise) or the Agreement or (b) Lender's good faith belief that the prospect of payment or performance is impaired. If a 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 that the acceleration is not cured, or the reason for the belief that the prospect of payment or performance is impaired is not cured, or a default or any other defense of Borrower in acceleration and foreclosure. If the acceleration is not cured, or the reason for the belief that the prospect of payment or performance is impaired 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 by judicial proceeding or by other means permitted by applicable law. Lender shall be entitled to collect all expenses incurred in the foreclosure proceeding, including, but not limited to, reasonable attorney's fees and costs of the evidence.

ADDITIONAL COVENANTS. Borrower and Lender further covenant and agree as follows:

18. Prior Mortgage. Borrower shall not be in default of any provision of any prior mortgage. In the case of acceleration under paragraphs 12 or 16, if no acceleration had occurred, however, this right to reinstate shall not apply in the fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 12 or 16. 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; and (2) not use this provision more frequently than once every five years. Lender shall not be bound by this Security Instrument and the obligations secured hereunder shall remain in full force and effect until the expiration of the period. Lender may invoke any remedy permitted by this Security Instrument without further notice or demand on Borrower.

17. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the entry of a judgment enforcing this Security Instrument. These conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Agreement 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 attorney's fees; (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; and (2) not use this provision more frequently than once every five years. Lender shall not be bound by this Security Instrument and the obligations secured hereunder shall remain in full force and effect until the expiration of the period. Lender may invoke any remedy permitted by this Security Instrument without further notice or demand on Borrower.

16. 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 remedy permitted by this Security Instrument without further notice or demand on Borrower.

15. Borrower's Copy. Each Borrower shall be given one conformed copy of the Agreement and of this Security Instrument.

14. Governing Law; Jurisdiction. This Security Instrument shall be governed by federal law and the law of Illinois. In the event that any provision or clause of this Security Instrument or the Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Agreement which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Agreement are declared to be severable.

13. 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 or 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.

12. Lender's Right to Accelerate. Lender may, at its option, 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 16.

11. Loan Charges. If the loan secured by this 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 exceed the permitted limits, then: (a) any such loan charges 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 Agreement 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 Agreement.

10. Lender's Right to Accelerate. Lender may, at its option, 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 16.

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UNOFFICIAL COPY

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STATE OF ILLINOIS

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Submitted by: FRANK E. JONES
 Address: 1500 Maple Avenue
 Chicago, Ill. 60611
 Premises: 1500 Maple Avenue
 Delivered to: FRANK E. JONES
 Address: 1500 Maple Avenue
 Chicago, Ill. 60611
 Deliver Applicant: FRANK E. JONES
 Address: 1500 Maple Avenue
 Chicago, Ill. 60611

Doc. No. 1500
Date: 1/15/68

My Commission expires: _____
 Given under my hand and official seal, this 5th day of January, 1968, at Chicago, Illinois.
 Personally known to me to be the same person(s) whose name(s) _____
 subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that _____
 signed and delivered the said instrument as their free and voluntary act, for the uses and
 purposes therein set forth.
 I, Frank E. Jones, a Notary Public in and for said county and state, do
 hereby certify that Douglas M. Cannon and Linda M. Cannon, his
 STATE OF ILLINOIS, County of: Cook

This Document Prepared By: Veronica Rhodes
 Equity Credit Center
 The First National Bank of Chicago
 Suite 0482
 Chicago, Ill. 60670

Linda M. Cannon
 Borrower
 Douglas M. Cannon
 Borrower

BY SIGNING BELOW Borrower accepts and agrees to the terms and covenants or contained in this Security instrument and in any riders (if any) executed by Borrower and recorded with it.
 22. Whether of Homestead. Borrower waives all right of homestead exemption in the Property.
 23. Riders to the Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the riders were a part of this Security Instrument.
 24. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release the Security Instrument without charge to Borrower.
 25. Lender in Possession. Upon expiration under paragraph 23 or at any other time 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 gross rent due, net rents collected by Lender or the receiver after the payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, payments on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

9/11/68