

UNOFFICIAL COPY CONDOMINIUM RIDER 1 J 6

THIS CONDOMINIUM RIDER is made this 2nd day of AUGUST, 19 89 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 HL MORTGAGE GLENWOOD BANK

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at: 6772 W. 101ST STREET TINLEY PARK, ILLINOIS 60477

[Property Address]

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

[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 amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

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

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.

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.

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.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

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

(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;

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

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

F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. 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.

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

Michael F. Zmuda

MICHAEL F. ZMUDA (Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower

(Sign Original Only)

3814486

UNOFFICIAL COPY

Property of Cook County Clerk's Office

381486

1747

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PREPARED BY AND MAIL TO:

MILBENT MORTGAGE SERVICES, INC.
1911 SCUD-MEYERS ROAD, SUITE 300
OAKBROOK, ILLINOIS, IL 60181

381486
DUPLICATE
381486

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on AUGUST 2nd
19 88 The mortgagor is
MICHAEL F. BOA, BACHELOR

("Borrower"). This Security Instrument is given to
HERITAGE GLENWOOD BANK

which is organized and exists under the laws of THE STATE OF ILLINOIS, and whose address is
1838D & HALSTED STREETS GLENWOOD, IL 60425

("Lender").

Borrower owes Lender the principal sum of
FOETY FOUR THOUSAND ONE HUNDRED & 88/100

Dollars (U.S. \$ 44,188.88). 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 SEPTEMBER 1, 2019. 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:

UNIT 1423 as described in survey delineated on and attached to and a part of a Declaration of Condominium
Ownership registered on the 1st day of May, 1988, as Document Number: 2618227

ITEM 2.

An Undivided 0.01 interest (except the Units delineated and described in said survey) in and to the following
Described Premises:

That part of LOT NINETY FOUR (94) (hereinafter described) described as follows: Commencing at the Northwest
corner of said Lot 94; thence North on the West line of said Lot, also being the East line of South Oak Park
Avenue, a distance of 29.0 feet; thence East on a line parallel with the South line of said Lot 94, also
being the North line of West 181st Street, a distance of 24.16 feet to the place of beginning of the herein
described Tract; thence North parallel with the West line of said Lot 94, a distance of 60.34 feet; thence
East at right angles, a distance of 19.10 feet; thence North 1.99 feet; thence East 14.0 feet; thence South
6.0 feet; thence East 14.04 feet; thence North 0.82 feet; thence East 0.63 feet; thence North 5.07 feet;
thence East 19.42 feet; thence South 5.07 feet; thence East 23.75 feet; thence South 5.0 feet; thence East
19.98 feet; thence North 5.01 feet; thence East 19.49 feet; thence South 5.02 feet; thence East 1.64 feet;
thence South 0.83 feet; thence East 13.98 feet; thence North 5.0 feet; thence East 14.0 feet; thence South
2.05 feet; thence East 18.15 feet; thence South 60.34 feet to a point 24.16 feet North of the South line of
said Lot 94; thence West 18.07 feet; thence South 2.0 feet; thence West 14.0 feet; thence North 3.99 feet;
thence West 14.03 feet; thence South 0.83 feet; thence West 1.72 feet; thence South 5.09 feet; thence East
19.10 feet; thence North 5.11 feet; thence West 12.64 feet; thence North 5.03 feet; thence West 20.85 feet;
thence South 5.04 feet; thence West 19.63 feet; thence North 5.08 feet; thence West 0.5A feet; thence North
0.82 feet; thence West 14.08 feet; thence South 6.0 feet; thence West 14.0 feet; thence North 2.0 feet; thence
West 18.08 feet to the place of beginning, said boundaries of the herein described Tract being 1 foot farther
than and parallel to the extremities of a 2 story brick building, including porches and balconies, in Oak
Court, a Subdivision of part of the Southeast Quarter (4) of Section 31, Township 36 North, Range 1: East
of the Third Principal Meridian, according to Plat thereof registered in the Office of the Registrar of Titles
of Cook County, Illinois, on August 18, 1972, as Document Number 2642574.

which has the address of 6772 W. 181ST STREET TINLEY PARK
[Street] [City]

Illinois 60477 ("Property Address").
[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.

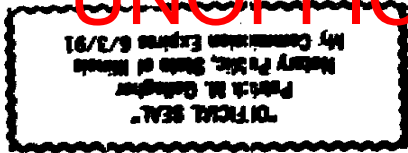
THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with
limited variations by jurisdiction to constitute a uniform security instrument covering real property.

NOTE IDENTIFIED

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RECORD AND RETURN TO:
MIDWEST MORTGAGE SERVICES, INC.
1901 SOUTH MEYERS ROAD, SUITE 300
CHICAGO, ILL. 60611

JENNIFER LEMING

This document prepared by:

My Commission expires:

Patrick M. Gallagher
Notary Public
at day of August 19 88

set forth:
Given under my hand and official seal, this
signed and delivered the said instrument as
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
personally known to me to be the same person(s) whose name(s) is
I, *the undersigned*
Cook
hereby certify that *Michael F. Zmuda, Esq.*

a Notary Public in and for said county and state.
County ss: _____

381-1486

(Type in the line for Address, Name)

(Seal) Borrower

(Seal) Borrower

(Seal) Borrower

(Seal) Borrower
Michael F. Zmuda
MICHAEL F. ZMUDA

By Signing, Borrower accepts and agrees to the terms and covenants contained in this Security
Instrument and in any riders (executed by borrower and recorded with it)

(Others) (Specify) _____

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

Instrument (Check applicable boxes)
this Security Instrument, the covenants and agreements of this Security Instrument as if the riders were a part of this Security
Instrument (Check applicable boxes)

21. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with
this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and
supplement the covenants and agreements of this Security Instrument as if the riders were a part of this Security

22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property
Instrument without charge to Borrower. Borrower shall pay any recordation costs.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security
Instrument, bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

24. Appointment of Receiver. 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

25. Acceleration. Upon acceleration under paragraph 19 of the Instrument 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

26. Acceleration. Lender shall give notice to Borrower prior to acceleration following Borrower's
breach of any covenant or agreement in this Security Instrument (that 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-

acceleration defense of the Borrower in 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 attorney's fees and costs of this evidence.

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 (that 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-

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TOGETHER WITH all the improvements now or hereafter erected on the property, and all covenants, 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 replacement 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 warrant, and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

Illinois 60477 ("Property Address"),

which has the address of 6772 W. 181ST STREET, JINLEY PARK, IL 60477

TAX ID #: 20-31-007-005-1013

Property of Cook County Clerk's Office

located in SEE ATTACHED ADDENDUM "A."

NOTE IDENTIFIED

MORTGAGE

PREPARED AND MAIL TO: MIDWEST NATIONAL SERVICES, INC. 1201 SOUTH ENTERS ROAD, SUITE 300 OMAHA, NE 68181

2301 181st St., Suite 540
 JINLEY PARK, ILLINOIS 60477

Address: 6772 W. 181ST STREET, JINLEY PARK, ILLINOIS 60477

Deed to: [Redacted]

Notarized by: [Redacted]

Notary Public: [Redacted]

80 # 48 - 2 - 80
 JULY 2 1980
 COUNTY OF COOK
 REGISTERED

COOK COUNTY CLERK'S OFFICE

3814486

907918

3814486

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NON-UNIFORM CONSUMER CREDIT ACT and Lender further covenants and agrees 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 that 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.

Michael F. Zmuda (Seal)
MICHAEL F. ZMUDA - Borrower

____ (Seal)
____ - Borrower

____ (Seal)
____ - Borrower

____ (Seal)
____ - Borrower

[Space Below This Line for Acknowledgment]

STATE OF ILLINOIS,

Cook

County ss:

I, *the undersigned*
do hereby certify that *Michael F. Zmuda*
personally known to me to
subscribed to the foregoing instrument, appeared before me this
signed and delivered the said instrument as *his* free
set forth.

Notary Public in and for said county and state,
Bachelor
the same person(s) whose names) *is*

Given under my hand and official seal, this

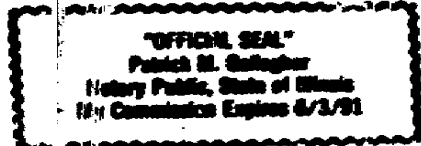
2nd day of *August*, 19 *89*

My Commission expires:

Patricia J. Galley
Notary Public

This Document Prepared By:
JENNIFER DEMIRO

RECORD AND RETURN TO:
MIDWEST MORTGAGE SERVICES, INC.
1901 SOUTH MEYERS ROAD, SUITE 300
OAKBROOK TERRACE, IL 60181



381486

requiring payment.

the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall be interest from Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Lender does not have to do so.

Lender may take action under this paragraph 7, Lender does not have to do so. Lender may take action under this paragraph 7, Lender does not have to do so. Lender may take action under this paragraph 7, Lender does not have to do so. Lender may take action under this paragraph 7, Lender does not have to do so.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the obligations and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect the title shall not merge unless Lender agrees to the merger in writing.

5. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or become a common waste. If the 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 instrument immediately prior to the acquisition.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds for principal shall not event to 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 1 by the Property is acquired by Lender, Borrower's right to any insurance policy 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.

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.

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 interest less 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 replace 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.

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.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included with in 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.

4. Charges; Taxes. Borrower shall pay all taxes, assessments, charges, fines and impositions that apply to the Property which may attach to this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender receipts evidencing the payments.

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.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any amount necessary to make up the deficiency in one or more payments as required by Lender. Lender shall promptly refund to Borrower any 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.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum of "Funds" equal to the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. The funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items.

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. A charge assessed by Lender in connection with Borrower's entering into this Security Instrument to pay the cost of an independent tax reporting service shall not be a charge for purposes of the preceding sentence. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Until an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as a collateral security for the sums secured by this Security Instrument.

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay, when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. The funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items.

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay, when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. The funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items.

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay, when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. The funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items.

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If Lender required mortgage insurance as a condition of making the loan, Borrower shall pay the premiums required to maintain the insurance until 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 requiring reasonable cause for the inspection.

9. **Condemnation.** The proceeds of any award or claim for damage, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for compensation 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 sums secured 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 the sums secured by this Security Instrument, whether or not then due, or to restoration or repair of the Property 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 or Borrower's successors in interest shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by Lender in exercising 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 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 the 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 is made to 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 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 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) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

loan secured by this Security Instrument, until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

on and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection requiring reasonable cause for the inspection.

direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for compensation in lieu of condemnation, are hereby assigned and shall be paid to Lender.

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 sums secured immediately before the taking. Any balance shall be paid to Borrower.

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 the sums secured by this Security Instrument, whether or not then due, or to restoration or repair of the Property or

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.

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 or Borrower's successors in interest shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by Lender in exercising any right or remedy.

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. Any Borrower who co-signs 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.

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 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 the 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 is made to principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

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.

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.

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 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.

Borrower shall be given one conformed copy of the Note and of this Security Instrument.

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.

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.

If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

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