

RECORD AND RETURN TO:  
FIRST FEDERAL MORTGAGE CORPORATION  
107 SOUTH BLOOMINGDALE ROAD  
BLOOMINGDALE, ILLINOIS 60108

**UNOFFICIAL COPY**

3821395

(Space Above This Line For Recording Date)

184208-1

**MORTGAGE**

THIS MORTGAGE ("Security Instrument") is given on **AUGUST 30**  
19 **09**. The mortgage is **FRED L. VERITY, SR., DIVORCED NOT SINCE REMARRIED**

("Borrower"). This Security Instrument is given to **FIRST FEDERAL MORTGAGE CORPORATION, AN**  
**ILLINOIS CORPORATION**

which is organized and existing under the laws of **THE STATE OF ILLINOIS**, and whose address is  
**107 SOUTH BLOOMINGDALE ROAD, BLOOMINGDALE, ILLINOIS 60108**

Borrower owes Lender the principal sum of **SIXTY NINE THOUSAND AND 00/100** ("Lender").

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Dollars (U.S.\$ **69,000.00**). 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  
**SEPTEMBER 01, 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:  
**SEE ATTACHED LEGAL DESCRIPTION. P.I.N. 07-35-200-016-1168**

which has the address of **1216 KNOTTINGHAM COURT # 2B** **SCHAUMBURG**  
(Street) (City)  
Illinois **60193** ("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.

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# UNOFFICIAL COPY

Parcel 1:  
Unit 2BL, Building 25 as described in survey delineated on and attached to and a part of a Declaration of Condominium Ownership registered on the 30th day of May, 1979 as Document Number 3094348.

Parcel 2: 3821395  
An undivided .57108 interest (except the Units delineated and described in said survey) in and to the following described premises:

The North half (1/2) of the Northwest quarter (1/4) of Section 35, Township 41 North, Range 10 East of the Third Principal Meridian (excepting therefrom that part taken for public roads in Plat of Dedication registered on the 24th day of June, 1983 as Document Number 3314675) and (excepting therefrom the North 50.00 feet thereof) and also (excepting therefrom the West 50.00 feet (except the North 50 feet thereof), in Cook County, Illinois.

PERMANENT INDEX NO. 07-35-200-016-1168

Cook County Clerk's Office

1. Payment of Principal and Interest; Repayment and Late Charge. 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.

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 ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may be levied on the Property; (b) yearly mortgage insurance premiums, if any; (c) these items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

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 the purposes of the preceding sentence. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless 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 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 dates 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 requested by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 1 of this Security Instrument Lender shall apply, no later than immediately prior to the sale of the Property or the 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 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.

4. Charges; Taxes. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach prior to the Security Instrument, and shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach prior to the Security Instrument, and shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach prior to the Security Instrument, and shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach prior to the Security Instrument.

Borrower shall promptly discharge any lien which has priority over this Security Instrument in good faith by, or defends 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 attach 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 on the Property insured against loss by fire, lightning, theft, windstorm, hail, flood, earthquake, explosion, riot, civil commotion, sabotage, aircraft or motor vehicle damage, and other risks which Lender requires. This insurance shall be maintained in the amount and for the period 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.

All insurance policies and amounts shall be assignable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and amounts. If Lender requires, Borrower shall promptly give to Lender (or 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 restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not jeopardized. If the restoration or repair is not economically feasible or Lender's security would be jeopardized, the insurance proceeds shall be applied to the restoration or repair of the Property. Lender and Borrower shall agree in writing, insurance proceeds shall be applied to restoration or repair of the Property 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 if not made promptly by Borrower.

6. Hazard Insurance. Borrower shall keep the improvements now existing on the Property insured against loss by fire, lightning, theft, windstorm, hail, flood, earthquake, explosion, riot, civil commotion, sabotage, aircraft or motor vehicle damage, and other risks which Lender requires. This insurance shall be maintained in the amount and for the period 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.

All insurance policies and amounts shall be assignable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and amounts. If Lender requires, Borrower shall promptly give to Lender (or 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 restoration or repair of the Property if not made promptly by Borrower.

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 for eminent domain), 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 attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 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.

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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 and Lender's written agreement or applicable law.

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 reasonably causing for the inspection.

12. Condemnation. The proceeds of any award or claim for condemnation, 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 amount 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, Lender and Borrower shall agree in writing, the amount of 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 sum 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 satisfaction or repair of the Property or to the sum secured by this Security Instrument, whether or not then due.

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 sum secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the ability 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 sum secured by this Security Instrument by reason of a request or 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 or constitute the exercise of any right or remedy.

11. Successors and Assigns. Lender's obligations and covenants, 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 binding and enforceable on Borrower and any other persons who co-sign this Security Instrument but does not execute the Note; (a) in co-signing this Security Instrument, Borrower is not personally obligated to pay the sum 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 the consent of Borrower.

12. Loan Charge. 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 charge collected or to be collected in connection with the loan exceeds the permitted limit, then (a) any such loan charge shall be reduced to the amount necessary to reduce the charge to the permitted limit; and (b) any sum already collected from Borrower which exceeded permitted limit will be refunded to Borrower. Lender may choose to make this refund by producing 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 to the Note.

13. Loan Acceleration 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 remedy provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

14. Notice. 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 Borrower 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; Sovereignty. 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 which can be given effect without the conflicting provision, the conflict shall not affect other provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one true and correct 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) and 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 Redeem. 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 redemption) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment concerning this Security Instrument. These 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 attorney's fees; and (d) taken such action as Lender may reasonably require to assure that the lien of 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 paragraph 13 or 17.

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CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 30TH 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 FIRST FEDERAL MORTGAGE CORPORATION,

(Property Address)

1216 KNOTTINGHAM COURT # 2B, SCHLAUBURG, ILLINOIS 60193

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

KINGSFORD ESTATES

(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 the 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 (L) Status. 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. To the extent 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 hazard included within the term "extended coverage," then:

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

(2) 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 or are hereby assigned and shall be paid to Lender for application to the sum secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such action 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 damage, 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 6.

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:

(1) 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;

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

(3) termination of professional management and assumption of the (Owners Association); or

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

F. Renting. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amount paid 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.

(Bor.) FRED L. VERITY, SR.

(Lend.)

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# UNOFFICIAL COPY

My Commission Expires 6/3/91  
Patrick M. Gallagher  
Notary Public, State of Illinois  
OFFICIAL SEAL

Notary Public

day of 1988

Given under my hand and Notarial Seal this

homestead.

and purposes therein set forth, including the release and waiver of the right of  
sealed and delivered the said instrument as their free and voluntary act for the uses  
instrument, appeared before me this day in person and acknowledged that they signed,  
personally known to be the same persons whose names are subscribed to the foregoing  
State aforesaid. Do hereby certify that  
I, the undersigned, a Notary Public, in and for said County and

STATE OF ILLINOIS  
COUNTY OF

3821395

(Space Below This Line For Acknowledgment)

Borrower (Name)  
Borrower (Name)  
Borrower (Name)  
Borrower (Name)  
*Frank L. Verity, Sr.*  
FRANK L. VERITY, SR.  
Borrower (Name)

BY SIGNING BELOW, 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.

- Adjustable Rate Rider
- Condominium Rider
- 2-4 Family Rider
- Planned Unit Development Rider
- Graduated Payment Rider
- Other(s) (specify)

agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. (Check applicable box(es))

38. 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

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

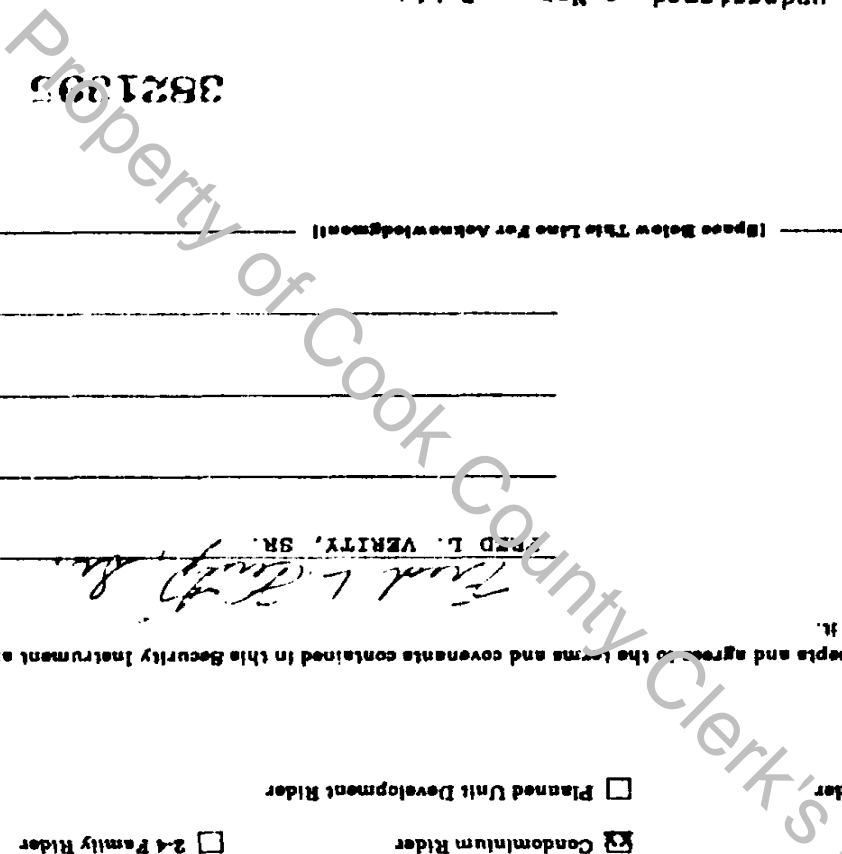
40. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

41. 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.

42. 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 fee, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

43. Acceleration Remedies. Lender may give notice to Borrower prior to acceleration following Borrower's default of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 18 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 at the sums secured by this Security Instrument. Lender may, at its option, 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 title evidence.

44. Acceleration Remedies. Lender may give notice to Borrower prior to acceleration following Borrower's default of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 18 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 at the sums secured by this Security Instrument. Lender may, at its option, 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 title evidence.



IN DEPOSIT