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REGISTERED
No.
IDENTIFIED

Registrar of Tolls and
CAROL MOSELEY BRAUN
P.E.L.

RESULT OF SEARCH:

INTENDED GRANTEE OR ASSIGNEE:

RESULT OF SEARCH:

PRESENT PARTIES IN INTEREST:

STATUTORY FEDERAL TAX LIEN SEARCH

DOCUMENT NO.

1340135

DATE OF SEARCH:

763180

COOK COUNTY RECORDER
RECORDED
MAR 2 1989
REGISTERED BY BRAUN

12-20-89

Property of Cook County Clerk's Office

11-5-89

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Property of Cook County Clerk's Office

For the monthly billing period which began on December 1, 1989, the daily periodic rate was .031507% (which corresponds to an annual interest rate of 11 1/2%). The daily loan balance shall be computed by taking the principal balance of all borrowings at the beginning of each day, adding any borrowings posted to the account that day and subtracting any principal payments posted to the account as of that date. The interest begins to accrue on the date that a borrowing is posted to the account.

There is a maximum limit on increases in the annual interest rate to a maximum interest rate of 19.8% and decreases in the annual interest rate are mandatory as the Prime Rate declines. Conversely, if the Prime Rate increases so will the annual interest rate and that may increase the monthly interest payment. The annual interest rate will decrease if the Prime Rate decreases and that may reduce the monthly interest payment.

The annual interest rate applied to the outstanding principal balance on this Note is calculated daily and is equal to the Prime Rate plus one (1) percentage point. The Prime Rate is defined as the Prime Rate as reported in the Money Rate section of The Wall Street Journal. In the event that The Wall Street Journal stops reporting the Prime Rate, the Lender will select a comparable index as a substitute for the Prime Rate and notify you of the change. If The Wall Street Journal reports two different Prime Rates, the Lender will select the higher of the two Prime Rates as the Prime Rate in determining the annual interest rate. The interest is payable monthly and is due by the 20th day after the statement date. The interest is determined for each monthly billing period by applying a daily periodic rate to each day's ending loan balance. The daily billing rate may change from month to month; it is set at the beginning of each monthly billing period. The daily period rate is 1/365th of the annual interest rate applicable to that monthly billing period (carried to five decimal places).

4066183

The first three paragraphs of Paragraph 3 of the Note entitled "Interest (Variable Rate)" provide as follows:

INTEREST (VARIABLE RATE)

Borrower acknowledges that the Note calls for a Variable Interest Rate, and that the Lender may, prior to the expiration of the term of the Note, cancel future advances thereunder and/or require repayment of the outstanding balance under the Note. In this regard, the Note provisions set forth herein relate to the variable interest rate and the Lender's option to require repayment prior to expiration of the term of the Note or to cancel future advances for reasons other than default by the borrower.

This Mortgage is to secure to Lender on consolidation of the repayment of the revolving line of credit indebtedness evidenced by a line of credit agreement and disclosure statement (agreement) of even date herewith and by borrower's variable interest rate promissory note ("Note") of even date herewith, in the principal sum of U.S. \$ 75,000.00 or so much thereof as may be advanced and outstanding with interest thereon, providing for monthly installments of interest with the principal balance of the indebtedness, if not sooner paid or required to be paid, due and payable ten (10) years from the date hereof; the payment of all other sums, with interest hereon advanced in accordance herewith to protect the security of this mortgage; any future advances must have the same priority of the original loan amount; and the performance of the covenants and agreements of Borrower's collateral herein and in the line of credit agreement and disclosure statement and the Note, The Agreement, Note and this Mortgage are collectively referred to as the "Credit Documents". The Credit Documents contemplate, and this Mortgage permits and secures future advances.

Any provision of said Mortgage or other such instruments executed in connection with said indebtedness which are inconsistent with the provisions of this Rider, including but not limited to the interest rate, monthly payment, notice to borrower and prepayment are hereby amended or negated to the extent necessary to conform such instruments to the provisions of this Rider.

In addition to covenants and agreements in the Security Instrument, Borrower and Lender further agree as follows:

This Rider is made this 15th day of December, 1989, and is incorporated into and should be deemed to amend and supplement the Mortgage (the Security Instrument) of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF WESTCHESTER (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at 2351 S. Stratford, Westchester, IL 60157.

931 TITLE SERVICES #

PT 12-454

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Carmen Mugnolo
-Borrower- (Seal)

Angela Mugnolo
-Borrower- (Seal)

By signing this, the Borrower(s) agree(s) to all of the above.

Time is of the essence in this Mortgage and the Note and Agreement.

All of the terms, conditions and provisions of the Agreement and Note are by these references incorporated herein as if set forth in full.

To cancel your right to future advances, Lender must deliver or mail (registered or certified mail) to the Property's address a written notice addressed to you, specifying the reason why the Lender will not honor any checks and thus not extend further credit. Cancellation for any of the above reasons, however, will not require your immediate repayment of the entire outstanding principal balance of your line of credit, but it will terminate Lender's obligation to make additional advances to you after the termination date set forth in the written notice to you. This temporary suspension of credit and reduction of credit limit will remain in effect for only so long as any of the above seven circumstances shall exist. Lender, upon notification by you that any of the above situations has ceased, will then investigate and determine if the condition allowing the temporary suspension has changed, and if so, will re-estimate the credit limit.

- A. The value of real estate which secures the Note declines significantly below the property's appraised value. A significant decline is any decline such that the initial difference between the Credit Limit and the available equity (based on appraised value) is reduced by 50%.
- B. We reasonably believe that you will be unable to fulfill the obligations of the Note due to a material change in your financial circumstances.
- C. You are in default of any material obligations under the terms of the Note and the Mortgage which secures the Note.
- D. A Governmental Body prohibits us from imposing the stated interest rate (Annual Percentage Rate) on the outstanding balance.
- E. During any period in which the interest rate (Annual Percentage Rate) corresponding to the periodic rate reaches a maximum rate of 19.8%.
- F. Action by a Governmental Body adversely affects the priority of our security interest to the extent that the value of the security interest is less than 120 percent of the amount of the credit line.
- G. A Federal or State Regulatory Agency has provided notice to us that future extension of credit could constitute an unsafe and unsound practice.

The Lender may cancel your right to future advances against the line of credit represented by the Note at any time and/or reduce the maximum credit limit if any event of default occurs or during any period in which:

TEMPORARY SUSPENSION OF CREDIT AND REDUCTION OF CREDIT LINE

Upon default, the Note holder at its option may refuse to allow additional borrowings and declare all amounts owing to the Note holder to be immediately due and payable.

In addition to the Event of Default caused by the sale or transfer of all or part of the Property, or any interest therein, which event is specifically covered in Paragraph 17 of the mortgage, set forth below is a list of events which will constitute Events of Default. The events are: (A) Borrower fails to make any payment; (B) Borrower fails to comply with the terms of the Note or this Mortgage which secures the Note; (C) any application or statement furnished by the Borrower is found to be materially false; (D) the Borrower files for bankruptcy, or bankruptcy proceedings are instituted against the Borrower and the Borrower fails to make the payments under the bankruptcy plan; (E) Borrower defaults under any credit instrument or deed of trust evidencing or securing a loan to Borrower which has priority in right of payment over the line of credit described in the Credit Documents or whose lien has or appears to have any priority over the lien hereof or any other creditor of Borrower attempts to (or actually does) seize or obtain a writ of attachment against the Property; (G) Borrower fails to furnish personal financial information upon request of the Note holder from time to time.

EVENTS OF DEFAULT; ACCELERATION

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.

which has the address of 2351 S. Stratford (Street) Westchester (City) Illinois 60157 (Zip Code) ("Property Address")

Property of County

Permanent Index No. 15-29-210-053

Lot 20 (except the South 15 feet thereof), Lot 21 in Block 6 in Mannheim Road and 22nd Street Subdivision of that part of the North 1/2 of the Northeast 1/4 of Section 29, Township 39 North, Range 12, East of the Third Principal Meridian, described as follows: Beginning at a point on the North Line of said Northeast 1/4, 1377.458 feet West of the Northeast corner of said Section; thence East along said Northline 1377.458 feet to said Northeast corner, thence South along East 1/4, thence West along said South line of the North 1/2 of said Northeast 1/4 to a point 1366.748 feet West of the Southeast corner of said North 1/2 of the Northeast 1/4, thence North 1/4 thence North to the place of beginning.

THIS MORTGAGE ("Security Instrument") is given on December 15, 1999, by Carmen Murguio and Angela Murguio, his wife ("Borrower"), This Security Instrument is given to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF WESTCHESTER, INC., a corporation organized and existing under the laws of the United States of America, and whose address is 2121 South Mannheim Road, Westchester, Illinois 60153, ("Lender"). Borrower owes Lender the principal sum of Seven Thousand and 00/100 Dollars (U.S. \$ 7,000.00). 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 December 15, 1999. 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 hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

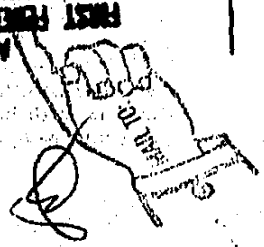
MORTGAGE

Loan No. 3918-29 kn

(Space Above This Line For Recording Data)

THIS INSTRUMENT WAS PREPARED BY
Edward A. Murguio, Attorney at Law
2121 Mannheim Road
Westchester, Illinois 60154-4391

MAIL TO:
FIRST FEDERAL SAVINGS & LOAN
ASSOCIATION OF WESTCHESTER
2121 S. MANHHEIM RD.
WESTCHESTER, IL 60154-4391



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4068162

NOTE IDENTIFIER

REI TITLE SERVICES #

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NON-UNIFORM COVENANTS Borrower and Lender further covenant and agree as follows:

19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument ~~and record the same~~. 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] Line of Credit Rider

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.

Carmen Mugnolo(Seal)
Carmen MugnoloBorrower

Angela Mugnolo(Seal)
Angela MugnoloBorrower

(Space Below This Line For Acknowledgment)

Submitted by _____
 Address _____
 Property _____
 L. Mercet _____
 Address 8118907
 Define applicable Trust _____
 Cedito _____
 Fees _____
 Notified _____

REAL ESTATE INDEX GROUP P.L.L.C.
 1820 Ridge Avenue
 Evanston, IL 60201

Order # *R718454*

3848907
 3848907
 DEC 20 PM 3:04
 CAROL MOSELEY STAMM
 REGISTRAR OF TITLES

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 3848907
 3848907
 12/20/04

STATE OF Illinois } SS:
 COUNTY OF Cook

I, Frederick A. Cox, a Notary Public in and for said county and state, do hereby certify that Carmen Mugnolo and Angela Mugnolo, his wife, personally appeared before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, have executed same, and acknowledged said instrument to be their free and voluntary act and deed and that they executed said instrument for the purposes and uses therein set forth.

Witness my hand and official seal this 15th day of December, 1985.

My Commission Expires: _____
 _____ (SEAL)
 Notary Public

THIS INSTRUMENT WAS PREPARED BY
 Edward A. Motta, Attorney at Law
 2111 Michigan Ave
 Westchester, Illinois 60154-4800

"OFFICIAL SEAL"
 Frederick A. Cox
 Notary Public, State of Illinois
 My Commission Expires 7/25/91

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and 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) yearly hazard insurance premiums; and (d) yearly leasehold payments or ground rents on the Property, if any. 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, unless 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 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 required 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 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application for a certificate of title to 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; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may be levied or assessed against the Property, together with any ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the persons 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 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) contests in good faith the lien 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 date of this 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 requires insurance. This insurance shall be maintained in the amount 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.

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 restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer, within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

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 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 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's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to 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 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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