

MORTGAGE TO SECURE A REVOLVING CREDIT LOAN

UNOFFICIAL COPY

3947513

This Mortgage to secure a Revolving Credit Loan (herein "Mortgage") is made by and among Michael F. Makar and Kathryn C. Makar, his wife (herein "Borrower") and Western Savings & Loan Association, whose address is 950 Milwaukee Avenue, Glenview, Illinois 60025 (herein "Lender").

Borrower, in consideration of the indebtedness herein recited, grants, bargains, sells and conveys, warrants and mortgages (unless Borrower is a Trust, in which event Borrower conveys, mortgages and quitclaims) unto Lender and Lender's successors and assigns the following described property located in the city of Chicago, County of Cook, State of Illinois:

LOT THIRTY EIGHT (38) IN SECOND ADDITION TO GEORGE C. YOST'S CANFIELD TALCOTT RIDGE ADDITION TO CHICAGO, BEING A SUBDIVISION OF PART OF THE NORTHWEST QUARTER (1/4) OF SECTION ONE (1), TOWNSHIP FORTY (40) NORTH, RANGE TWELVE (12), EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.T.N. 12-01-123-031

PREPARED BY AND MAIL TO:
Lisa Hutchings
Western Savings & Loan Assoc.
950 Milwaukee Ave., Glenview, Illinois 60025

which has the address of 6058 Olympia Chicago, Illinois 60631, Illinois (herein "Property Address"):

To Have and To Hold such property unto Lender and Lender's successor's and assigns, forever, together with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, after-acquired title or reversion in and to the base of ways, streets, avenues and alleys adjoining the Property, and rents (subject however to the rights and authorities given herein to Borrower to collect and apply such rents), royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, insurance and condemnation proceeds, and all fixtures now or hereafter attached to the property, all of which, including, replacements and additions thereto; shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property"; as to any property which does not constitute a fixture (as such term is defined in the Uniform Commercial Code), this Mortgage is hereby deemed to be, as well, a Security Agreement under the UCC for the purpose of creating a security interest in such property, which Borrower hereby grants to Lender as Secured Party (as such term is defined in the UCC);

NOTE IDENTIFIED NO

To Secure to Lender the payment of the indebtedness evidenced by Western Savings and Loan Association's Home Equity Loan Agreement ("Agreement") dated January 18, 1991 between Borrower and Lender and by that certain Variable Interest Rate Promissory Note ("Note") of even date herewith made by Borrower payable to the order of Lender in the principal sum of \$ 50,000.00 bearing interest payable on a monthly basis and due, if not sooner paid or required to be paid, on the date which is five (5) years from the date of this Mortgage, and to secure the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage or required to be paid under the Note or Agreement and to secure the performance of the covenants and agreements of Borrower contained herein and in the Note and Agreement. The Agreement, the Note and this Mortgage are collectively referred to as the "Credit Documents".

Notwithstanding anything to the contrary herein, the Property shall include all of Borrower's right, title, and interest in and to the real property described above, whether such right, title and interest is acquired before or after execution of this Mortgage. Specifically, and without limitation to the foregoing, if this Mortgage is given with respect to a leasehold estate held by Borrower, and Borrower subsequently acquires a fee interest in the real property, the lien of this Mortgage shall attach to and include the fee interest acquired by Borrower.

Borrower covenants that Borrower is the lawful owner of the estate in land hereby conveyed and has the right to grant, convey and mortgage the Property, and that the Property is unencumbered except for the encumbrances of record. Borrower (unless Borrower is a Trust) covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to the encumbrances of record. Borrower covenants that Borrower will neither take nor permit any action to partition or subdivide the Property or otherwise change the legal description of the Property or any part thereof, or in any way the condition of title of the Property or any part thereof.

Borrower acknowledges that the Note and Agreement call 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 as set forth in such documents.

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 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 attain priority over this Mortgage; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, 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. 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 Mortgage. 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 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 Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 17 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 as a credit against the sums secured by this Mortgage.

3947513

UNOFFICIAL COPY

limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received. The entering upon and taking possession of the Property and the collection and application of the rents shall not cure or waive any Event of Default or notice of default hereunder or invalidate any act done pursuant to such notice.

- 19 **Release.** Upon payment and discharge of all sums secured by this Mortgage and termination of the Agreement, this Mortgage shall become null and void and Lender shall release this Mortgage without charge to Borrower.
- 20 **Request for Notices.** Borrower requests that copies of any notice of default be addressed to Borrower and sent to the Property Address. Lender requests that copies of notices of default, sale and foreclosure from the holder of any lien which has priority over this Mortgage be sent to Lender's address, as set forth on page one of this Mortgage.
- 21 **Time is of the Essence.** Time is of the essence in this Mortgage, and the Note and Agreement.
- 22 **Actual Knowledge.** For purposes of this Mortgage and each of the other Credit Documents, Lender will not be deemed to have received actual knowledge of information required to be conveyed to Lender in writing by Borrower until the date of actual receipt of such information at the address specified in paragraph 12 hereof (or such other address specified by Lender to Borrower). Such date shall be conclusively determined by reference to the return receipt in possession of Borrower. If such return receipt is not available, such date shall be conclusively determined by reference to the "Received" date stamp on such written notice by Lender or Lender's agent. With regard to other events or information not provided by Borrower under the Credit Documents, Lender will be deemed to have actual knowledge of such event or information as of the date Lender receives a written notice of such event or information from a source Lender reasonably believes to be reliable, including but not limited to, a court or other governmental agency, institute, not lender, or title company. The actual date of receipt shall be determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent.
- 23 **Taxes.** In the event of the passage after the date of this Mortgage of any law changing in any way the laws now in force for the taxation of mortgages, or debts secured thereby, or the manner of operation of such taxes, so as to affect the interest of Lender, then and in such event Borrower shall pay the full amount of such taxes.
- 24 **Waiver of Statutory Rights.** Borrower shall not and will not apply for or avail itself of any tax credit, appraisal, valuation, redemption, stay, extension, or exemption laws, or any so-called "moratorium laws" now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Borrower, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Property marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Property sold as an entirety. Borrower hereby waives and all rights of redemption from sale under any order or decree of foreclosure, pursuant to rights hereinafter granted on behalf of the Mortgagor, the trust estate, and all persons beneficially interested therein, and each and every person acquiring any interest in or title to the Property described herein subsequent to the date of this Mortgage, and on behalf of all other persons to the extent permitted by Illinois law.
- 25 **Expense of Litigation.** In any suit to enforce the lien of this Mortgage or to claim the redemption of the Lender under this Mortgage, the Agreement, or the Note, there shall be allowed and paid by the mortgagor, as a condition precedent to the judgement or decree, all expenditures and expenses which may be paid or incurred by or on behalf of Borrower for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers, charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of the foreclosure proceedings) all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Lender may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree, the true condition of the title to or value of the Property. All expenditures and expenses of the nature in this paragraph mentioned and such expenses and fees as may be incurred in the protection of said Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower.
- 26 **Captions: Successors and Assigns.** The captions of this Mortgage are for convenience and reference only. They in no way define, limit or describe the scope or intent of this Mortgage. All the terms and conditions of this Mortgage and the other Credit Documents shall be binding upon and inure to the benefit of the heirs, successors and assigns of Borrower.

In Witness Whereof, Borrower has executed this Mortgage

If Borrower is an Individual(s):

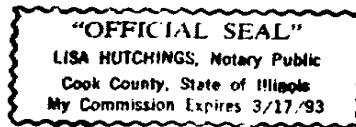
Michael F. Maker Date 2-15-91
Individual Borrower
Kathryn C. Maker Date 2/15/91
Individual Borrower

Individual Borrower

Individual Borrower

State of Illinois
County of Cook

} SS.



I, the undersigned, a Notary Public in and for said county, in the state of Illinois, DO HEREBY CERTIFY that Michael F. & Kathryn C. Maker, his wife, personally known to me to be the same person whose name(s) is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and official seal this 15th day of February

Lisa Hutchings, Notary Public, My Commission Expires 3/17/93

8197455
3917513
3917513

3917513

3917513

3917513

1/17/91

amortization of the sums secured by this Mortgage 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 Mortgage shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 15. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Mortgage but does not execute the Note: (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; 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 the Credit Documents without that Borrower's consent.

12. **Notices.** Any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing it 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 Mortgage shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

13. **Governing Law; Severability.** This Mortgage 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 the Credit Documents conflicts with applicable law, such conflict shall not affect other provisions of the Credit Documents which can be given effect without the conflicting provision. To this end the provisions of the Credit Documents are declared to be severable.

14. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note, the Agreement and this Mortgage.

15. **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 Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

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 Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.

16. **Events of Default.** (a) **Notice and Grace Period.** An Event of Default will occur hereunder upon the expiration of the applicable grace period, if any, after Lender gives written notice to Borrower of Borrower's breach or violation of Borrower's covenants under this or any of the Credit Documents, and upon Borrower's failure to cure such breach or violation, and to provide Lender, within such grace period, if any, with evidence reasonably satisfactory to it of such cure. In each case, the grace period begins to run on the day after the notice is given, and expires at 11:59 p.m., Central time, on the last day of the period. All grace days are expressed in calendar days, not business days. If there is no grace period applicable to a particular breach or violation, the Event of Default will occur upon the giving of the notice described above. Such notice shall be given to Borrower in accordance with paragraph 12 hereof and shall contain the following information: (1) the nature of the Borrower's breach or violation; (2) the action, if any, required or permitted to cure such breach or violation; (3) the applicable grace period, if any, during which such breach or violation must be cured; and (4) whether failure to cure such breach or violation within the specified grace period, if any, will result in acceleration of the sums secured by this Mortgage and the potential foreclosure of this Mortgage. The notice shall further inform Borrower of the right, if any, under applicable law, to reinstate his revolving line of credit under this Mortgage after acceleration.

(b) **Events of Default.** Set forth below is a list of events which, upon the lapse of the applicable grace period, if any, will constitute Events of Default. (Applicable grace periods are set forth parenthetically after each event.) Such events are:

- (1) Borrower fails to pay when due any amounts due under the Credit Documents (thirty (30) day grace period);
- (2) Borrower's outstanding balance due under the Credit Documents exceeds the principal sum stated in the Note (thirty (30) day grace period);
- (3) Lender receives actual knowledge that Borrower omitted material information in Borrower's credit application or made any false or misleading statements on Borrower's credit application (no grace period);
- (4) Borrower files for bankruptcy, or bankruptcy proceedings are instituted against Borrower under any provision of any state or federal bankruptcy law in effect at the time of filing (no grace period);
- (5) Borrower makes an assignment for the benefit of his or her creditors, becomes insolvent or becomes unable to meet his or her obligations generally as they become due (no grace period);
- (6) Borrower further encumbers the Property or suffers a lien, claim of lien or encumbrance against the Property, except such liens of encumbrances subordinate to this Mortgage (thirty (30) day grace period in which to remove the lien, claim of lien or encumbrances);
- (7) Borrower defaults or an action is filed alleging a default under any credit instrument or mortgage evidencing or securing an obligation of Borrower with 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 (no grace period), or any other creditor of Borrower attempts to (or actually does) seize or obtain a writ of attachment against the Property or any part thereof secured by this Mortgage (no grace period);
- (8) Borrower fails to keep any other covenant contained in any of the Credit Documents not otherwise specified in this paragraph 16 (ten (10) day grace period, unless the failure is by its nature not curable, in which case no grace period, or, if another grace period is specified in the Credit Documents, that grace period will prevail);
- (9) the death or adjudicated incompetency of Borrower or any of them if more than one (however expressed or indicated) (no grace period); or
- (10) enactment or expiration of any applicable law which renders any provision of any Credit Document unenforceable according to its terms (no grace period).

17. **Acceleration; Remedies (including Freezing the Line).** Upon the existence of an Event of Default, Lender may, at its sole option, terminate the line, declare all of the sums secured by this Mortgage to be immediately due and payable without further demand, and invoke any remedies permitted by applicable law. Lender shall be entitled to collect all reasonable costs and expenses incurred in pursuing the remedies provided in this paragraph 17, including but not limited to, reasonable attorneys' fees.

As additional specific protection, notwithstanding any other term of this Mortgage, Lender, without declaring or asserting an Event of Default or invoking any of its remedies pertaining to Events of Default, may, immediately and without notice, freeze the line upon the occurrence of any event enumerated in paragraph 16 of this Mortgage, including without limitation Lender's receipt of notice from any source of a lien, claim of lien or encumbrance, either superior or inferior to the lien of this Mortgage. Notice of any such freeze shall be given in accordance with the provisions of paragraph 12 of this Mortgage. Freezing the line will not preclude Lender from subsequently exercising any right or remedy set forth herein or in any of the Credit Documents.

18. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that prior to acceleration under paragraph 18 hereof or the occurrence of an Event of Default hereunder or abandonment of the Property, Borrower shall have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof, or abandonment, Lender, at any time without notice, in person, by agent or by judicially appointed receiver, and without regard to the adequacy of any security for the indebtedness secured by this Mortgage, shall be entitled to enter upon, take possession of, and manage the Property, and in its own name sue for or collect the rents of the Property, including those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of operation and management of the Property and collection of rents, including but not

3947513

3917513

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 the annual fee due under the Agreement; third, to amounts payable under paragraph 2; fourth, to interest due; and last to principal due.
4. **Prior Mortgages and Deeds of Trust; Charges; Liens.** Borrower shall fully and timely perform all of the Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage, including Borrower's covenants to make any payment when due. Borrower shall pay, or cause to be paid, all taxes, assessments and other charges, fines and impositions attributable to the Property and all encumbrances, charges, loans, and liens on the Property which may attain any priority over this Mortgage, and leasehold payments or ground rents, if any, in the manner provided in paragraph 2 hereof, or if not paid in such manner, by Borrower making payment at least ten (10) days before due directly to the payee thereof. Borrower shall deliver to Lender, upon its request, receipts evidencing such payment.
5. **Hazard Insurance.** Borrower shall, at its cost, keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and such other hazards (collectively referred to as "Hazards") as Lender may require. Borrower shall maintain Hazard Insurance for the entire term of the Note or such other periods as Lender may require and in an amount equal to the lesser of (A) the maximum insurable value of the Property or (B) the amount of the line of credit secured by this Mortgage plus the outstanding amount of any obligation secured in priority over this Mortgage, but in no event shall such amounts be less than the amount necessary to satisfy the coinsurance requirement contained in the insurance policy. The insurance carrier providing the insurance shall be chosen by Borrower subject to the approval by Lender, provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage. If Borrower makes the premium payment directly, Borrower shall promptly furnish to Lender all renewal notices and, if requested by Lender, all receipts of paid premiums. If policies and renewals are held by any other person, Borrower shall supply copies of such to Lender within ten (10) days after issuance. 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. Subject to the rights and terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage, the amounts collected by Borrower or Lender under any Hazard insurance policy may, at Lender's sole discretion, either be applied to the indebtedness secured by this Mortgage (after payment of all reasonable costs, expenses and attorneys' fees necessarily paid or incurred by Lender and Borrower in this connection) and in such order as Lender may determine or be released to Borrower for use in repairing or reconstructing the Property and Lender is hereby irrevocably authorized to do any of the above. Such application or release shall not cure or waive any default or notice of default under this Mortgage or invalidate any act done pursuant to such notice. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender in writing within thirty (30) calendar days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is irrevocably authorized to settle the claim and to collect and apply the insurance proceeds at Lender's sole option either for restoration or repair of the Property or to the sums secured by this Mortgage. If the property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to such sale or acquisition shall become the property of Lender to the extent of the sums by this Mortgage immediately prior to such sale or acquisition.
6. **Preservation and Maintenance of Property; Leasehold; Condominiums; Planned Unit Developments.** Borrower shall use, improve and maintain the Property in compliance with applicable laws, statutes, ordinances, orders, requirements, decrees or regulations, shall keep the Property in good condition and repair or restoration of any improvements on the Property which may be damaged or destroyed, shall not commit or permit waste or permit impairment or deterioration of the Property, and shall fully and promptly comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall promptly perform all of the Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents, all as may be amended from time to time. If a condominium or planned unit development rider is executed by Borrower, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.
7. **Protection of Lender's Rights in the Property; Mortgage Insurance.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, 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 a priority over this Mortgage, 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 Mortgage. 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. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, 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 total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, 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 Mortgage 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 Mortgage, whether or not then due.
10. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of time for payment or modification of amortization of the sums secured by this Mortgage 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