

UNOFFICIAL COPY

0021452689

4163/0091 18 001 Page 1 of 21

2002-12-30 09:15:07

Cook County Recorder

64.00

AFTER RECORDING RETURN TO:

Washington Mutual Bank, FA
C/O ACS IMAGE SOLUTIONS
12691 PALA DRIVE MS156DPCA
GARDEN GROVE, CA 92841



0021452689

[Space Above This Line For Recording Data]

CHICAGO TITLE 008065567

MORTGAGE

03-2341-061836396-4

DEFINITIONS

Words used in multiple sections of this document are defined below and other words are defined in Sections 3, 11, 13, 18, 20 and 21. Certain rules regarding the usage of words used in this document are also provided in Section 16.

(A) "Security Instrument" means this document, which is dated December 10, 2002, together with all Riders to this document.

(B) "Borrower" is GERALD M OFFUTT, ~~AN UNMARRIED MAN~~ AND JANICE A. BAKER OFFUTT,
HUSBAND AND WIFE

Borrower is the mortgagor under this Security Instrument.

(C) "Lender" is Washington Mutual Bank, FA, a federal association.
Lender is a Bank organized and existing under the laws
of United States of America. Lender's address is
400 East Main Street Stockton, CA 95290

Lender is the mortgagee under this Security Instrument.

(D) "Note" means the promissory note signed by Borrower and dated December 10, 2002.
The Note states that Borrower owes Lender Six Hundred Twenty Thousand & 00/100

Dollars (U.S. \$ 620,000.00) plus interest. Borrower has promised to pay this debt in
regular Periodic Payments and to pay the debt in full not later than January 1, 2033.

(E) "Property" means the property that is described below under the heading "Transfer of Rights
in the Property."

(F) "Loan" means the debt evidenced by the Note, plus interest, any prepayment charges and late
charges due under the Note, and all sums due under this Security Instrument, plus interest.

BOX 333-CT

UNOFFICIAL COPY

03-2341-061836396-4

(G) **"Riders"** means all Riders to this Security Instrument that are executed by Borrower. The following Riders are to be executed by Borrower [check box as applicable]:

- | | | |
|---|---|---|
| ☒ Adjustable Rate Rider | ☐ Condominium Rider | ☐ 1-4 Family Rider |
| ☐ Graduated Payment Rider | ☐ Planned Unit Development Rider | ☐ Biweekly Payment Rider |
| ☐ Balloon Rider | ☐ Rate Improvement Rider | ☐ Second Home Rider |
| ☐ Other(s) [specify] | | |

(H) **"Applicable Law"** means all controlling applicable federal, state and local statutes, regulations, ordinances and administrative rules and orders (that have the effect of law) as well as all applicable final, non-appealable judicial opinions.

(I) **"Community Association Dues, Fees, and Assessments"** means all dues, fees, assessments and other charges that are imposed on Borrower or the Property by a condominium association, homeowners association or similar organization.

(J) **"Electronic Funds Transfer"** means any transfer of funds, other than a transaction originated by check, draft, or similar paper instrument, which is initiated through an electronic terminal, telephonic instrument, computer, or magnetic tape so as to order, instruct, or authorize a financial institution to debit or credit an account. Such term includes, but is not limited to, point-of-sale transfers, automated teller machine transactions, transfers initiated by telephone, wire transfers, and automated clearinghouse transfers.

(K) **"Escrow Items"** means those items that are described in Section 3.

(L) **"Miscellaneous Proceeds"** means any compensation, settlement, award of damages, or proceeds, whether by way of judgment, settlement or otherwise, paid by any third party (other than insurance proceeds paid under the coverages described in Section 5) for: (i) damage to, or destruction of, the Property; (ii) condemnation or other taking of all or any part of the Property; (iii) conveyance in lieu of condemnation; or (iv) misrepresentations of, or omissions as to, the value and/or condition of the Property.

(M) **"Mortgage Insurance"** means insurance protecting Lender against the nonpayment of, or default on, the Loan.

(N) **"Periodic Payment"** means the regularly scheduled amount due for (i) principal and interest under the Note, plus (ii) any amounts under Section 3 of this Security Instrument.

(O) **"RESPA"** means the Real Estate Settlement Procedures Act (12 U.S.C. Section 2601 et seq.) and its implementing regulation, Regulation X (24 C.F.R. Part 3500), as they might be amended from time to time, or any additional or successor legislation or regulation that governs the same subject matter. As used in this Security Instrument, "RESPA" refers to all requirements and restrictions that are imposed in regard to a "federally related mortgage loan" even if the Loan does not qualify as a "federally related mortgage loan" under RESPA.

(P) **"Successor in Interest of Borrower"** means any party that has taken title to the Property, whether or not that party has assumed Borrower's obligations under the Note and/or this Security Instrument.

TRANSFER OF RIGHTS IN THE PROPERTY

This Security Instrument secures to Lender: (i) the repayment of the Loan, and all renewals, extensions and modifications of the Note; (ii) the performance of Borrower's covenants and agreements under this Security Instrument and the Note; and (iii) the performance of all agreements of Borrower to pay fees and charges arising out of the Loan whether or not herein set forth. For this purpose, Borrower does hereby mortgage, grant and convey to Lender and Lender's

Payments are deemed received by Lender when received at the location designated in the Note or at such other location as may be designated by Lender in accordance with the notice provisions in Section 15. Lender may return any payment or partial payment if the payment or partial payment is insufficient to bring the Loan current, without waiver of any rights hereunder or prejudice to its rights to refuse such payment or partial payments in the future, but Lender is not obligated to apply such payments at the time such payments are accepted. If each Periodic

drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one of more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one of more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

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

1. Payment of Principal, Interest, Escrow Items, Prepayment Charges, and Late Charges. Borrower shall pay when due the principal of, and interest on, the debt evidenced by the Note and any prepayment charges and late charges due under the Note. Borrower shall also pay funds for Escrow items pursuant to Section 3. Payments due under the Note and this Security Instrument shall be made in U.S. currency. However, if any check or other instrument received by Lender as payment under the Note or this Security Instrument is returned to Lender unpaid, Lender may require that any or all subsequent payments due under the Note and this Security Instrument be made in one of more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentality, or entity; or (d) Electronic Funds Transfer.

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to 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.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and 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."

which currently has the address of 1208 CHURCH ST [Street] [City] [State] [Zip Code] ("Property Address"):

STANSTON, Illinois 60201

SEE ATTACHED Cook County, Illinois

successors and assigns, with power of sale, the following described property located in

Payment is applied as of its scheduled due date, then Lender need not pay interest on unapplied funds. Lender may hold such unapplied funds until Borrower makes payment to bring the Loan current. If Borrower does not do so within a reasonable period of time, Lender shall either apply such funds or return them to Borrower. If not applied earlier, such funds will be applied to the outstanding principal balance under the Note immediately prior to foreclosure. No offset or claim which Borrower might have now or in the future against Lender shall relieve Borrower from making payments due under the Note and this Security Instrument or performing the covenants and agreements secured by this Security Instrument.

2. Application of Payments or Proceeds. Except as otherwise described in this Section 2, all payments accepted and applied by Lender shall be applied in the following order of priority: (a) interest due under the Note; (b) principal due under the Note; (c) amounts due under Section 3. Such payments shall be applied to each Periodic Payment in the order in which it became due. Any remaining amounts shall be applied first to late charges, second to any other amounts due under this Security Instrument, and then to reduce the principal balance of the Note.

If Lender receives a payment from Borrower for a delinquent Periodic Payment which includes a sufficient amount to pay any late charge due, the payment may be applied to the delinquent payment and the late charge. If more than one Periodic Payment is outstanding, Lender may apply any payment received from Borrower to the repayment of the Periodic Payments if, and to the extent that, each payment can be paid in full. To the extent that any excess exists after the payment is applied to the full payment of one or more Periodic Payments, such excess may be applied to any late charges due. Voluntary prepayments shall be applied first to any prepayment charges and then as described in the Note.

Any application of payments, insurance proceeds, or Miscellaneous Proceeds to principal due under the Note shall not extend or postpone the due date, or change the amount, of the Periodic Payments.

3. Funds for Escrow Items. Borrower shall pay to Lender on the day Periodic Payments are due under the Note, until the Note is paid in full, a sum (the "Funds") to provide for payment of amounts due for: (a) taxes and assessments and other items which can attain priority over this Security Instrument as a lien or encumbrance of the Property; (b) leasehold payments or ground rents on the Property, if any; (c) premiums for any and all insurance required by Lender under Section 5; and (d) Mortgage Insurance premiums, if any, or any sums payable by Borrower to Lender in lieu of the payment of Mortgage Insurance premiums in accordance with the provisions of Section 10. These items are called "Escrow Items." At origination or at any time during the term of the Loan, Lender may require that Community Association Dues, Fees, and Assessments, if any, be escrowed by Borrower, and such dues, fees and assessments shall be an Escrow Item. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this Section. Borrower shall pay Lender the Funds for Escrow Items unless Lender waives Borrower's obligation to pay the Funds for any or all Escrow Items. Lender may waive Borrower's obligation to pay to Lender Funds for any or all Escrow Items at any time. Any such waiver may only be in writing. In the event of such waiver, Borrower shall pay directly, when and where payable, the amounts due for any Escrow Items for which payment of Funds has been waived by Lender and, if Lender requires, shall furnish to Lender receipts evidencing such payment within such time period as Lender may require. Borrower's obligation to make such payments and to provide receipts shall for all purposes be deemed to be a covenant and agreement contained in this Security Instrument, as the phrase "covenant and agreement" is used in Section 9. If Borrower is obligated to pay Escrow Items directly, pursuant to a waiver, and Borrower fails to pay the amount due for an Escrow Item, Lender may exercise its rights under Section 9 and pay such amount and Borrower shall then be obligated under Section 9 to repay to Lender any such amount. Lender may revoke

and/or reporting service used by Lender in connection with this Loan.
Lender may require Borrower to pay a one-time charge for a real estate tax verification

actions set forth above in this Section 4.
the date on which notice is given, Borrower shall satisfy the lien or take one or more of the
this Security Instrument, Lender may give Borrower a notice identifying the lien. Within 10 days of
Lender determines that any part of the Property is subject to a lien which can attain priority over
lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If
are pending, but only until such proceedings are concluded; or (c) secures from the holder of the
which in Lender's opinion operate to prevent the enforcement of the lien while those proceedings
contests the lien in good faith by, or defends against enforcement of the lien in, legal proceedings
manner acceptable to Lender, but only so long as Borrower is performing such agreement; (b)
unless borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a
Borrower shall promptly discharge any lien which has priority over this Security Instrument
pay them in the manner provided in Section 3.

Fees, and Assessments, if any. To the extent that these items are Escrow Items, Borrower shall
leasehold payments or ground rents on the Property, if any, and Community Association Dues,
impositions attributable to the Property which can attain priority over this Security Instrument,
4. **Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines, and

promptly refund to Borrower any Funds held by Lender.
Upon payment in full of all sums secured by this Security Instrument, Lender shall

accordance with RESPA, but in no more than twelve monthly payments.
RESPA, and Borrower shall pay to Lender the amount necessary to make up the deficiency in
Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by
accordance with RESPA, but in no more than twelve monthly payments. If there is a deficiency of
RESPA, and Borrower shall pay to Lender the amount necessary to make up the shortage in
Funds held in escrow, as defined under RESPA, Lender shall notify Borrower as required by
account to Borrower for the excess funds in accordance with RESPA. If there is a shortage of
If there is a surplus of Funds held in escrow, as defined under RESPA, Lender shall

RESPA.
Lender shall give to Borrower, without charge, an annual accounting of the Funds as required by
Borrower and Lender can agree in writing, however, that interest shall be paid on the Funds.
the Funds, Lender shall not be required to pay Borrower any interest or earnings on the Funds.
charge. Unless an agreement is made in writing or Applicable Law requires interest to be paid on
Lender pays Borrower interest on the Funds and Applicable Law permits Lender to make such a
applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless
no later than the time specified under RESPA. Lender shall not charge Borrower for holding and
insured) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items
instrumentality, or entity (including Lender, if Lender is an institution whose deposits are so

The Funds shall be held in an institution whose deposits are insured by a federal agency,

otherwise in accordance with Applicable Law.
basis of current data and reasonable estimates of expenditures of future Escrow Items or
amount a lender can require under RESPA. Lender shall estimate the amount of Funds due on the
to apply the Funds at the time specified under RESPA, and (b) not to exceed the maximum
Lender may, at any time, collect and hold Funds in an amount (a) sufficient to permit Lender

are then required under this Section 3.
15 and, upon such revocation, Borrower shall pay to Lender all Funds, and in such amounts, that
the waiver as to any or all Escrow Items at any time by a notice given in accordance with Section

21452689

7. **Preservation, Maintenance and Protection of the Property; Inspections.** Borrower shall not destroy, damage or impair the Property, or remove or demolish any building thereon, allow the Property to deteriorate or commit waste on the Property. Whether or not Borrower is residing in the Property, Borrower shall maintain the Property in good condition and repair in order to prevent the Property from deteriorating or decreasing in value due to its condition. Unless it is determined pursuant to Section 5 that repair or restoration is not economically feasible, Borrower shall promptly repair the Property in good and workmanlike manner if damaged to avoid further

control. unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be continue to occupy the Property as Borrower's principal residence for at least one year after the principal residence within sixty days after the execution of this Security Instrument and shall 6. **Occupancy.** Borrower shall occupy, establish, and use the Property as Borrower's the Note or this Security Instrument, whether or not then due.

use the insurance proceeds either to repair or restore the Property or to pay amounts unpaid under the Property, insofar as such rights are applicable to the coverage of the Property. Lender may right to any refund of unearned premiums paid by Borrower) under all insurance policies covering under the Note or this Security Instrument, and (b) any (the of Borrower's rights (other than the (a) Borrower's rights to any insurance proceeds in an amount not to exceed the amounts unpaid Lender acquires the Property under Section 22 or otherwise, Borrower hereby assigns to Lender settle the claim. The 30-day period will begin within the notice is given. In either event, or if Lender that the insurance carrier has offered to settle a claim, then Lender may negotiate and insurance claim and related matters. If Borrower does not respond within 30 days to a notice from if Borrower abandons the Property, Lender may file, negotiate and settle any available proceeds shall be applied in the order provided for in Section 2.

instrument, whether or not then due, with the excess, if any, paid to Borrower. Such insurance lessened, the insurance proceeds shall be applied to the sums secured by this Security Borrower. If the restoration or repair is not economically feasible or Lender's security would be or earnings on such proceeds. Fees for public adjusters, or other third parties, retained by to be paid on such insurance proceeds, Lender shall not be required to pay Borrower any interest the work is completed. Unless an agreement is made in writing or Applicable Law requires interest proceeds for the repairs and restoration in a single payment or in a series of progress payments as satisfaction, provided that such inspection shall be undertaken promptly. Lender may disburse had an opportunity to inspect such Property to ensure the work has been completed to Lender's restoration period, Lender shall have the right to hold such insurance proceeds until Lender has repair is economically feasible and Lender's security is not lessened. During such repair and required by Lender, shall be applied to restoration or repair of the Property, if the restoration or otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender.

this paragraph.

Lender from time to time to evidence Borrower's absolute and irrevocable assignments set forth in notice from Lender shall request any insurance agency or company that has issued any insurance Borrower agrees to execute, acknowledge if requested, and deliver to Lender, and/or upon

other cause.

including but not limited to, land subsidence, landslide, windstorm, earthquake, fire, flood or any

9. **Protection of Lender's Interest in the Property and Rights Under this Security Instrument.** If (a) Borrower fails to perform the covenants and agreements contained in this Security Instrument, (b) there is a legal proceeding that might significantly affect Lender's interest in the Property and/or rights under this Security Instrument (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture, for enforcement of a lien which may attain priority over this Security Instrument or to enforce laws or regulations), or (c) Borrower has abandoned the Property, then Lender may do and pay for whatever is reasonable or appropriate to protect Lender's interest in the Property and rights under this Security Instrument, including protecting

8. **Borrower's Loan Application.** Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

by it in the same manner as provided in Paragraph 5 for the proceeds of insurance.

whether or not required by Lender payable as a result of any damage to or otherwise relating to the Property or any interest therein. Lender may apply, use or release such monies so received by it in the same manner as provided in Paragraph 5 for the proceeds of insurance.

Borrower (except for bodily injury) which arises as a result of any negligent or improper construction, installation or repair of the Property including without limit, any surface or subsurface thereof, or of any building or structure thereon or (iv) any proceeds of insurance, whether or not required by Lender payable as a result of any damage to or otherwise relating to the Property or any interest therein. Lender may apply, use or release such monies so received by it in the same manner as provided in Paragraph 5 for the proceeds of insurance.

Borrower shall be in default if, during the Loan application process, Borrower or any persons or entities acting at the direction of Borrower or with Borrower's knowledge or consent gave materially false, misleading, or inaccurate information or statements to Lender (or failed to provide Lender with material information) in connection with the Loan. Material representations include, but are not limited to, representations concerning Borrower's occupancy of the Property as Borrower's principal residence.

Borrower shall (a) appear in and defend any action or proceeding purporting to affect the security hereof, the Property, or the rights or powers of Lender; (b) at Lender's option, assign to Lender, to the extent of Lender's interest, any claims, demands, or causes of action of any kind, and any award, court judgment, or proceeds of settlement of any such claim, demand or cause of action of any kind which Borrower now has or may hereafter acquire arising out of or relating to any interest in the acquisition or ownership of the Property. Lender shall not have any duty to prosecute any such claim, demand or cause of action. Without limiting the foregoing, any such claim, demand or cause of action arising out of or relating to any interest in the acquisition or ownership of the Property may include (i) any such injury or damage to the Property including without limit injury or damage to any structure or improvement situated thereon, (ii) or any claim or cause of action in favor of Borrower which arises out of the transaction financed in whole or in part by the making of the loan secured hereby, (iii) any claim or cause of action in favor of Borrower (except for bodily injury) which arises as a result of any negligent or improper construction, installation or repair of the Property including without limit, any surface or subsurface thereof, or of any building or structure thereon or (iv) any proceeds of insurance, whether or not required by Lender payable as a result of any damage to or otherwise relating to the Property or any interest therein. Lender may apply, use or release such monies so received by it in the same manner as provided in Paragraph 5 for the proceeds of insurance.

Lender or its agent may make reasonable entries upon and inspections of the Property. If it has reasonable cause, Lender may inspect the interior of the improvements on the Property. Lender shall give Borrower notice at the time of or prior to such an interior inspection specifying such reasonable cause. Lender does not make any warranty or representation regarding, and assumes no responsibility for, the work done on the Property, and Borrower shall not have any right to rely in any way on any inspection(s) by or for Lender or its agent. Borrower shall be solely responsible for determining that the work is done in a good, thorough, efficient and workmanlike manner in accordance with all applicable laws.

relieved of Borrower's obligation for the completion of such repair or restoration.

condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not single payment or in a series of progress payments as the work is completed. If the insurance or proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are paid in connection with damage to, or the taking of, the Property, Borrower shall be responsible for repairing or restoring the Property only if Lender has released proceeds for such purposes. Lender may disburse proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed. If the insurance or condemnation proceeds are not sufficient to repair or restore the Property, Borrower is not

insurer to make payments using any source of funds that the mortgage insurer may have available (which may include funds obtained from Mortgage Insurance premiums).

As a result of these agreements, Lender, any purchaser of the Note, another insurer, any reinsurer, any other entity, or any affiliate of any of the foregoing, may receive (directly or indirectly) amounts that derive from (or might be characterized as) a portion of Borrower's payments for Mortgage Insurance, in exchange for sharing or modifying the mortgage insurer's risk, or reducing losses. If such agreement provides that an affiliate of Lender takes a share of the insurer's risk in exchange for a share of the premiums paid to the insurer, the arrangement is often termed "captive reinsurance." Further:

(a) Any such agreements will not affect the amounts that Borrower has agreed to pay for Mortgage Insurance, or any other terms of the Loan. Such agreements will not increase the amount Borrower will owe for Mortgage Insurance, and they will not entitle Borrower to any refund.

(b) Any such agreements will not affect the rights Borrower has - if any - with respect to the Mortgage Insurance and under the Homeowners Protection Act of 1998 or any other law. These rights may include the right to receive certain disclosures, to request and obtain cancellation of the Mortgage Insurance, to have the Mortgage Insurance terminated automatically, and/or to receive a refund of any Mortgage Insurance premiums that were unearned at the time of such cancellation or termination.

11. Assignment of Miscellaneous Proceeds; Forfeiture. All Miscellaneous Proceeds are hereby assigned to and shall be paid to Lender.

If the Property is damaged, such Miscellaneous Proceeds shall be applied to restoration or repair of the Property, if the restoration or repair is economically feasible and Lender's security is not lessened. During such repair and restoration period, Lender shall have the right to hold such Miscellaneous Proceeds until Lender has had an opportunity to inspect such Property to ensure the work has been completed to Lender's satisfaction, provided that such inspection shall be undertaken promptly. Lender may pay for the repair and restoration in a single disbursement or in a series of progress payments as the work is completed. Unless an agreement is made in writing or Applicable Law requires interest to be paid on such Miscellaneous Proceeds, Lender shall not be required to pay Borrower any interest or earnings on such Miscellaneous Proceeds. If the restoration or repair is not economically feasible or Lender's security would be lessened, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower. Such Miscellaneous Proceeds shall be applied in the order provided for in Section 2.

In the event of a total taking, destruction, or loss in value of the Property, the Miscellaneous Proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with the excess, if any, paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the partial taking, destruction, or loss in value, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the Miscellaneous Proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the partial taking, destruction, or loss in value divided by (b) the fair market value of the Property immediately before the partial taking, destruction, or loss in value. Any balance shall be paid to Borrower.

In the event of a partial taking, destruction, or loss in value of the Property in which the fair market value of the Property immediately before the partial taking, destruction, or loss in value is

Subject to the provisions of Section 18, any Successor in interest of Borrower who assumes Borrower's obligations under this Security Instrument in writing, and is approved by

co-signer's consent.

accommodations with regard to the terms of this Security Instrument or the Note without the Lender and any other Borrower can agree to extend, modify, forbear or make any personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that co-signer's interest in the Property under the terms of this Security Instrument; (b) is not "co-signer"; (a) is co-signing this Security Instrument only to mortgage, grant and convey the any Borrower who co-signs this Security Instrument but does not execute the Note (a co-signer); and agrees that Borrower's obligations and liability shall be joint and several. However, covenants and assigns to Borrower.

13. Joint and Several Liability; Co-signers; Successors and Assigns to Borrower. Borrower occurrence shall not be deemed a waiver as to any future transaction or occurrence.

Security Instrument or of any provision of this Security Instrument as to any transaction or shall be effective unless in writing. Waiver by Lender of any right granted to Lender under this exercise of any right or remedy. No waiver by Lender of any right under this Security Instrument of Borrower or in amounts less than the amount then due, shall not be a waiver of or preclude the limitation, Lender's acceptance of payments from third persons, entities or Successors in interest of Borrower. Any forbearance by Lender in exercising any right or remedy including, without instrument by reason of any demand made by the original Borrower or any Successors in interest extended time for payment or otherwise modify amortization of the sums secured by this Security required to commence proceedings against any Successor in interest of Borrower or to refuse to release the liability of Borrower or any Successor in interest of Borrower. Lender shall not be granted by Lender to Borrower or any Successor in interest of Borrower shall not operate to for payment or modification of amortization of the sums secured by this Security Instrument signed by Borrower, or any Successor in interest of Borrower and Lender. Extension of the time cannot be changed or modified except as otherwise provided herein or by agreement in writing **12. Borrower Not Released; Forbearance By Lender Not a Waiver.** This Security Instrument

shall be applied in the order provided for in Section 2.

All Miscellaneous Proceeds that are not applied to restoration or repair of the Property paid to Lender.

attributable to the impairment of Lender's interest in the Property are hereby assigned and shall be under this Security Instrument. The proceeds of any award or claim for damages that are forfeiture of the Property or other material impairment of Lender's interest in the Property or rights the action or proceeding to be dismissed with a ruling that, in Lender's judgment, precludes such a default and, if acceleration has occurred, reinstates as provided in Section 19, by causing of Lender's interest in the Property or rights under this Security Instrument. Borrower can cure that, in Lender's judgment, could result in forfeiture of the Property or other material impairment of Lender's interest in the Property or rights under this Security Instrument, is begun against whom Borrower has a right of action in regard to Miscellaneous Proceeds.

"Opposing Party" means the third party that owes Borrower Miscellaneous Proceeds or the party of the Property or to the sums secured by this Security Instrument, whether or not then due. Lender is authorized to collect and apply the Miscellaneous Proceeds either to restoration or repair damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, the Opposing Party (as defined in the next sentence) offers to make an award to settle a claim for If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that

due.

shall be applied to the sums secured by this Security Instrument whether or not the sums are then loss in value, unless Borrower and Lender otherwise agree in writing, the Miscellaneous Proceeds less than the amount of the sums secured immediately before the partial taking, destruction, or

16. Governing Law; Severability; Rules of Construction. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. All rights and obligations contained in this Security Instrument are subject to any requirements and limitations of Applicable Law. Applicable Law might explicitly or implicitly allow the parties to agree by contract or it might be silent, but such silence shall not be construed as a prohibition against agreement by contract. 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

Instrument. Applicable Law requirement will satisfy the corresponding requirement under this Security Instrument. Any notice required by this Security Instrument is also required under Applicable Law, the instrument shall not be deemed to have been given to Lender until actually received by Lender. If designated another address by notice to Borrower. Any notice in connection with this Security by delivering it or mailing it by first class mail to Lender's address stated herein unless Lender has notice address under this Security Instrument at any one time. Any notice to Lender shall be given report a change of address through that specified procedure. There may be only one designated Lender specifies a procedure for reporting Borrower's change of address, then Borrower shall only by notice to Lender. Borrower shall promptly notify Lender of Borrower's change of address. If address shall be the Property Address unless Applicable Law expressly requires otherwise. The notice constitute notice to all Borrowers unless Applicable Law expressly requires otherwise. The notice delivered to Borrower's notice address if sent by other means. Notice to any one Borrower shall shall be deemed to have been given to Borrower when mailed by first class mail or when actually instrument must be in writing. Any notice to Borrower in connection with this Security Instrument **15. Notices.** All notices given by Borrower or Lender in connection with this Security constitute a waiver of any right of action Borrower might have arising out of such overcharge.

Note). Borrower's acceptance of any such refund made by direct payment to Borrower will without any prepayment charge (whether or not a prepayment charge is provided for under the to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment to make this refund by reducing the principal owed under the Note or by making a direct payment from Borrower which exceeds permitted limits will be refunded to Borrower. Lender may choose amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the interpreted so that the interest or other loan charges collected or to be collected in connection if the loan is subject to a law which sets maximum loan charges, and that law is finally prohibited by this Security Instrument or by Applicable Law.

a prohibition on the charging of such fee. Lender may not charge fees that are expressly authority in this Security Instrument to charge a specific fee to Borrower shall not be construed as to Borrower or any agent of Borrower. In regard to any other fees, the absence of express services rendered by Lender and furnished at the request of Borrower, any Successor in interest and valuation fees. Borrower shall pay such other charges as Lender may deem reasonable for under this Security Instrument, including, but not limited to, attorneys' fees, property inspection with Borrower's default, for the purpose of protecting Lender's interest in the Property and rights **14. Loan Charges.** Lender may charge Borrower fees for services performed in connection Lender.

Instrument shall bind (except as provided in Section 20) and benefit the successors and assigns of unless Lender agrees to such release in writing. The covenants and agreements of this Security shall not be released from Borrower's obligations and liability under this Security Instrument. Borrower Lender, shall obtain all of Borrower's rights and benefits under this Security Instrument. Borrower

As used in this Security Instrument: (a) words of the masculine gender shall mean and include corresponding neuter words or words of the feminine gender; (b) words in the singular shall mean and include the plural and vice versa; and (c) the word "may" gives sole discretion without any obligation to take any action.

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

18. Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.

If all or any part of the Property or any interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

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 given in accordance with Section 15 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.

19. Borrower's Right to Reinstate After Acceleration. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earliest of: (a) five days before sale of the Property pursuant to any power of sale contained in this Security Instrument; (b) such other period as Applicable Law might specify for the termination of Borrower's right to reinstate; or (c) entry of a judgement 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 as if no acceleration had 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, property inspection and valuation fees, and other fees incurred for the purpose of protecting Lender's interest in the Property and rights under this Security Instrument; and (d) takes such action as Lender may reasonably require to assure that Lender's interest in the Property and rights under this Security Instrument, and Borrower's obligation to pay the sums secured by this Security Instrument, shall continue unchanged. Lender may require that Borrower pay such reinstatement sums and expenses in one or more of the following forms, as selected by Lender: (a) cash; (b) money order; (c) certified check, bank check, treasurer's check or cashier's check, provided any such check is drawn upon an institution whose deposits are insured by a federal agency, instrumentally or entity; or (d) Electronic Funds Transfer. Upon reinstatement by Borrower, this Security Instrument and 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 Section 18.

20. Sale of Note; Change of Loan Servicer; Notice of Grievance. The Note or a partial interest in the Note (together with this Security Instrument) can be sold one or more times without prior notice to Borrower. A sale might result in a change in the entity (known as the "Loan Servicer") that collects Periodic Payments due under the Note and this Security Instrument and performs other mortgage loan servicing obligations under the Note, this Security Instrument, conflicting provision.

Environmental Cleanup. Nothing herein shall create any obligation on Lender for an Environmental Cleanup. Lender shall promptly give Lender written notice of (a) any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge, (b) any Environmental Condition, including but not limited to, any spilling, leaking, discharge, release or threat of release of any Hazardous Substance, and (c) any condition caused by the presence, use, or release of a Hazardous Substance which adversely affects the value of the Property. If Borrower learns, or is notified by any governmental or regulatory authority, or any private party, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law. Nothing herein shall create any obligation on Lender for an Environmental Cleanup.

(including, but not limited to, hazardous substance in consumer products). Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances, or threaten to release any Hazardous Substances, on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property (a) that is in violation of any Environmental Law, (b) which creates an Environmental Condition, or (c) which, due to the presence, use, or release of a Hazardous Substance, creates a condition that adversely affects the value of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property (including, but not limited to, hazardous substance in consumer products).

21. Hazardous Substances. As used in this Section 21: (a) "Hazardous Substances" are those substances defined as toxic or hazardous substances, pollutants, or wastes by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials; (b) "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection; (c) "Environmental Cleanup" includes any response action, remedial action, or removal action, as defined in Environmental Law; and (d) an "Environmental Condition" means a condition that can cause, contribute to, or otherwise trigger an Environmental Cleanup.

Neither Borrower nor Lender may commence, join, or be joined to any judicial action (as either an individual litigant or the member of a class) that arises from the other party's actions pursuant to this Security Instrument or that alleges that the other party has breached any provision of, or any duty owed by reason of, this Security Instrument, until such Borrower or Lender has notified the other party (with such notice given in compliance with the requirements of Section 15) of such alleged breach and afforded the other party hereto a reasonable period after the giving of such notice to take corrective action. If Applicable Law provides a time period which must elapse before certain action can be taken, that time period will be deemed to be reasonable for purposes of this paragraph. The notice of acceleration and opportunity to cure given to Borrower pursuant to Section 22 and the notice of acceleration given to Borrower pursuant to Section 18 shall be deemed to satisfy the notice and opportunity to take corrective action provisions of this Section 20.

and Applicable Law. There also might be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change which will state the name and address of the new Loan Servicer, the address to which payments should be made and any other information RESPA requires in connection with a notice of transfer of servicing. If the Note is sold and thereafter the Loan is serviced by a Loan Servicer other than the purchaser of the Note, the mortgage loan servicing obligations to Borrower will remain with the Loan Servicer or be transferred to a successor Loan Servicer and are not assumed by the Note purchaser unless otherwise provided by the Note purchaser.

UNOFFICIAL COPY

03-2341-061836396-4

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

22. 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 Section 18 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 bring a court action to assert 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 Section 22, including, but not limited to, reasonable attorneys' fees and costs of title evidence. If Borrower or any successor in interest to Borrower files (or has filed against Borrower or any successor in interest to Borrower) a bankruptcy petition under Title 11 or any successor title of the United States Code which provides for the curing of prepetition default due on the Note, interest at a rate determined by the Court shall be paid to Lender on post-petition arrears.

23. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is not prohibited by Applicable Law.

24. Waiver of Homestead. In accordance with Illinois law, the Borrower hereby release and waives all rights under and by virtue of the Illinois homestead exemption laws.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any Rider executed by Borrower and recorded with it.

21452689

UNOFFICIAL COPY

03-2341-061836396-4

X *Gerald M Offutt*

GERALD M OFFUTT

Janice A. Baker Offutt

JANICE A. BAKER OFFUTT

(Space Below This Line for Acknowledgment)

State of Illinois, Cook County ss:

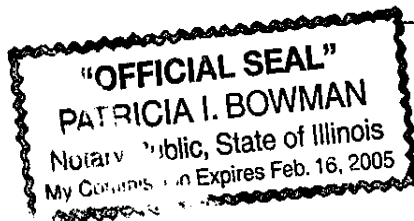
I, The undersigned, a
Notary Public in and for said county and state, do hereby certify that
Gerald M. Offutt and Janice A. Baker Offutt

personally known to me to be the same person(s) whose name(s) subscribed to the foregoing
instrument, appeared before me this day in person, and acknowledged that they
signed and delivered the said instrument as their free and voluntary act, for the
uses and purposes therein set forth.

Given under my hand and official seal, this 10th day of December, 2002.

My Commission expires: 2/16/05

Patricia I. Bowman
Notary Public



214526892

UNOFFICIAL COPY

STREET ADDRESS: 1208 CHURCH STREET
CITY: EVANSTON COUNTY: COOK
TAX NUMBER: 11-18-300-016-0000

LEGAL DESCRIPTION:

UNIT 1208:

THAT PART OF LOT 1 IN CYRUS'S CONSOLIDATION IN BLOCK 69 IN EVANSTON IN THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 18, TOWNSHIP 41 NORTH, RANGE 14, DESCRIBED AS FOLLOWS:: COMMENCING AT A POINT ON THE NORTH LINE OF SAID LOT 1, 36.48 FEET EAST OF THE NORTHWEST CORNER OF SAID LOT; THENCE SOUTH AT RIGHT ANGLES TO SAID NORTH LINE, 90.0 FEET TO THE SOUTH LINE THEREOF; THENCE EAST ON SAID SOUTH LINE, 29.01 FEET; THENCE NORTH 90.0 FEET TO A POINT ON THE NORTH LINE OF SAID LOT, 29.01 FEET EAST OF THE PLACE OF BEGINNING; THENCE WEST ON SAID NORTH LINE TO THE PLACE OF BEGINNING

PARCEL 2:

EASEMENT FOR THE BENEFIT OF UNIT 1208 AS CREATED BY DECLARATION OF COVENANTS, CONDITIONS, EASEMENTS AND RESTRICTIONS FOR THE CHURCH-RIDGE TOWNHOMES RECORDED MAY 22, 1991 AS DOCUMENT 91243502 AND BY DEED RECORDED JUNE 19, 1991 AS DOCUMENT 91296353 FOR PEDESTRIAN INGRESS AND EGRESS OVER AND UPON THE SOUTH 4 FEET OF APPROXIMATELY THE WEST 154.73 FEET OF LOT 1 IN CYRUS'S CONSOLIDATION AFORESAID.

21452689

UNOFFICIAL COPY

FIXED/ADJUSTABLE RATE RIDER (1 Year Treasury Index - Rate Caps)

03-2341-061836396-4

THIS FIXED/ADJUSTABLE RATE RIDER is made this 10th day of December, 2002, 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 Fixed/Adjustable Rate Note (the "Note") to Washington Mutual Bank, FA ("Lender") of the same date and covering the property described in the Security Instrument and located at:

1208 CHURCH ST, EVANSTON, IL 60201

(Property Address)

THE NOTE PROVIDES FOR A CHANGE IN THE BORROWER'S FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE. THE NOTE LIMITS THE AMOUNT BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE BORROWER MUST PAY.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial fixed interest rate of 5.250%. The Note also provides for a change in the initial fixed rate to an adjustable interest rate, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of January, 2008, and the adjustable interest rate I will pay may change on that day every 12th month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and each date on which my adjustable interest rate could change, is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. The most recent

21452089

UNOFFICIAL COPY

03-2341-061836396-4

Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding Two & Seventy-Five-Hundredths percentage points (2.750 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 10.250 % or less than 2.750 %. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 10.250 %.

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my initial fixed interest rate to an adjustable interest rate and of any changes in my adjustable interest rate before the effective date of any change. The notice will include the amount of my monthly payment, and any information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

(G) Failure to Make Adjustments

If for any reason Note Holder fails to make an adjustment to the interest rate or payment amount as described in this Note, regardless of any notice requirement, I agree that Note Holder may, upon discovery of such failure, then make the adjustment as if they had been made on time. I also agree not to hold Note Holder responsible for any damages to me which may result from Note Holder's failure to make the adjustment and to let the Note Holder, at its option, apply any excess monies which I may have paid to partial Prepayment of unpaid "Principal."

21452589

B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

1. Until Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in section A above, section 18 of the Security Instrument shall read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law.

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 given in accordance with Section 15 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.

2. When Borrower's initial fixed interest rate changes to an adjustable interest rate under the terms stated in section A above, Section 18 of the Security Instrument described in section B1 above shall then cease to be in effect, and the provisions of Section 18 of the Security Instrument shall be amended to read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to purchaser.

If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be

UNOFFICIAL COPY

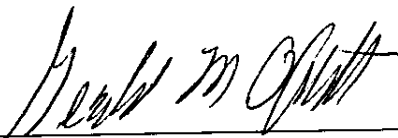
03-2341-061836396-4

impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by Applicable Law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, 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 given in accordance with Section 15 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed/Adjustable Rate Rider.

X 
GERALD M. OFFUTT


JANICE A. BAKER OFFUTT

21452689