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This instrument was prepared by:

KENNETH KORANDA (Name)
1001 SO. WASHINGTON (Address)
NAPERVILLE, IL 60566

mail to BY 15

ADJUSTABLE RATE MORTGAGE FOR MIDAMERICA FEDERAL SAVING'S CAP LOAN

THE INTEREST RATE AND MONTHLY PAYMENT ARE ADJUSTED ANNUALLY

15.00

THIS MORTGAGE is made this 30TH day of SEPTEMBER, 1985, between the Mortgagor EDGWOOD BANK

Trustee under a Trust Agreement dated APRIL 9, 1983, and known as Trust No. 168 and the Mortgagee, M/A America Federal Saving's, a corporation organized and existing under the laws of the United States of America, whose address is 55TH STREET AND HOLMES CLARENDON HILLS, IL 60514

Whereas Borrower is indebted to Lender in the 'Current Principal Sum' of SEVENTY SEVEN THOUSAND AND NO/100 (77,000.00) Dollars, which indebtedness is evidenced by Borrower's Adjustable Rate Note dated SEPTEMBER 30, 1985 (herein 'Note'), providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on NOVEMBER 1, 1985. Terms and provisions of said Note secured by this Mortgage, provide for increasing the Current Principal Sum stated above by adding to said indebtedness all Future Advances including advances to secure the performance of the Borrower's obligations contained herein, which Future Advances are made to the Borrower at the Lender's option prior to release of this Mortgage.

To SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon, all Future Advances, including advances to secure performance of the Borrower's obligations contained herein, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of COOK, State of Illinois:

LOT 472 IN ROBERT BARTLETTS LA GRANGE HIGHLANDS, UNIT 5, A SUBDIVISION OF THE WEST HALF OF THE SOUTH EAST QUARTER OF SECTION 17, TOWNSHIP 38 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COOK COUNTY, ILLINOIS FILED FOR RECORD

18-17-405-001

1985 OCT 18 PM 1:13

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[Handwritten signature]

which has the address of 6017 S. PECK (Street) LAGRANGE (City) IL 60525 (State and Zip Code) (herein 'Property Address');

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water, water rights, and water stock, 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 herein referred to as the 'Property'.

Borrower covenants that under the Trust Agreement described above Borrower has the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Borrower will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

- A. DESCRIPTION OF THE ADJUSTABLE RATE NOTE WHICH THIS MORTGAGE SECURES
1. It is the intent of the Borrower and Lender to enter into a Mortgage Loan authorized by the provisions of Title 12, Code of Federal Regulations, Section 545.33(e).
2. By the terms of the Note the Borrower is indebted to the Lender for the original principal sum stated on the first page of this Mortgage, together with any additional sums added to principal by reason of Future Advances authorized herein.

85 242 646

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My commission expires

My Commission Expires 1-14-89

A.D. 1985

GIVEN under my hand and Notarial Seal, this 2nd day of October

corporation, as Trustee as aforesaid, for the uses and purposes therein set forth. I did affix said seal to said instruments as they were presented to me and there acknowledged that

as Trustee as aforesaid for the uses and purposes therein set forth; and the said she as custodian of the corporate seal of said corporation, Secretary

they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, Secretary, respectively appeared before me this day in person and acknowledged that

persons whose names are subscribed to the foregoing instruments as such Secretary of said corporation, who are personally known to me to be the same and in the state aforesaid, DO HEREBY CERTIFY THAT

EDWARD J. KOLLMANN, Trust Officer, Notary Public, in and for said County, July A. Rude

STATE OF ILLINOIS) COUNTY OF DuPage) SS

BY: [Signature] Trust Officer

Edgewood Bank as Trustee under T/A #168 dtd 4-9-83: A.D. 1985

In Witness Whereof, Edgewood Bank as Trustee under T/A #168 dtd 4-9-83 not personally but as Trustee as aforesaid, has caused these presents to be signed by its Secretary,

24. This document represents the total agreement between the parties and said agreement shall not be orally modified without the express written consent of all parties hereto.

23. Land Trust Mortgage. This Mortgage is executed by the undersigned not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee and said undersigned hereby warrants that it possesses full power and authority to execute this instrument and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on the said undersigned, either individually or as Trustee as aforesaid, personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenants or implied covenants contained herein, all such liability, if any, being expressly waived by the Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as the undersigned, either individually or as Trustee as aforesaid, or its successors, personally are concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created in the manner herein and in said Note provided or by action to enforce the personal liability of the guarantor, co-signer, surety or endorser, if any.

22. Waiver of Homestead. Borrower hereby waives all rights of homestead exemption in the Property. Borrower shall pay all costs of recordation, if any.

21. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall actually receive.

20. 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 Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

19. Borrower's Right to Reinstatement. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances, if any; had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

18. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

17. Default and Acceleration. If default be made in the payment of any installment of principal or interest as aforesaid, or in the case of the breach of any of the covenants or agreements stipulated in this Mortgage given to secure repayment of the Note, or in the event that the legal or equitable title of any property or part thereof described herein becomes vested in a person other than the Borrower named herein, or in the event of assignment, sale, transfer, pledge, or mortgage of the beneficial interest of a land trust securing an interest in the property described herein to anyone other than the undersigned Borrower, or in the event of an installment sale of the property described herein, or if any monthly installment under the Note secured hereby or any other note secured by a mortgage which is superior to this Mortgage is not paid when due and remains unpaid after a date specified by a notice to Borrower, the entire principal amount outstanding including any accrued interest thereon shall at once become due and payable at the option of the Lender. The date specified shall not be less than thirty days from the date such notice is mailed. The Lender may exercise this option to accelerate during any default by Borrower, regardless of any prior forbearance. The Lender has the right to advance payments on any other note secured by a mortgage which is superior to this Mortgage. If suit is brought to collect the Note secured hereby the Lender shall be entitled to collect all reasonable costs and expenses of suit including but not limited to reasonable attorney's fees.

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

16. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

15. Default and Acceleration. If default be made in the payment of any installment of principal or interest as aforesaid, or in the case of the breach of any of the covenants or agreements stipulated in this Mortgage given to secure repayment of the Note, or in the event that the legal or equitable title of any property or part thereof described herein becomes vested in a person other than the Borrower named herein, or in the event of assignment, sale, transfer, pledge, or mortgage of the beneficial interest of a land trust securing an interest in the property described herein to anyone other than the undersigned Borrower, or in the event of an installment sale of the property described herein, or if any monthly installment under the Note secured hereby or any other note secured by a mortgage which is superior to this Mortgage is not paid when due and remains unpaid after a date specified by a notice to Borrower, the entire principal amount outstanding including any accrued interest thereon shall at once become due and payable at the option of the Lender. The date specified shall not be less than thirty days from the date such notice is mailed. The Lender may exercise this option to accelerate during any default by Borrower, regardless of any prior forbearance. The Lender has the right to advance payments on any other note secured by a mortgage which is superior to this Mortgage. If suit is brought to collect the Note secured hereby the Lender shall be entitled to collect all reasonable costs and expenses of suit including but not limited to reasonable attorney's fees.

14. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

13. Borrower's Right to Reinstatement. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances, if any; had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

12. 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 Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

11. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall actually receive.

10. Waiver of Homestead. Borrower hereby waives all rights of homestead exemption in the Property. Borrower shall pay all costs of recordation, if any.

9. Land Trust Mortgage. This Mortgage is executed by the undersigned not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee and said undersigned hereby warrants that it possesses full power and authority to execute this instrument and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on the said undersigned, either individually or as Trustee as aforesaid, personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenants or implied covenants contained herein, all such liability, if any, being expressly waived by the Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as the undersigned, either individually or as Trustee as aforesaid, or its successors, personally are concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created in the manner herein and in said Note provided or by action to enforce the personal liability of the guarantor, co-signer, surety or endorser, if any.

8. This document represents the total agreement between the parties and said agreement shall not be orally modified without the express written consent of all parties hereto.

7. In Witness Whereof, Edgewood Bank as Trustee under T/A #168 dtd 4-9-83 not personally but as Trustee as aforesaid, has caused these presents to be signed by its Secretary,

Edgewood Bank as Trustee under T/A #168 dtd 4-9-83: A.D. 1985

As Trustee as aforesaid and not personally

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3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by, or defend enforcement of such lien, in legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage;" and such other hazards as Lender may require and in such amount and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 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 authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 18 hereof 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 the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall 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 perform all of 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 consistent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Mortgage, 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 Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

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

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds 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 such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

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

10. **Borrower Not Released.** Extension of the 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, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

12. **Remedies Cumulative.** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. **Uniform Mortgage; Governing Law; Severability.** This form of mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

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3. Said indebtedness is evidenced by Borrower's Adjustable Rate Note of even date (herein "Note") providing for monthly installments of principal and interest, with the balance of the indebtedness, if not sooner paid, due and payable on the final payment date stated on the first page of this Mortgage which shall not exceed forty (40) years from the date of the Note.

4. The Borrower has the right to prepay at any time in full or in part, the unpaid principal balance of the loan which is secured by this Mortgage.

5. Interest Rate and Monthly Payment Changes

The Note provides for an initial interest rate of 8.750%. The Note provides for changes in the interest rate and the monthly payments, as follows:

(A) Change Dates

The interest rate Borrower will pay may change on the first day of NOVEMBER 19 86, and on that day every 12th month thereafter. Each date on which Borrower's interest rate could change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, Borrower's interest rate will be based on an index. The "Index" is the weekly average yield on United States Treasury securities adjusted by a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent 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 which is based upon comparable information. The Note Holder will give Borrower notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate Borrower's new interest rate by adding TWO AND ONE HALF percentage points (2.50%) 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 5(D) below, this rounded amount will be Borrower's 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 Borrower is expected to owe at the Change Date in full on the maturity date at Borrower's new interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment.

(D) Limits on Interest Rate Changes

The interest rate Borrower is required to pay at the first Change Date will not be greater than 10.750% or less than 6.750%. Thereafter, Borrower's interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.00%) from the rate of interest Borrower has been paying for the preceding twelve months. Borrower's interest rate will never be greater than 10.750%.

(E) Effective Date of Changes

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

(F) Notice of Changes

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

6. The Note which this Mortgage secures provides that the Borrower may not be charged any cost or fees in connection with regularly scheduled adjustments to the interest rate, the monthly installment, the outstanding principal balance or the loan term.

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

1. Fixed Interest Rate Option

The Note provides for the Borrower's option to convert from an adjustable interest rate to a fixed interest rate, as follows:

(A) Option to Convert to Fixed Rate

Borrower has a Conversion Option which Borrower can exercise unless Borrower is in default or this Section 1A or Section 1C below will not permit the Borrower to do so. The "Conversion Option" is Borrower's option to convert the interest rate Borrower is required to pay by the Note from an adjustable rate to a fixed rate.

The conversion can only take place on the third, fourth or fifth Change Date. Each Change Date on which Borrower's interest rate can convert from an adjustable rate to a fixed rate also is called a "Conversion Date". Borrower can convert Borrower's interest rate only on one of these three Conversion Dates.

If Borrower wants to exercise the Conversion Option, Borrower must first meet certain conditions. Those conditions are that: (a) Borrower must give the Note Holder notice that Borrower is doing so at least 15 days before the next Conversion Date; (b) on the Conversion Date, Borrower is not in default under the Note or the Security Instrument; (c) by the Conversion Date, Borrower must pay the Note Holder a conversion fee equal to one percent (1.0%) of the unpaid principal amount of the Note as of the date of the Conversion Date plus U.S. \$250.00; (d) by the Conversion Date, if an appraisal report is required by Section 1C below, the Note Holder has received the report and Borrower has paid the appraisal fee and any amount necessary to reduce unpaid principal; and (e) Borrower must sign and give the Note Holder any documents the Note Holder requires to effect the conversion.

(B) Calculation of Fixed Rate

Borrower's new fixed interest rate will be equal to the Federal National Mortgage Association's required net yield for 30-year, fixed rate mortgages covered by 30-day mandatory delivery commitments in effect as of the date 45 days before the Conversion Date, plus five-eighths of one percent (0.625%). If this required net yield is not available, the Note Holder will determine Borrower's interest rate by using a comparable figure.

(C) Reduction of Principal Balance Before Conversion: Appraisal

If the unpaid principal amount of the Note is expected to be greater than the original principal amount of Borrower's loan, the Note Holder may require an appraisal report on the value of the property described in the Security Instrument. The appraisal report must be prepared by a qualified appraiser chosen by the Note Holder. Borrower will pay the Note Holder a reasonable fee for this appraisal report.

The unpaid principal amount of the Note is expected to be greater than 95% of the appraisal report's stated value of the property securing Borrower's loan. If so, Borrower cannot exercise the Conversion Option unless Borrower pays the Note Holder an amount sufficient to reduce Borrower's unpaid principal to an amount equal to 95% of the stated value of the property.

(D) Determination of New Payment Amount

If Borrower chooses to exercise the Conversion Option, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal amount of the Note as of the Conversion Date in full on the maturity date at Borrower's new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of Borrower's monthly payment. Beginning with Borrower's first monthly payment after the Conversion Date, Borrower will pay the new amount as Borrower's monthly payment until the maturity date.

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

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note and late charges as provided in the Note, and the principal of and interest on any Future Advances secured by this Mortgage.

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 installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the year's taxes and assessments which may accrue over this Mortgage, and ground rents on the property, if any, plus one-twelfth of the year's premium for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

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 18 hereof the Property is sold or the Property is otherwise disposed of by Lender, any Funds held by Lender for the Property shall be held by Lender for the benefit of the Property or its acquisition by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise disposed of by Lender, any Funds held by Lender for the Property shall be held by Lender for the benefit of the Property or its acquisition by Lender.

85 242 646

UNOFFICIAL COPY

THIS ADJUSTABLE RATE RIDER is made this 30th of SEPTEMBER, 1986 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 Adjustable Rate Note (the "Note") to M.I.D. AMERICA FEDERAL SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

6017 S. PECK, LAGRANGE, IL 60525 (Property Address) 18-17-405-001

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE 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. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 8.75% The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of NOVEMBER, 1986, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my 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 1 year, as made available by the Federal Reserve Board. The most recent 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 which is based upon comparable information. The Note Holder will give me notice of his choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND ONE EIGHTH percentage points (2.50%) 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 or 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 10.75% or less than 6.75%. Thereafter, my 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 twelve months. My interest rate will never be greater than 14.75%.

(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 interest rate and the amount of my monthly payment before the effective date of any change. The notice will include 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.

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

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

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

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85 242 645

Property of Cook County

85 242 646

REV. 1-15-1972

My commission expires _____

My Commission Expires 1-1-84

Notary Public

[Signature]

A.D. 1985

October

GIVEN under my hand and Notarial Seal, this _____ day of _____

corporation, as Trustee as aforesaid, for the uses and purposes therein set forth.

did affix said seal to said instruments as _____ her _____

as Trustee as aforesaid for the uses and purposes therein set forth; and the said _____ she _____

they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation.

Secretary, respectively appeared before me this day in person and acknowledged that _____

persons whose names are subscribed to the foregoing instruments as such _____ Trust Officer _____ and _____

Secretary of said corporation, who are personally known to me to be the same _____ and _____

Edward J. Kollmann, Trust Officer _____

Secretary of said corporation, in and for said County, _____

Julia Pude _____

in the state aforesaid, DO HEREBY CERTIFY THAT _____

President of Edgewood Bank _____

Jean Martajal, _____

STATE OF ILLINOIS _____

COUNTY OF DUROGE _____

BY: *[Signature]* Trust Officer _____

As Trustee as aforesaid and not personally _____

Edgewood Bank as Trustee under T/A #168 dtd 4-9-83

A.D. 1985 _____

October _____

Secretary, _____

In Witness Whereof, _____

Edgewood Bank as Trustee under T/A #168 dtd 4-9-83

By SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate

or demand on Borrower.

expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice

which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the

tion. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed with

not personally but as Trustee as aforesaid, has caused these presents to be signed by its _____

Edgewood Bank as Trustee under T/A #168 dtd 4-9-83

Secretary, _____