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MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on NOVEMBER 12, 1985, 19. 85. The mortgagor is KENNETH J. SHORTER, UNMARRIED, NEVER MARRYING, DEEMED, HARRIED ("Borrower"). This Security Instrument is given to THE FIRST NATIONAL BANK OF CHICAGO, which is organized and existing under the laws of THE UNITED STATES OF AMERICA and whose address is ONE FIRST NATIONAL PLAZA, CHICAGO, ILLINOIS, 60670 ("Lender"). Borrower owes Lender the principal sum of THIRTY-TWO THOUSAND AND NO/100 Dollars (U.S. \$ 32,000.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on DECEMBER 21, 2000. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

Parcel 1:

Lot 26 (except the North 79.21 feet thereof) in Edelweiss in the Park, being a Subdivision of part of the East 1/2 of the Southeast 1/4 of Section 23, Township 37 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 2:

Easement appurtenant to and for the benefit of Parcel 1 as contained in the Plat of subdivision recorded as document no. 27392398 and as corrected by Certificate of Correction recorded as document no. 85243329, and as created by the Deed from Edelweiss Ltd., an Illinois Limited Partnership to Kenneth J. Shorter, recorded November \_\_, 1985 as Document No. 85-281948

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PROPERTY INDEX NO.: 23-23-401-003 vol. 152 (PIQ and other property)

which has the address of 11725 BLACK FOREST LANE PALOS PARK  
(Street) (City)  
Illinois 60465 ("Property Address");  
(Zip Code)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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This instrument prepared by and should be returned to:  
The First National Bank of Chicago  
Two First National Plaza  
Suite 0049  
Chicago, Illinois 60670

Notary Public  
*[Signature]*  
Notary Public

certify that *THE WIDMARGERS* (BORROWER) APPEARING NEVER HAVING BEEN MARIED, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as *husband* free and voluntary act, for the uses and purposes therein set forth. (City, under my hand and official seal, this *12* day of *May* 19 *61* City Commission expires: *January 30 1967*)

STATE OF ILLINOIS, County ss: *Will*

(Space Below This Line For Acknowledgment)  
Borrower (Seal) *[Signature]*  
Borrower (Seal) *[Signature]*

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

- Other(s) [specify]
  - Graduated Payment Rider
  - Planned Unit Development Rider
  - Adjustable Rate Rider
  - Condominium Rider
  - 2-4 Family Rider
- part of this Security Instrument. (Check applicable boxes)
23. Rider to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.
22. Rider of Homestead. Borrower waives all right of homestead exemption in the Property.
21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.
19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the date of the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**18. Borrower's Right to Reinstate.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

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

- 1. Payment of Principal and Interest; Prepayment and Late Charges.** Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

- 2. Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments or ground rents, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attach to this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

- 3. Funds for Taxes and Insurance.** The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items, unless Lender pays Borrower interest on the Funds and applying the account or verifying the escrow items. Lender may not charge for holding and applying the Funds, and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

- 4. Funds for Taxes and Insurance.** If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

- 5. Funds for Taxes and Insurance.** Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

- 6. Funds for Taxes and Insurance.** Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

- 7. Funds for Taxes and Insurance.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach to this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, all notices of amounts to be paid under this paragraph, if Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts, evidencing the payments.

- 8. Funds for Taxes and Insurance.** Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower agrees in writing to the payment of the lien by, or defense against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach in priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

- 9. Funds for Taxes and Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld.

- 10. Funds for Taxes and Insurance.** All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall promptly notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument. Lender and Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall promptly notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

- 11. Funds for Taxes and Insurance.** Lender and Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall promptly 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, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance proceeds and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

- 12. Funds for Taxes and Insurance.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

- 13. Funds for Taxes and Insurance.** If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 13, Lender does not have to do so.

- 14. Funds for Taxes and Insurance.** Any amounts disbursed by Lender under this paragraph 13 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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This ADJUSTABLE RATE RIDER TO MORTGAGE is made this 12TH day of NOVEMBER 19 85 and is incorporated into and shall be deemed to amend and supplement the mortgage of the same date ("Mortgage") given by the undersigned ("Borrower") to secure the Borrower's Adjustable Rate Note ("Note") to The First National Bank of Chicago ("Lender") of the same date and covering the property described in the Mortgage and located at:

11725 BLACK FOREST LANE PALOS PARK, ILL 19015 09465  
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT.

The Note provides for an initial interest rate of 8.375 % Section 4 of the Note provides for changes in the interest rate and the monthly payments, as follows:

**"4. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

**(A) General.**

The interest rate I pay will change based on movements of the Index (described in Section 4(C)) and rate change limitations (described in Section 4(E)).

**(B) Change Dates.**

The interest rate I pay may change on the first Change Date and on every January 1 and July 1 thereafter. Each day on which my interest rate could change is called a "Change Date". Since interest is collected in arrears, the amount of my monthly payment may change on each February 1 and August 1 after the first Change Date.

**(C) The Index.**

Beginning with the first Change Date, my interest rate will be based on an Index. Although the Index value on the first Change Date cannot be predicted, the Index value for the month of OCTOBER 19 85 was 8.79 %.

The "Index" is the monthly average yield, expressed as a percent per annum, for six month certificates of deposit (CDs) traded in the secondary market, as published in the Federal Reserve's statistical release H-15 and the Federal Reserve Bulletin and as available from the Lender and the Federal Reserve Bank of Chicago. The new rate for each six month period will be based on the most recent Index available at the end of the month preceding the Change Date. If the Index is no longer available, the Note Holder will choose a new index and will give me notice of this choice.

**(D) Calculation of Changes.**

Before each Change Date, the Note Holder will calculate my new interest rate by adding 2.0 percentage points to the Index. The Note Holder will then apply the limits in Section 4(E). The result will be my new interest rate until the next Change Date.

With each interest rate change, the Note Holder will determine the new amount of the monthly payment necessary to repay my loan in substantially equal payments by the maturity date. I will be notified of each change in my interest rate and loan payment in accordance with Section 4(G).

**(E) Limits on Interest Rate Changes.**

On the first Change Date, the interest rate will not increase or decrease from the initial rate set forth in Section 2 by more than 2 percentage points. On any Change Date after the first Change Date, the interest rate will not increase or decrease from the rate in effect by more than one (1) percentage point or by less than one-tenth of one (0.10) percentage point.

During the life of the loan, the interest rate will not increase from the initial rate set forth in Section 2 by more than 5 percentage points.

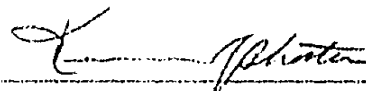
**(F) Effective Date of Changes.**

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

**(G) Notice of Changes.**

The Note Holder will mail me a notice of any rate change at least 25 days before there is a change in my monthly payment. This notice will include all information required by law.

By signing this ADJUSTABLE RATE RIDER TO MORTGAGE, Borrower acknowledges all the terms hereof.

  
ROBERT J. NICHTER Borrower [Seal]  
Borrower [Seal]

[Sign Original Only]

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**ADDENDUM TO: ADJUSTABLE RATE RIDER TO MORTGAGE  
(CONVERSION TO FIXED RATE LOAN)**

This ADDENDUM ("Addendum") to Adjustable Rate Rider to Mortgage is made this 12TH day of NOVEMBER, 1985 and is incorporated by reference into and amends and supplements (i) the rider ("Rider") executed by the undersigned to The First National Bank of Chicago ("Bank") and dated the date hereof and (ii) the mortgage ("Mortgage") which is also executed by the undersigned to the Bank and dated the date hereof.

All the provisions of the Rider and the Mortgage are incorporated by reference into this Addendum and all terms used in this Addendum which are defined in the Adjustable Rate Note ("Note") which secures the Mortgage shall have the meanings given in such Note. In addition to the covenants and agreements made in the Mortgage, the Note Holder and I further agree as follows:

**A Terms.**

Subject to the terms of this Addendum, I may choose to convert my adjustable rate of interest on the Note to a fixed rate of interest on any Conversion Date by sending the Note Holder a written notice requesting that the conversion be made. Only one such written request is permissible. The request must be received by the Note Holder at least 60 days prior to the Conversion Date. The "Conversion Date" is any January 1 or July 1 between the 25th and the 50th regularly scheduled payments on the Note.

After receipt of my request, the Note Holder will send me a written notice advising me (a) what fixed rate is available to me based on the fixed rate in effect for conventional, fixed rate, 30 year mortgage loans offered by the Note Holder at the time my request is received, (b) the payment amount sufficient to repay the principal balance of the loan over the remaining term of the original note, and (c) the documentation which must be completed by me at least 10 business days before the Conversion Date.

Notwithstanding anything to the contrary in this Addendum, if the Note Holder determines that there are no comparable terms offered on the date my request for conversion is received or if properly completed documents have not been received by the Note Holder within the time frames specified above, I will not have the option to convert. The Note Holder also reserves the right to review my credit worthiness before permitting the conversion. Further, I understand that I cannot be in default under the terms of the Note and I must continue to occupy the property which secures the Note as my primary residence.

**B Payment of Conversion Fee.**

If I convert my adjustable interest rate to a fixed interest rate as provided herein, I will pay the Note Holder, in addition to the Note Holder's customary closing and title insurance fees, a conversion fee equal to ONE AND ONE-HALF (1-1/2 %) of the principal amount of the Note that has not been paid as of the Conversion Date. I will pay all such fees on or before the Conversion Date.

**C Determination of New Payment Amount.**

After the Conversion Date, the Note Holder will determine the amount of the monthly payment necessary to repay my loan in substantially equal payments by the maturity date. This will be the new amount of my monthly payment. The Note Holder will notify me of this amount and all other information required by law. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment, and the interest rate I pay will not change from the fixed rate of interest established as of the Conversion Date.

**D Certain Terms of Note no Longer Applicable.**

If the conversion feature described in this Addendum becomes effective, the provisions of Section 4 of the Note shall cease to be effective as of the Conversion Date and the interest rate will be fixed as agreed by the parties.

By signing this ADDENDUM TO ADJUSTABLE RATE RIDER TO MORTGAGE, Borrower agrees to all the terms hereof.

[Signature]  
RENEE J. SHORTER Borrower (Seal)  
\_\_\_\_\_  
Borrower (Seal)

ISIGN ORIGINAL ONLY!

600 70615-9 LL

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