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RIDER ATTACHED TO MORTGAGE FOR RECORDING

This instrument was prepared by: GreatAmerican Fed. S & L James D. O'Malley 1001 Lake Street Oak Park, IL 60301 BOX 333 - HV

MORTGAGE

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THIS MORTGAGE is made this 19th day of November 1985, between the Mortgagor, JOSEPH L. FELIX AND KATHLEEN A. FELIX, HIS WIFE (herein "Borrower"), and the Mortgagee, GreatAmerican Federal Savings and Loan Association, a corporation organized and existing under the laws of The United States of America, whose address is 1001 Lake Street, Oak Park, Illinois 60301 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the Principal sum of Fifty Five Thousand Dollars, which indebtedness is evidenced by Borrower's note dated November 19, 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 December 1, 2025;

To SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, 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, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 21 hereof (herein "Future Advances"), Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Cook, State of Illinois:

LOT 8 AND THE SOUTH 12 1/2 FEET OF LOT 7 (EXCEPT THAT PART IF ANY FALLING IN THE NORTH 12 1/2 FEET OF SAID LOT 7) IN SOUTH RIDGELAND IN THE SOUTH EAST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 25, 1889 AS DOCUMENT 1189703, IN COOK COUNTY, ILLINOIS.

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COOK COUNTY, ILLINOIS PUBLIC RECORD

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which has the address of 1115 GUNDERSON OAK PARK IL 60103 (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 Borrower is lawfully seized of the estate hereby conveyed and 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.

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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 actions 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.

**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.

Upon acceleration under paragraph 18 hereof 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. All 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 attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

**21. Future Advances.** Upon request of Borrower, Lender, at Lender's option, prior to release of this Mortgage, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note plus US \$ 0.

**22. Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

**23. Waiver of Homestead.** Borrower hereby waives all right of homestead exemption in the Property.

In Witness Whereof, Borrower has executed this Mortgage.

*Joseph L. Felix*  
JOSEPH L. FELIX

—Borrower

*Kathleen A. Felix*  
KATHLEEN A. FELIX

—Borrower

—Borrower

—Borrower

STAT OF ILLINOIS, County ss:

*Cook*  
the undersigned

a Notary Public in and for said county and state,

do hereby certify that JOSEPH L. FELIX AND KATHLEEN A. FELIX, HIS WIFE

are personally known to me to be the same person(s) whose name(s) are 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

Given under my hand and official seal, this 21st day of November, 1985

21st day of November 1985

My Commission expires: 8-2-87

*Henry A. Remed*  
Henry A. Remed  
Notary Public

(Space Below This Line Reserved For Lender and Recorder)

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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 a 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, to 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.

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.

17. **Transfer of the Property; Assumption.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a tenant or (d) the grant of any leasehold interest for three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender in the presence of whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender may require. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums demanded due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, institute any remedies permitted by paragraph 18 hereof.

Notwithstanding the foregoing, Borrower and Lender further covenant and agree as follows:

18. **Acceleration; Remedies.** Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower on this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of 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 advise 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.

19. **Borrower's Right to Reinstate.** 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

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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 involving a bankruptcy or decedent, then Lender at Lender's option, upon notice to Borrower, may make such arrangements, disburse sums and take such action as is necessary to protect Lender's interest, including, but not limited to, reimbursement 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

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 constituent 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.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to or from the Property shall not extend or to the sums secured by this Mortgage. Lender and Borrower agree in writing, any such application of proceeds to or from the Property shall not extend or to the sums secured by this Mortgage. Lender and Borrower agree in writing, any such application of proceeds to or from the Property shall not extend or to the sums secured by this Mortgage. Lender and Borrower agree in writing, any such application of proceeds to or from the Property shall not extend or to the sums secured by this Mortgage.

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 or if no security of this Mortgage would be impaired. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender's notice 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 repair or to the sums secured by this Mortgage. Lender and Borrower agree in writing, any such application of proceeds to or from the Property shall not extend or to the sums secured by this Mortgage.

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 or if no security of this Mortgage would be impaired. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender's notice 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 repair or to the sums secured by this Mortgage. Lender and Borrower agree in writing, any such application of proceeds to or from the Property shall not extend or to the sums secured by this Mortgage.

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 amounts 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. Lender and Borrower agree in writing, any such application of proceeds to or from the Property shall not extend or to the sums secured by this Mortgage.

4. Charges; Taxes. Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attach a priority over this Mortgage, and escrowed payments of 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 of the same, 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 as 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.

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.

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 yearly taxes and assessments which may attach priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments 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.

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 said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said accounts, or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made, or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

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

Uniform COVENANTS, Borrower and Lender covenant and agree as follows:

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## ADJUSTABLE PAYMENT RIDER

RIDER ATTACHED TO MORTGAGE FOR RECORDING

THIS ADJUSTABLE PAYMENT RIDER is made this . . . 19th . . . day of . November . . . . .  
19. 85 . . . . and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or  
Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to  
secure Borrower's Adjustable Payment Note to Great American Federal Savings & Loan Association (the "Lender") of  
the same date (the "Note") and covering the property described in the Security Instrument and located at:

1115 GUNDERSON . . . . . OAK PARK, IL 60103 . . . . .  
(Property Address)

**This Note Contains Provisions Allowing For Changes In The Interest Rate And The Monthly Payment And  
For Increases In The Principal Amount To Be Repaid.**

The Note Also Provides For Calculations Of Two Separate Monthly Payment Amounts. One Will Be The  
Amount That The Borrower Must Actually Pay Each Month. The Other Will Be An Amount That The  
Borrower Would Pay Each Month To Fully Repay The Loan On The Maturity Date. This Means That The  
Borrower Could Repay More Than The Amount Originally Borrowed Or That The Borrower Could Repay  
The Loan Before The Maturity Date.

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

**A. INTEREST RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial rate of . . . 10.500 . . . %. Sections 2, 3, 4, 5 and 6 of the Note provide for changes in the  
interest rate and the monthly payments, as follows:

**2. INTEREST**

**(A) Interest Owed**

Interest will be charged on that part of principal which has not been paid. Interest will be charged beginning on  
the date of this Note and continuing until the full amount of principal has been paid.

Beginning on the date of this Note, I will owe interest at a yearly rate of . . . 10.500 . . . %. The rate of interest I will  
owe will change on the first day of the month of . . . December . . . . . 1 . . . 19.86 . . . . and on that day every  
TWELFTH . . . . . month thereafter. Each date on which the rate of interest could change is called an  
"Interest Change Date." The new rate of interest will become effective on each Interest Change Date.

**(B) The Index**

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the <sup>MONTHLY</sup> 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 this choice.

The most recently available Index figure as of the date 30 but not more than 45 days before each Interest Change  
Date is called the "Current Index."

**(C) Calculation of Interest Rate Changes**

Before each Interest Change Date, the Note Holder will calculate my new rate of interest by adding . . . 0.2500 . . .  
percentage points ( . . . 2.500 . . . . . %) to the Current Index. This amount will be my new rate of interest until the next  
Interest Change Date.

**(D) Interest After Default**

The rate of interest required by this Section 2 is the rate I will owe both before and after any default described in  
Section 9(B) below.

**3. CALCULATION OF AMOUNTS OWED EACH MONTH**

The Note Holder will calculate my Full Monthly Amount. The "Full Monthly Amount" is the amount of the  
monthly payment that would be sufficient to repay the unpaid principal balance of the loan at the rate of interest I am  
required to pay by Sections 2(A) and 2(C) above in substantially equal monthly payments over an amortization period  
of thirty (30) years from the date of this note. The balance of the indebtedness, if not sooner paid, shall be due and  
payable on . . . . . December . . . . . 1 . . . . . 20. 25 . . . . . which is called the "maturity date". My first Full Monthly  
Amount is U.S. Five Hundred Three and 11/100 . . . . . (\$ 503.11 . . . . .) Before each Interest Change Date, the  
Note Holder will calculate the new Full Monthly Amount which I will owe each month beginning on the first monthly  
payment date after the Interest Change Date.

The Full Monthly Amount I owe may be more or less than the amount I am required to pay each month. Section 5  
below describes how my unpaid principal balance will change if the amount of my monthly payment and the Full  
Monthly Amount are different.

**4. PAYMENTS**

**(A) Time and Place of Payments**

I will pay principal and interest by making payments every month. My monthly payments will be applied to inter-  
est before principal.

I will make my monthly payments on the first day of each month beginning on . . . . . January . . . . .  
19. 86 . . . . I will make these payments every month until I have paid all the principal and interest and any other  
charges described below that I may owe under this Note. If I still owe amounts under this Note on the maturity date, I  
will pay those amounts in full on that date. Those amounts could be greater than the amount of my last monthly pay-  
ment before the maturity date.

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THIS SECURITY INSTRUMENT IS PART OF A TRANSACTION THAT MAY INVOLVE THE SALE OF REAL PROPERTY AND THE CREATION OF A MORTGAGE INTEREST IN SUCH PROPERTY. THE PARTIES TO THIS SECURITY INSTRUMENT ARE ADVISED THAT THE STATE OF CALIFORNIA HAS A STATUTE THAT PROVIDES THAT IF THE PARTIES TO THIS SECURITY INSTRUMENT DO NOT SIGN THIS SECURITY INSTRUMENT WITHIN THE TIME FRAME SET FORTH IN THIS SECURITY INSTRUMENT, THE SECURITY INSTRUMENT SHALL BE VOID AND OF NO EFFECT.

1. LENDER'S OBLIGATION TO ADVANCE FUNDS. Lender shall advance to Borrower the sum of \$200,000 (Two Hundred Thousand Dollars) in the form of a loan secured by this Security Instrument. The loan shall be made available to Borrower on the date hereof. Lender shall advance the loan to Borrower in accordance with the terms of this Security Instrument.

2. INTEREST. The loan shall bear interest at the rate of 10% per annum, compounded monthly. Interest shall be payable to Lender on the first day of each month. Lender shall have the right to demand immediate payment of all interest due on the loan.

3. PAYMENT OF PRINCIPAL. The loan shall be repaid to Lender in 30 equal monthly payments of \$1,000 (One Thousand Dollars) each, beginning on the first day of the month following the date hereof. Lender shall have the right to demand immediate payment of all principal due on the loan.

4. SECURITY. The loan shall be secured by the property described in the attached Schedule A. Lender shall have the right to take possession of the property if Borrower fails to make any payment due on the loan. Lender shall have the right to sell the property if Borrower fails to make any payment due on the loan.

5. ASSIGNMENT. Lender shall have the right to assign the loan to any third party. Lender shall have the right to assign the security interest in the property to any third party. Lender shall have the right to assign the loan and the security interest in the property to any third party.

6. WAIVER OF DEFENSES. Borrower hereby waives all defenses, claims, and counterclaims that Borrower may have against Lender or any third party. Borrower hereby waives all defenses, claims, and counterclaims that Borrower may have against Lender or any third party.

7. ENTIRE AGREEMENT. This Security Instrument constitutes the entire agreement between the parties. No oral agreement, understanding, or promise shall be binding on the parties. No oral agreement, understanding, or promise shall be binding on the parties.

8. SEVERABILITY. If any provision of this Security Instrument is held to be unenforceable, the remaining provisions shall remain in full force and effect. If any provision of this Security Instrument is held to be unenforceable, the remaining provisions shall remain in full force and effect.

9. GOVERNING LAW. This Security Instrument shall be governed by the laws of the State of California. This Security Instrument shall be governed by the laws of the State of California.

10. SIGNATURES. Lender and Borrower have read and understood the terms of this Security Instrument and have signed it voluntarily. Lender and Borrower have read and understood the terms of this Security Instrument and have signed it voluntarily.

(Seal)

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(Seal)

(Seal)

(Seal)

*Joseph L. Felix*  
JOSEPH L. FELIX  
Borrower

*Kathleen A. Felix*  
KATHLEEN A. FELIX  
Borrower

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**D. TRANSFER OF THE PROPERTY ASSUMPTION**

17. Transfer of the Property Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Security Instrument which does not relate to a transfer of rights of occupancy in the property; (b) the creation of a purchase money security interest for household appliances; (c) a transfer by devise, descent, or by operation of law upon the death of a joint tenant; or (d) the grant of an interest in the property to a third party, the transferee shall be deemed to have assumed the obligations of this Security Instrument. Lender may, at its option, declare all the sums secured by this Security Instrument to be immediately due and payable upon the occurrence of any of the events described in this paragraph. Lender may, at its option, purchase the property secured by this Security Instrument and pay the sums secured by this Security Instrument to the transferee. Lender may, at its option, purchase the property secured by this Security Instrument and pay the sums secured by this Security Instrument to the transferee.

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I will make my monthly payments at GreatAmerican Federal Savings & Loan Association, 1001 Lake Street, Oak Park, IL 60301, or at a different place if required by the Note Holder.

## (B) Amount of Monthly Payments

My monthly payment will be in the amount of U.S. \$ . . . 503.11 . . . . . The Note Holder will change my monthly payment as required by Section 4(C) below on the 5TH . . . . . Interest Change Date and on that day every 60TH . . . month thereafter. Each of these dates is called a "Payment Change Date." The Note Holder will also change my monthly payment on any Interest Change Date if Section 5(B) below requires me to pay the Full Monthly Amount.

## (C) Calculation of Monthly Payment Changes

Before each Payment Change Date, the Note Holder will calculate a new monthly payment sufficient to repay the unpaid principal balance on my loan in full over the remaining amortization period at the Payment Rate in substantially equal payments. The "Payment Rate" is the Index on the most recent Interest Change Date plus . . . 0.2500 . . . percentage points ( . 2,500. %).

I will pay the amount of my new monthly payment until the next Payment Change Date unless Section 5(B) below requires me to pay the Full Monthly Amount.

## (D) Effective Date of Payment Changes

Until my monthly payment is again changed, I will pay the amount of my new monthly payment each month beginning on the first monthly payment date after the Payment Change Date, or Interest Change Date if I am required to pay the Full Monthly Amount.

## 5. UNPAID PRINCIPAL BALANCE

### (A) Changes in My Unpaid Principal Balance

My monthly payment could be less than the amount of the interest portion of the first Full Monthly Amount I owe or less than the interest portion of my first Full Monthly Amount after an Interest Change Date. If so, the Note Holder will subtract the amount of my monthly payment from the amount of interest I owe and will add the difference to my unpaid principal balance each month until the next Interest Change Date. The Note Holder will also add interest on the amount of this difference to my unpaid principal balance each month. Until the next Interest Change Date when the Note Holder determines my new rate of interest on my then unpaid principal balance, the rate of interest on the interest added to principal will be the rate determined in Section 2 above.

My monthly payment could be more than the amount of the Full Monthly Amount. If so, the Note Holder will subtract the difference from the unpaid principal balance of my loan each month until the next Interest Change Date as if I had made a partial prepayment under Section 7 below.

### (B) Limit on Unpaid Principal Balance; Required Full Monthly Amount

My unpaid principal balance can never exceed a maximum amount equal to one hundred twenty-five percent (125%) of the principal amount I originally borrowed. If my paying the amount of my monthly payment after any Interest Change Date would cause the unpaid principal balance to exceed that maximum amount at any time, I must pay instead the Full Monthly Amount as my monthly payment until the next Payment Change Date.

## 6. NOTICE OF CHANGES

The Note Holder will mail or deliver to me a notice of any changes in the Full Monthly Amount and 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. CHARGES; LIENS

Uniform Covenant 4 of the Security Instrument is amended to read as follows:

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 Security Instrument, 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 to payee, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; provided, that Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Security Instrument.

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Security Instrument, Lender shall send Borrower notice identifying such lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within ten days of the giving of notice.

## C. NOTICE

Uniform Covenant 14 of the Security Instrument is amended to read as follows:

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 Security Instrument shall be given by delivering it or by mailing it by first class 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 first class mail to 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 Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

## D. UNIFORM MORTGAGE; GOVERNING LAW; SEVERABILITY

Uniform Covenant 15 of the Security Instrument is amended to read as follows:

15. **Uniform Mortgage; Governing Law; Severability.** This form of 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. 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, and to this end the provisions of this Security Instrument and the Note are declared to be severable.

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