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MORTGAGE

This form is used in connection with mortgages insured under the one to four-family provisions of the National Housing Act.

THIS INDENTURE, Made this 31ST day of JANUARY, 19 86 between MATTHEW W. PANKOW AND RACHEL A. PANKOW, HIS WIFE, Mortgagor, and

SHELTER MORTGAGE CORPORATION a corporation organized and existing under the laws of the State of Wisconsin Mortgagee.

2000

WITNESSETH That whereas the Mortgagor is justly indebted to the Mortgagee, as is evidenced by a certain promissory note bearing even date herewith, in the principal sum of

NINETY THOUSAND FIVE HUNDRED SIXTY-FIVE AND NO /100 Dollars (\$ 90565.00)

payable with interest at the rate of EIGHT 1/2 per centum (8.500 %) per annum on the unpaid balance until paid, and made payable to the order of the Mortgagee at its office in Roselle, Illinois, or at such other place as the holder may designate in writing, and delivered, the said principal and interest being payable in monthly installments of SIX HUNDRED NINETY-SIX AND 37/100 Dollars (\$ 696.37) on the first day of MARCH, 19 86 and a like sum on the first day of each and every month thereafter until the note is fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of FEBRUARY 01, 2016.

*See Adjustable Rate Rider NOW, THEREAFTER, the said Mortgagor, for the better securing of the payment of the said principal sum of money and interest and the performance of the covenants and agreements herein contained, does by these presents MORTGAGE and WARRANT unto the Mortgagee, its successors or assigns, the following described Real Estate situate, lying, and being in the county of COOK and the State of Illinois, to wit

LOT 14 IN BLOCK 21 IN WINSTON PARK NORTH WEST UNIT NUMBER 2 BEING A SUBDIVISION OF SECTION 13, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, ACCORDING TO PLAT THEREOF RECORDED IN RECORDERS OFFICE OF COOK COUNTY, ILLINOIS AS DOCUMENT 17536792 AND RE-RECORDED JUNE 30, 1959 AS DOCUMENT 17584144 IN COOK COUNTY, ILLINOIS.

(Such property having been purchased in whole or in part with the sums secured hereby.)

TAX KEY NO: 02-13-311-014-0000 The attached Riders are incorporated herein and made a part of this instrument.

TOGETHER with all and singular the tenements, hereditaments and appurtenances therunto belonging, and the rents, issues, and profits thereof, and all apparatus and fixtures of every kind for the purpose of supplying or distributing heat, light, water, or power, and all plumbing and other fixtures in or that may be placed in, any building now or hereafter standing on said land, and also all the estate, right, title, and interest of the said Mortgagor in and to said premises.

TO HAVE AND TO HOLD the above-described premises, with the appurtenances and fixtures, unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the said Mortgagor does hereby expressly release and waive.

AND SAID MORTGAGOR covenants and agrees:

To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument, not to suffer any lien of mechanics men or material men to attach to said premises, to pay to the Mortgagee, as hereinafter provided, until said note is fully paid, (1) a sum sufficient to pay all taxes and assessments on said premises, or any tax or assessment that may be levied by authority of the State of Illinois, or of the county, town, village, or city in which the said land is situate, upon the Mortgagor on account of the ownership thereof, (2) a sum sufficient to keep all buildings that may at any time be on said premises, during the continuance of said indebtedness, insured for the benefit of the Mortgagee in such forms of insurance, and in such amounts, as may be required by the Mortgagee.

In case of the refusal or neglect of the Mortgagor to make such payments, or to satisfy any prior lien or incumbrance other than that for taxes or assessments on said premises, or to keep said premises in good repair, the Mortgagee may pay such taxes, assessments, and insurance premiums, when due, and may make such repairs to the property herein mortgaged as in its discretion it may deem necessary for the proper preservation thereof, and any moneys so paid or expended shall become so much additional indebtedness, secured by this mortgage, to be paid out of proceeds of the sale of the mortgaged premises, if not otherwise paid by the Mortgagor.

It is expressly provided, however (all other provisions of this mortgage to the contrary notwithstanding), that the Mortgagee shall not be required nor shall it have the right to pay, discharge, or remove any tax, assessment, or tax lien upon or against the premises described herein or any part thereof or the improvements situated thereon, so long as the Mortgagor shall, in good faith, contest the same or the validity thereof by appropriate legal proceedings brought in a court of competent jurisdiction, which shall operate to prevent the collection of the tax, assessment, or lien so contested and the sale or forfeiture of the said premises or any part thereof to satisfy the same.

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HUD 92110M (5-80)

IN THE EVENT of default in making any monthly payment provided for herein and in the note secured here-
by for a period of thirty (30) days after the due date thereof, or in case of a breach of any other covenant or
agreement herein stipulated, then the whole of said principal sum remaining unpaid together with accrued in-
terest thereon, shall, at the election of the Mortgagee, without notice, become immediately due and payable.

THE MORTGAGOR FURTHER AGREES that should this mortgage and the note secured hereby not be eli-
gible for insurance under the National Housing Act within _____ days from the date hereof (written state-
ment of any officer of the Department of Housing and Urban Development dated subsequent to the
time from the date of this mortgage, declining to insure said note and this mortgage, being deemed conclusive proof of such ineligibility),
the Mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and
payable.

That together with, and in addition to, the monthly payments of principal and interest payable under the
terms of the note secured hereby, the Mortgagee, on the first day of each month until
the said note is fully paid, the following sums:
An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this
instrument and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if this
instrument and the note secured hereby are not insured, as follows:
(1) If and so long as said note and this instrument are insured or are returned under the provisions
of the National Housing Act, an amount sufficient to accumulate the annual mortgage insurance premium, in order to provide each holder with funds to
pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act,
as amended, and applicable Regulations thereunder, or
(11) If and so long as said note and this instrument are held by the Secretary of Housing and Urban
Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal
to one-half (1/2) per centum of the average outstanding balance due on the note com-
puted without taking into account delinquencies or prepayments;
A sum equal to the ground rents, if any, making the premiums that will next become due and payable on
all portions of fee and other hazard insurance covering the mortgaged property, plus taxes and assessments next due
on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the
number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and as-
sessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums,
taxes and special assessments, and
All amounts mentioned in the two preceding subsections of this paragraph and all payments to be made under the
terms hereof shall be added together and the aggregate amount thereof shall be paid by the Mortgagee each
month in single payment to be applied by the Mortgagee to the following items in the order set forth:
(1) Monthly charge under the contract of insurance with the Secretary of Housing and Urban Development, or
(II) Ground rents, if any, taxes, special assessments, fees, and other hazard insurance premiums,
(III) Interest on the note secured hereby, and
(IV) Amount of the principal of the said note.

ANY DELINQUENCY in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagee prior
to the due date of the next such payment, constitute an event of default under this mortgage. The Mortgagee may col-
lect a "late charge" of one percent (1%) for each dollar (\$1) for each payment more than fifteen (15) days in
arrear, to cover the extra expense involved in handling delinquent payments.
If the total of the payments made by the Mortgagee under subsection (b) of the preceding paragraph shall exceed
the amount of the payments actually made by the Mortgagee for ground rents, taxes, and assessments, or insurance
premiums, as the case may be, as current, at the option of the Mortgagee, shall be credited on
subsequent payments to be made by the Mortgagee, or refunded to the Mortgagee. If, however, the monthly payments
made by the Mortgagee under subsection (a) of the preceding paragraph shall not be sufficient to pay ground
rents, taxes, and assessments, or insurance premiums, as the case may be, when the same shall become due
and payable, then the Mortgagee shall pay to the Mortgagee any amount necessary to make up the deficiency, on
or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due.
If at any time the Mortgagee shall tender to the Mortgagee, in accordance with the provisions of the note secured
hereby, full payment of the entire indebtedness contemplated thereby, the Mortgagee shall, in computing the
amount of such indebtedness, credit to the account of the Mortgagee all payments made under the provisions of
subsection (a) of the preceding paragraph which the Mortgagee has not become obligated to pay to the Secretary
of Housing and Urban Development, and any balance remaining in the funds accumulated under the provisions of
subsection (b) of the preceding paragraph shall apply, at the time of the commencement of such proceedings or at
any time thereafter, to the mortgage secured hereby, or at the time of the commencement of such proceedings or at
any time thereafter, to the preceding paragraph as a credit against the amount of principal then remaining unpaid under
said note and shall property adjust any payments which shall have been made under subsection (a) of the pre-
ceding paragraph.

AND, AS ADDITIONAL SECURITY for the payment of the indebtedness aforesaid the Mortgagee does hereby
assign to the Mortgagee all the rents, issues, and profits now due or which may hereafter become due for the use
of the premises hereinafore described.

THAT HE WILL KEEP the improvements now existing or hereafter erected on the mortgaged property, in-
cluding as may be required, from time to time by the Mortgagee against loss by fire and other hazards, casualties
and contingencies in such amounts and for such periods as may be required by the Mortgagee and will promptly
pay, when due, any premiums on such insurance provision for payment of which has not been made heretofore.
All insurance shall be carried in companies approved by the Mortgagee and the policy and renewals thereon
shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable
to the Mortgagee. In event of loss Mortgagee will give immediate notice by mail to the Mortgagee, who may make
front of loss if not made promptly by Mortgagee, and such insurance company concerned as hereby authorized and
directed to make payment for such loss, directly to the Mortgagee, or any part thereof, may be applied to the Mortgagee and the Mortgagee
and the insurance proceeds, or any part thereof, may be applied to the Mortgagee in the option either to
the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In
event of loss of the mortgage or other interest of title to the mortgaged property in extinguishment of the
indebtedness secured hereby, all right, title and interest of the Mortgagee in and to any insurance policies then
in force shall pass to the purchaser or grantee.

THAT AT the premises, or any part thereof, be condemned under any power of eminent domain, or required for
a public use, the Mortgagee, proceeds, and the consideration for such acquisition, to the extent of the full amount
of the indebtedness upon this mortgage, and the note secured hereby remaining unpaid, are hereby assigned by the Mort-
gagee to the Mortgagee and shall be paid forthwith to the Mortgagee to be applied by it on account of the indebted-
ness secured hereby, whether due or not.

THE MORTGAGOR FURTHER AGREES that should this mortgage and the note secured hereby not be eli-
gible for insurance under the National Housing Act within _____ days from the date hereof (written state-
ment of any officer of the Department of Housing and Urban Development dated subsequent to the
time from the date of this mortgage, declining to insure said note and this mortgage, being deemed conclusive proof of such ineligibility),
the Mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and
payable.

IN THE EVENT of default in making any monthly payment provided for herein and in the note secured here-
by for a period of thirty (30) days after the due date thereof, or in case of a breach of any other covenant or
agreement herein stipulated, then the whole of said principal sum remaining unpaid together with accrued in-
terest thereon, shall, at the election of the Mortgagee, without notice, become immediately due and payable.

AND the said Mortgagee further covenants and agrees as follows:
That privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments
on the principal that are next due on the note, on the first day of any month prior to maturity; provided, however,
that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepay-
ment.
That, together with, and in addition to, the monthly payments of principal and interest payable under the
terms of the note secured hereby, the Mortgagee, on the first day of each month until
the said note is fully paid, the following sums:
An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this
instrument and the note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if this
instrument and the note secured hereby are not insured, as follows:
(1) If and so long as said note and this instrument are insured or are returned under the provisions
of the National Housing Act, an amount sufficient to accumulate the annual mortgage insurance premium, in order to provide each holder with funds to
pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act,
as amended, and applicable Regulations thereunder, or
(11) If and so long as said note and this instrument are held by the Secretary of Housing and Urban
Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal
to one-half (1/2) per centum of the average outstanding balance due on the note com-
puted without taking into account delinquencies or prepayments;
A sum equal to the ground rents, if any, making the premiums that will next become due and payable on
all portions of fee and other hazard insurance covering the mortgaged property, plus taxes and assessments next due
on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the
number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and as-
sessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums,
taxes and special assessments, and
All amounts mentioned in the two preceding subsections of this paragraph and all payments to be made under the
terms hereof shall be added together and the aggregate amount thereof shall be paid by the Mortgagee each
month in single payment to be applied by the Mortgagee to the following items in the order set forth:
(1) Monthly charge under the contract of insurance with the Secretary of Housing and Urban Development, or
(II) Ground rents, if any, taxes, special assessments, fees, and other hazard insurance premiums,
(III) Interest on the note secured hereby, and
(IV) Amount of the principal of the said note.

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AND IN THE EVENT That the whole of said debt is declared to be due, the Mortgagee shall have the right immediately to foreclose this mortgage, and upon the filing of any bill for that purpose, the court in which such bill is filed may at any time thereafter, either before or after sale, and without notice to the said Mortgagor, or any party claiming under said Mortgagor, and without regard to the solvency or insolvency at the time of such applications for appointment of a receiver, or for an order to place Mortgagee in possession of the premises of the person or persons liable for the payment of the indebtedness secured hereby, and without regard to the value of said premises or whether the same shall then be occupied by the owner of the equity of redemption, as a homestead, enter an order placing the Mortgagee in possession of the premises, or appoint a receiver for the benefit of the Mortgagee with power to collect the rents, issues, and profits of the said premises during the pendency of such foreclosure suit and, in case of sale and a deficiency, during the full statutory period of redemption, and such rents, issues, and profits when collected may be applied toward the payment of the indebtedness, costs, taxes, insurance, and other items necessary for the protection and preservation of the property.

Whenever the said Mortgagee shall be placed in possession of the above described premises under an order of a court in which an action is pending to foreclose this mortgage or a subsequent mortgage, the said Mortgagee, in its discretion, may: keep the said premises in good repair; pay such current or back taxes and assessments as may be due on the said premises, pay for and maintain such insurance in such amounts as shall have been required by the Mortgagee; lease the said premises to the Mortgagor or others upon such terms and conditions, either within or beyond any period of redemption, as are approved by the court; collect and receive the rents, issues, and profits for the use of the premises hereinabove described; and employ other persons and expend itself such amounts as are reasonably necessary to carry out the provisions of this paragraph.

AND IN CASE OF FORECLOSURE of this mortgage by said Mortgagee in any court of law or equity, a reasonable sum shall be allowed for the solicitor's fees, and stenographers' fees of the complainant in such proceeding, and also for all outlays for documentary evidence and the cost of a complete abstract of title for the purpose of such foreclosure; and in case of any other suit, or legal proceeding, wherein the Mortgagee shall be made a party thereto by reason of this mortgage, its costs and expenses, and the reasonable fees and charges of the attorneys or solicitors of the Mortgagee, so made parties, for services in such suit or proceedings, shall be a further lien and charge upon the said premises under this mortgage, and all such expenses shall become so much additional indebtedness secured hereby and be allowed in any decree foreclosing this mortgage.

AND THERE SHALL BE INCLUDED in any decree foreclosing this mortgage and be paid out of the proceeds of any sale made in pursuance of any such decree: (1) All the costs of such suit or suits, advertising, sale, and conveyance, including attorneys', solicitors', and stenographers' fees, outlays for documentary evidence and cost of said abstract and examination of title; (2) all the moneys advanced by the Mortgagee, if any, for the purpose authorized in the mortgage, with interest on such advances at the rate set forth in the note secured hereby, from the time such advances are made; (3) all the accrued interest remaining unpaid on the indebtedness hereby secured, (4) all the said principal money remaining unpaid. The surplus of the proceeds of sale, if any, shall then be paid to the Mortgagor.

If Mortgagor shall pay said note at the time and in the manner aforesaid and shall abide by, comply with, and duly perform all the covenants and agreements herein, then this conveyance shall be null and void and Mortgagee will, within thirty (30) days after written demand therefor by Mortgagor, execute a release or satisfaction of this mortgage, and Mortgagor hereby waives the benefits of all statutes or laws which require the earlier execution or delivery of such release or satisfaction by Mortgagee.

IT IS EXPRESSLY AGREED that no extension of the time for payment of the debt hereby secured given by the Mortgagee to any successor in interest of the Mortgagor shall operate to release, in any manner, the original liability of the Mortgagor.

THE COVENANTS HEREIN CONTAINED shall bind, and the benefits and advantages shall inure, to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular, and the masculine gender shall include the feminine.

WITNESS the hand and seal of the Mortgagor, the day and year first written.

F ADJUSTABLE RATE RIDER ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL TERMS, COVENANTS AND CONDITIONS OF THIS MORTGAGE. [SEAL.]

Matthew W. Pankow [SEAL.] *Rachel A. Pankow* [SEAL.]
 MATTHEW W. PANKOW RACHEL A. PANKOW

STATE OF ILLINOIS

COUNTY OF *Cook*

I, *the undersigned*, a notary public, in and for the County and State aforesaid, Do Hereby Certify That **MATTHEW W. PANKOW** and **RACHEL A. PANKOW**, his wife, personally known to me to be the same person whose name are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed, and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

GIVEN under my hand and Notarial Seal this **31ST** day **JANUARY**, A. D. 19 **86**

Clara B. Miller
 Notary Public

This instrument drafted by:

ROBIN D STONER SPENCER

DOC. NO. Filed for Record in the Recorder's Office of

County, Illinois, on the day of A.D. 19

at o'clock m., and duly recorded in Book of Page

PREPARED BY ROBIN D STONER SPENCER
 RETURN TO FINANCIAL EXPRESS MORTGAGE
 975 E. NERGE RD S10
 ROSELLE, IL 60172

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COOK COUNTY CLERK'S OFFICE

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For use only with an Adjustable Rate Mortgage, Deed of Trust or Security Deed insured under section 203(b), 203(k) (first lien only) or 234(c) of the National Housing Act, using the Margin method.

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 31ST day of JANUARY, 19 86, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Mortgage"), of even date herewith, given by the undersigned ("Mortgagor") to secure Mortgagor's Adjustable Rate Note ("Note"), of even date herewith, to SHELTER MORTGAGE CORPORATION ("Mortgagee"), covering the premises described in the Mortgage and located at 221 NORTH LYTLE, PALATINE, IL 60067.

Notwithstanding anything to the contrary set forth in the Mortgage, Mortgagor and Mortgagee hereby agree to the following:

1. Under the Note, the initial stated interest rate of EIGHT AND 50/100 per centum (8.50%) per annum ("Initial Interest Rate") on the unpaid principal balance is subject to change, as hereinafter described. When the interest rate changes, the equal monthly installments of principal and interest also will be adjusted, as hereinafter provided, so that each installment will be in an amount necessary to fully amortize the unpaid principal balance of the Note, at the new adjusted interest rate, over the remaining term of the Note.
2. The first adjustment to the interest rate (if any adjustment is required) will be effective on the first day of JULY 01, 19 87 (which date will not be less than twelve months nor more than eighteen months from the due date of the first installment payment under the Note), and thereafter each adjustment to the interest rate will be made effective on that day of each succeeding year during the term of the Mortgage ("Change Date").
3. Each adjustment to the interest rate will be made based upon the following method of employing the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year ("Index"; the Index is published in the Federal Reserve Bulletin and made available by the United States Treasury Department in Statistical Release H. 15

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(519)). As of each Change Date, it will be determined whether or not an interest rate adjustment must be made, and the amount of the new adjusted interest rate, if any, as follows:

- (a) The amount of the Index will be determined, using the most recently available figure, thirty (30) days before the Change Date ("Current Index").
- (b) Two percentage points (2.00%; the "Margin") will be added to the Current Index and the sum of this addition will be rounded to the nearest one-eighth of one percentage point (0.125%). The rounded sum, of the Margin plus the Current Index, will be called the "Calculated Interest Rate" for each Change Date.
- (c) The Calculated Interest Rate will be compared to the interest rate being earned immediately prior to the current Change Date (such interest rate being called the "Existing Interest Rate"). Then, the new adjusted interest rate, if any, will be determined as follows:
 - (i) If the Calculated Interest Rate is the same as the Existing Interest Rate, the interest rate will not change.
 - (ii) If the difference between the Calculated Interest Rate and the Existing Interest Rate is less than or equal to one percentage point, the new adjusted interest rate will be equal to the Calculated Interest Rate (subject to the maximum allowable change over the term of the Mortgage of five percentage points, in either direction, from the Initial Interest Rate, herein called the "5% Cap").
 - (iii) If the Calculated Interest Rate exceeds the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point higher than the Existing Interest Rate (subject to the 5% Cap).
 - (iv) If the Calculated Interest Rate is less than the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point less than the Existing Interest Rate (subject to the 5% Cap).

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- (d) Notwithstanding anything contained in this Adjustable Rate Rider, in no event will any new adjusted interest rate be more than five percentage (5%) points higher or lower than the Initial Interest Rate. If any increase or decrease in the Existing Interest Rate would cause the new adjusted interest rate to exceed the 5% Cap, the new adjusted interest rate will be limited to five percentage (5%) points higher or lower, whichever is applicable, than the Initial Interest Rate.
 - (e) Mortgagee will perform the functions required under Subparagraphs 3(a), (b) and (c) to determine the amount of the new adjusted rate, if any. Any such new adjusted interest rate will become effective on the Change Date and thereafter will be deemed to be the Existing Interest Rate. The new Existing Interest Rate will remain in effect until the next Change Date on which the interest rate is adjusted.
 - (f) The method set forth in this Paragraph 3 of this Adjustable Rate Rider, for determining whether or not an adjustment must be made to the Existing Interest Rate incorporates the effects of the provisions of 24 CFR 203.49(e)(1) and 234.79(e)(1) which require that changes in the Index in excess of one percentage point must be carried over for inclusion in adjustments to the Existing Interest Rate in subsequent years.
 - (g) If the Index is no longer available, Mortgagee will be required to use any index prescribed by the Department of Housing and Urban Development. Mortgagee will notify Mortgagor in writing of any such substitute index (giving all necessary information for Mortgagor to obtain such index) and after the date of such notice the substitute index will be deemed to be the Index hereunder.
4. (a) If the Existing Interest Rate changes on any Change Date, Mortgagee will recalculate the monthly installment payments of principal and interest to determine the amount which would be necessary to repay in full, on the maturity date, the unpaid principal balance (which unpaid principal balance will be deemed to be the amount due on such Change Date assuming there has been no default in any payment on the Note but that all prepayments on the Note have been taken into account), at the new Existing Interest Rate, in equal monthly payments. On or before the Change Date, Mortgagee will give Mortgagor written notice ("Adjustment Notice") of

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any change in the Existing Interest Rate and of the revised amount of the monthly installment payments of principal and interest, calculated as provided above. Each Adjustment Notice will set forth (i) the date the Adjustment Notice is given, (ii) the Change Date, (iii) the new Existing Interest Rate as adjusted on the Change Date, (iv) the amount of the adjusted monthly installment payments, calculated as provided above, (v) the Current Index, (vi) the method of calculating the adjustment to the monthly installment payments, and (vii) any other information which may be required by law from time to time.

(b) Mortgagor agrees to pay the adjusted monthly installment amount beginning on the first payment date which occurs at least thirty (30) days after Mortgagee has given the Adjustment Notice to Mortgagor. Mortgagor will continue to pay the adjusted monthly installment amount set forth in the last Adjustment Notice given by Mortgagee to Mortgagor until the first payment date which occurs at least thirty (30) days after Mortgagee has given a further Adjustment Notice to Mortgagor. Notwithstanding anything to the contrary contained in this Adjustable Rate Rider or the Mortgage, Mortgagor will be relieved of any obligation to pay, and Mortgagee will have forfeited its right to collect, any increase in the monthly installment amount (caused by the recalculation of such amount under Subparagraph 4(a) for any payment date occurring less than thirty (30) days ~~WHEREIN~~ AFTER Mortgagee has given the applicable Adjustment Notice to Mortgagor.

(c) Notwithstanding anything contained in this Adjustable Rate Rider, in the event that (i) the Existing Interest Rate was reduced on a Change Date, and (ii) Mortgagee failed to give the Adjustment Notice when required, and (iii) Mortgagor, consequently, has made any monthly installment payments in excess of the amount which would have been set forth in such Adjustment Notice ("Excess Payments"), then Mortgagor, at Mortgagor's sole option, may either (1) demand the return from Mortgagee (who for the purposes of this sentence will be deemed to be the mortgagee, or mortgagees, who received such Excess Payments, whether or not any such mortgagee subsequently assigned the Mortgage) of all or any portion of such Excess Payments, with interest thereon at a rate equal to the Index on the Change Date when the Existing Interest Rate was so reduced, from the date each such Excess Payment was made by Mortgagor to repayment, or (2) request

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that all or any portion of such Excess Payments, together with all interest thereon calculated as provided above, be applied as payments against principal.

5. Nothing contained in this Adjustable Rate Rider will permit Mortgagee to accomplish an interest rate adjustment through an increase (or decrease) to the unpaid principal balance. Changes to the Existing Interest Rate may only be reflected through adjustment to Mortgagor's monthly installment payments of principal and interest, as provided for herein.

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

Matthew W. Pankow (Seal)
Mortgagor MATTHEW W. PANKOW

Rachel A. Pankow (Seal)
Mortgagor RACHEL A. PANKOW

Return to:

Shelter Mortgage Corporation d/b/a
Financial Express Mortgage, 976 E. Norgo Rd., S. 10
Roselle, IL 60172

85047532

Property of Cook County Clerk's Office

RIDER TO STATE OF ILLINOIS
MORTGAGE HUD-92116M (5-80)

This rider attached to and made part of the Mortgage between MATTHEW W. PANKOW AND RACHEL A. PANKOW, HIS WIFE, Mortgagor, and Shelter Mortgage Corporation, Mortgagee, dated JANUARY 31, 1986 revises said Mortgage as follows:

- 1. Page 2, the first covenant of the Mortgagor, which reads as follows is deleted:

That privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity; provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to prepayment.

- 2. Page 2, the first covenant of the Mortgagor is amended by the addition of the following:

"Privilege is reserved to pay the debt, in whole or in part, on any installment due date."

- 3. Page 2, the second covenant of the Mortgagor is amended to read:

That, together with and in addition to, the monthly payments of principal and interest payable under the terms of the note secured hereby, the Mortgagor will pay to the Mortgagee, on the first day of each month until the said note is fully paid, the following sums:

- (a) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes and special assessments; and
- (b) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:
 - (i) ground rents, if any, taxes, special assessments, fire, and other hazard insurance premiums;
 - (ii) interest on the note secured hereby; and
 - (iii) amortization of principal of the said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. The mortgagee may collect a "late charge" not to exceed four cents (4¢) for each dollar (\$1) for each payment more than fifteen (15) days in arrears, to cover the extra expense involved in handling delinquent payments.

If the total of the payments made by the Mortgagor under subsection (a) of the preceding paragraph shall exceed the amount of the payments actually made by the Mortgagee for ground rents, taxes, and assessments, or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Mortgagor, shall be credited on subsequent payments to be made by the Mortgagor, or refunded to the Mortgagor. If, however, the monthly payments made by the Mortgagor under subsection (a) of the preceding paragraph shall not be sufficient to pay ground rents, taxes, and assessments, or insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee any amount

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necessary to make up the deficiency, on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any balance remaining in the funds accumulated under the provisions of subsection (a) of the preceding paragraph. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby, or if the Mortgagee acquires the property otherwise after default, the Mortgagee shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under subsection (a) of the preceding paragraph as a credit against the amount of principal then remaining unpaid under said note.

4. Page 2, the penultimate paragraph is amended to add the following sentence:

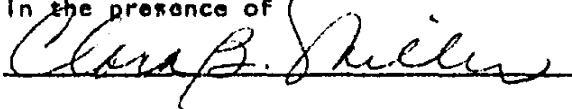
This option may not be exercised by the Mortgagee when the Ineligibility for insurance under the National Housing Act is due to the Mortgagee's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development.

IN WITNESS WHEREOF, Mortgagor has set his hand and seal the day and year first aforesaid.


MATTHEW W. PANKOW (SEAL)


RACHEL A. PANKOW (SEAL)

Signed, sealed and delivered
in the presence of



RETURN TO FINANCIAL EXPRESS
975 E. NERGE RD S10
ROSELLE, IL 60172

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