

# UNOFFICIAL COPY

(Space Above This Line for Recording Date)

This instrument prepared by and should be returned to:  
**LEONY TAVAS-SCOTT**  
The First National Bank of Chicago  
One First National Plaza  
Suite 0049  
Chicago, Illinois 60670-0049

## MORTGAGE

86376273

REO 72192-1

THIS MORTGAGE ("Security Instrument") is given on August 25, 1986.  
The mortgagor is ARNOLD W. LAU, UNMARRIED MALE NEVER HAVING BEEN MARRIED

..... ("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 NINETY-EIGHT THOUSAND AND NO/100  
Dollars (U.S. \$ 98,000.00). 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 pay-  
able on September 01, 2014. This Security Instrument secures to Lender: (a) the repayment of the debt evi-  
denced 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:

RECORDED  
INDEXED  
AUG 27 1986  
COOK COUNTY RECORDER

Unit No. 44 in Commons of Evanston Condominium Development, as delineated on a  
Survey of certain parts of Lot 1 in the Commons of Evanston Consolidation (as per  
Plat of Consolidation filed and recorded on February 27, 1976 in the Recorder's  
Office of Cook County, Illinois, as Document No. 23401594, and in the Office of the  
Registrar of Titles of Cook County, Illinois, as Document No. 2856815) of Lots 13  
to 18, both inclusive in Block 9 in White's Addition to Evanston (as per Plat  
thereof recorded in the Recorder's Office of Cook County, Illinois, in Book 4 of  
Plats, Page 53), in Fractional Section 19, Township 41 North, Range 14, East of  
the Third Principal Meridian (hereinafter referred to as "Parcel"), which Survey  
is attached as Exhibit 'A' to Declaration of Condominium made by the First National  
Bank and Trust Company of Evanston, a national banking association, as Trustee  
under Trust Agreement dated July 16, 1975 and known as Trust No. R-1851 recorded  
in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No.  
23545378 and registered in the Office of the Registrar of Titles of Cook County,  
Illinois, as Document No. LR 2879519, as amended from time to time; together with  
its undivided percentage interest in said Parcel (excepting from said Parcel all  
the property and space comprising all the Units.)

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which has the address of 880 FOREST, #D EVANSTON  
(Street) (City)  
Illinois 60202 ("Property Address"); REAL ESTATE TAX ID #11-19-403-016-1044  
(Zip Code)

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurte-  
nances, 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 fore-  
going 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 en-  
cumbrances 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.

REI#C-16664

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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 are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over 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.

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. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, 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 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.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. 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.

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.

**3. Application of Payments.** 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.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over 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, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender 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.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends 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 attain 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.

**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 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.

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 give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, 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, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

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 policies 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.

**6. Preservation and Maintenance of Property; Leaseholds.** 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.

**7. Protection of Lender's Rights in the Property; Mortgage 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 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 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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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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03/20/2014

This ADJUSTABLE RATE RIDER TO MORTGAGE is made this 25th day of August 19 86 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:

880 FOREST, #D, EVANSTON, IL 60202  
(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 9.750 % 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 JULY 19 86 was 6.360 %.

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 2.8 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 4.000 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 4.000 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.

86376273

ARNOLD W. LAU

Borrower

(Seal)

Borrower

(Seal)

(Sign Original Only)

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## CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 25th day of August, 1986, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to THE FIRST NATIONAL BANK OF CHICAGO (the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 880 FOREST RD, EVANSTON, IL 60202 (Property Address)

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

COMMONS OF EVANSTON

(Name of Condominium Project)

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

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

**A. Condominium Obligations.** Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

**B. Hazard Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

**C. Public Liability Insurance.** Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

**D. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

**E. Lender's Prior Consent.** Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;

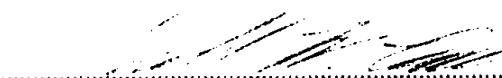
(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;

(iii) termination of professional management and assumption of self-management of the Owners Association; or

(iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

**F. Remedies.** If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the 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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

  
..... (Seal)  
Borrower  
ARNOLD W. LAU

..... (Seal)  
Borrower

REO# REO 72192-1  
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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 25th day of August, 1986 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 of 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 59th 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.

\_\_\_\_\_  
ARNOLD W. LAU

Borrower

\_\_\_\_\_  
Borrower

86376973  
1861

ISIGN ORIGINAL ONLY!

REO# REO 72192-1  
LTS

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

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 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.

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.

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.

22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

23. Riders 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 each 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. [Check applicable box(es)]

- Adjustable Rate Rider
- Condominium Rider
- 2-4 Family Rider
- Addendum to Adjustable Rate Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Other(s) [specify]

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.

..... (Seal)  
 ARNOLD W. LAU -Borrower

..... (Seal)  
 -Borrower

..... (Seal)  
 -Borrower

..... (Seal)  
 -Borrower

[Space Below This Line For Acknowledgment]

STATE OF ILLINOIS, COOK County ss:

I, THE UNDERSIGNED, a Notary Public in and for said county and state, do hereby certify that ARNOLD W. LAU, UNMARRIED MALE NEVER HAVING BEEN MARRIED.....

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

Given under my hand and official seal, this 25th day of August, 1986. My Commission expires: 7-3-87

[Signature of Notary Public]

Box 169

IDENTIFIED  
 No. 543522  
 Registry of Tolls and Fees  
 HARRY 'BUS' YOURELL  
 P.E.I.

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