

# UNOFFICIAL COPY

COOK COUNTY, ILLINOIS  
FILED FOR RECORD

1987 OCT 22 PM 2: 27

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## MORTGAGE

514788-9

18.00

THIS MORTGAGE ("Security Instrument") is given on OCTOBER 21 1987 The mortgagor is JACK KANUK, BACHELOR AND RICHARD W. FOSTER, BACHELOR

("Borrower"). This Security Instrument is given to HORIZON FEDERAL SAVINGS BANK

which is organized and existing under the laws of THE UNITED STATES OF AMERICA, and whose address is 1210 CENTRAL AVENUE WILMETTE, ILLINOIS 60091 ("Lender").

Borrower owes Lender the principal sum of TWO HUNDRED THIRTY SIX THOUSAND AND NO/100

Dollars (U.S. \$ 236,000.00 ). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on NOVEMBER 1, 2017 This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property

located in COOK County, Illinois: LOT 21 IN SUB-BLOCK 2 IN JAMES MORGAN'S SUBDIVISION OF THE EAST 1/2 OF BLOCK 10 IN SHEFFIELD'S ADDITION TO CHICAGO IN THE NORTH EAST 1/4 OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

14-32-216-015-0000

which has the address of 2121 NORTH KENMORE

CHICAGO

(Street)

(City)

Illinois

60614

("Property Address");

(Zip Code)

87571601

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

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

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

11/34/87 3 DE Fair Deal

RECORD AND RETURN TO: BOX 333-CC

HORIZON FEDERAL SAVINGS BANK  
EVANSTON, IL 60202  
PREPARED BY:

Notary Public  
*Richard W. Foster*

My Commission expires: 5-16-88

Given under my hand and official seal, this 21st day of October, 1987

signed and delivered the said instrument as THEIR free and voluntary act, for the uses and purposes therein set forth.

do hereby certify that JACK KANUK, BACHELOR AND RICHARD W. FOSTER, BACHELOR, 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

STATE OF ILLINOIS  
*Richard W. Foster*  
County ss: \_\_\_\_\_

[Space Below This Line For Acknowledgment]

\_\_\_\_\_  
(Seal)  
Borrower

\_\_\_\_\_  
(Seal)  
Borrower

\_\_\_\_\_  
(Seal)  
Borrower  
RICHARD W. FOSTER

\_\_\_\_\_  
(Seal)  
Borrower  
JACK KANUK

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

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

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))

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

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time but not limited to, reasonable attorneys' fees and costs of title evidence.

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.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**2. Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments 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, unless 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. A charge assessed by Lender in connection with Borrower's entering into this Security Instrument to pay the cost of an independent tax reporting service shall not be a charge for purposes of the preceding sentence. 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 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 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 a 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.

85451578

Borrower RICHARD W. FOSTER

*Richard W Foster*

Borrower JACK KANUK

*Jack Kanuk*

87511501

IN WITNESS WHEREOF, BORROWER has executed this RIDER.

Upon payment of all sums secured by this Mortgage and payment of a reasonable fee for preparation of the release deed, Lender shall release this Mortgage. Borrower shall pay all costs of recordation.

If the Federal Home Loan Mortgage Corporation buys all or some of the lender's rights under the Mortgage (or Trust Deed) and Note, the promises and agreements in this rider will no longer have any force of effect.

Borrower and Lender agree that covenant 21 of the Mortgage shall only be given effect if the Note secured by this Mortgage is sold or assigned, either in whole or in part, to either the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation and that otherwise the following provisions shall apply to a release of Mortgage:

2121 NORTH KENMORE, CHICAGO, ILLINOIS 60614

THIS RIDER is incorporated into a certain Mortgage dated of even date herewith given by the undersigned to secure loan indebtedness; said Mortgage encumbers real property commonly described as:

DATE : OCTOBER 21, 1987  
LOAN NO. : 514788-9

RELEASE FEE RIDER

**1-4 FAMILY RIDER  
Assignment of Rents**

THIS 1-4 FAMILY RIDER is made this 21ST day of OCTOBER, 19 87, 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 HORIZON FEDERAL SAVINGS BANK (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

2121 NORTH KENMORE, CHICAGO, ILLINOIS 60614

(Property Address)

14-32-216-015-0000

**1-4 FAMILY COVENANTS.** In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

- A. USE OF PROPERTY; COMPLIANCE WITH LAW.** Borrower shall not seek, agree to or make a change in the use of the Property or its zoning classification, unless Lender has agreed in writing to the change. Borrower shall comply with all laws, ordinances, regulations and requirements of any governmental body applicable to the Property.
- B. SUBORDINATE LIENS.** Except as permitted by federal law, Borrower shall not allow any lien inferior to the Security Instrument to be perfected against the Property without Lender's prior written permission.
- C. RENT LOSS INSURANCE.** Borrower shall maintain insurance against rent loss in addition to the other hazards for which insurance is required by Uniform Covenant 5.
- D. "BORROWER'S RIGHT TO REINSTATE" DELETED.** Uniform Covenant 18 is deleted.

**E. ASSIGNMENT OF LEASES.** Upon Lender's request, Borrower shall assign to Lender all leases of the Property and all security deposits made in connection with leases of the Property. Upon the assignment, Lender shall have the right to modify, extend or terminate the existing leases and to execute new leases, in Lender's sole discretion. As used in this paragraph E, the word "lease" shall mean "sublease" if the Security Instrument is on a leasehold.

**F. ASSIGNMENT OF RENTS.** Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's Notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (i) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (ii) Lender shall be entitled to collect and receive all of the rents of the Property; and (iii) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant. Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph F. Lender shall not be required to enter upon, take control of or maintain in the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

**G. CROSS-DEFAULT PROVISION.** Borrower's default or breach under any note or agreement in which Lender has an interest shall be a breach under the Security Instrument and Lender may invoke any of the remedies permitted by the Security Instrument.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this 1-4 Family Rider.

JACK KANOK (Seal) *Jack Kanok*

RICHARD W. FOSTER (Seal) *Richard W. Foster*

\_\_\_\_\_  
(Seal) -Borrower

\_\_\_\_\_  
(Seal) -Borrower

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Property of Cook County Clerk's Office

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (i) I must give the Note Holder thirty (30) days prior written notice that I want to do so; (ii) on the Conversion Date, I must pay the Note Holder a conversion fee equal to one percent (1.0%) of the outstanding principal of this Note as of the Conversion Date; (iv) I must sign and give to the Note Holder any documents the Note Holder requires to effect the conversion; (v) I have made no more than one monthly payment late in the preceding 12 months, and (vi) interest rate can convert to the new fixed rate is called the "Conversion Date."

The conversion can only take place as of the last day of any calendar month. Each date on which my adjustable rate can convert to the new fixed rate is called the "Conversion Date."

I have a Conversion Option which I can exercise unless I am in default or this Section 5 (A) will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by this Note from an adjustable rate with interest rate limits to the fixed rate calculated under Section 5 (B) below.

5. FIXED INTEREST RATE CONVERSION OPTION

(A) Option to Convert to Fixed Rate

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

B. FIXED INTEREST RATE OPTION

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

The Note Holder will deliver or mail to me a notice of any changes in my adjustable interest rate and the amount 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.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my adjustable interest rate and the amount 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.

(E) Effective Date of Changes

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

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 11.125% or less than 7.125%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 14.125%. The interest rate limits of this Section 4 (D) will not apply if I exercise my Conversion Option under Section 5 of this Note.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding 2.50% to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4 (D) below, this rounded amount will be my new interest rate until the next Change Date.

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 5 years 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."

(A) Change Date

The adjustable interest rate I will pay may change on the first day of NOVEMBER, 1992, and on that day every 60 months thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 9.125%. The Note provides for changes in the adjustable interest rate and the monthly payments, as follows:

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

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

ADJUSTABLE RATE TO A FIXED RATE.

BORROWER MUST PAY THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM ADJUSTABLE RATE THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S ADJUSTABLE INTEREST RATE FOR CHANGES IN THE INTEREST RATE AND

{Property Address}

2121 NORTH KENMORE, CHICAGO, ILLINOIS 60614

THIS ADJUSTABLE RATE RIDER is made this 21st day of OCTOBER, 1987, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") to secure Borrower's Adjustable Rate Note (the "Note") to HORIZON FEDERAL SAVINGS BANK, A FEDERAL CORPORATION.

87521601



UNOFFICIAL COPY

Property of Cook County Clerk's Office

Borrower

(Seal)

Borrower

(Seal)

Richard W. Foster  
Richard W. Foster  
JACK KANUK  
Jack Kanuk

87571601

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

on Borrower. period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this

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 within which Borrower must pay all

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 exer-

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any in- stead be in effect, as follows: shall then cease to be in effect, and the provisions of Uniform Covenant 17 of the Security Instrument shall in-

2. If Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in Section C (1) above instrument without further notice or demand on Borrower.

these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security In- mated within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or

If Lender exercises the option to require immediate payment in full, 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

ment unless Lender releases Borrower in writing. and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instru- acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's in this Security Instrument is acceptable to Lender. security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement

transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's if: (a) Borrower causes to be submitted to Lender information requested by Lender to evaluate the intended

full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exer- cise prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option

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 exer-

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any in- justable Rate Rider, Uniform Covenant 17 of the Security Instrument is amended to read as follows:

**C. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER**

1. Until Borrower exercises the Conversion Option under the conditions stated in Section B of this Ad- justable Rate Rider, Uniform Covenant 17 of the Security Instrument is amended to read as follows:

ing of a home loan. New Mortgage and such other costs as may be customarily charged by a lender in connection with the refinanc- recording the New Mortgage, the cost of issuing a title insurance policy in favor of Lender with respect to the

by the Note Holder in connection therewith, including, without limitation, the cost of the preparation and recor- ding of a release of the Security Instrument, the cost of preparing a New Note and a New Mortgage, the cost of Mortgage, I acknowledge and agree that I shall be responsible for the payment of all costs and expenses incurred

Federal Home Loan Mortgage Corporation. If the Note Holder requires that I execute a New Note and New Mortgage for sale to the Federal National Mortgage Association and/or the Security Instrument, with such changes or modifications as the Note Holder deems necessary or appropriate to (i) reflect the fact that the interest rate shall be fixed for the balance of the term of the New Note and/or (ii) to

fixed interest rate equal to the rate determined under Paragraph (B) above with monthly payments determined under Paragraph (C) above and shall contain other terms which are substantially similar to those in the Note and

mortgage ("New Mortgage") which shall replace the Note and Security Instrument and which shall provide for a

I acknowledge and agree that at the Note Holder's option, I will execute a new note ("New Note") and a new

(D) New Note and Mortgage version Date, I will pay the new amount as my monthly payment until the maturity date.

If I choose to exercise the Conversion Option, the Note Holder will determine the amount of the monthly

payment that would be sufficient to repay the unpaid principal I am expected to owe on the Conversion Date in

full on the maturity date at my new fixed interest rate in substantially equal payments. The result of this calcula-

tion will be the new amount of my monthly payment. Beginning with my first monthly payment after the Con-

version Date, I will pay the new amount as my monthly payment until the maturity date.

(C) New Payment Amount and Effective Date information.

My new, fixed interest rate will be equal to the Federal Home Loan Mortgage Corporation's required net

yield as of a date and time of day specified by the Note Holder for (1) if the original term of this Note is greater

than 15 years, 30-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus

one-half of one percentage point (0.5%), rounded to the nearest one-eighth of one percentage point (0.125%), or

(ii) if the original term of this Note is 15 years or less, 15-year fixed rate mortgages covered by applicable 60-day

mandatory delivery commitments, plus one-half of one percentage point (0.5%), rounded to the nearest one-

eighth of one percentage point (0.125%). If this required net yield cannot be determined because the applicable

information are not available, the Note Holder will determine my interest rate by using comparable

information.

(B) Calculation of Fixed Rate

the Note Holder obtains a property inspection (at my cost) which reveals no signs of depreciating value of my

house.

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