

87581502

Handwritten notes on the left margin: 456607-9212

LOAN NUMBER 09-58-71541 [Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on OCTOBER 23, 19 87 The mortgagor is ALBERT W. ARENDS AND CHERYL M. ARENDS HIS WIFE

("Borrower"). This Security Instrument is given to SEARS MORTGAGE CORPORATION

which is organized and existing under the laws of THE STATE OF OHIO, and whose address is 300 KNIGHTSBRIDGE PARKWAY #500 LINCOLNSHIRE, ILLINOIS 60069 ("Lender").

Borrower owes Lender the principal sum of SIXTY SEVEN THOUSAND DOLLARS AND NO/100

Dollars (U.S. \$ 67,000.00). 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:

UNIT 2-B TOGETHER WITH ITS UNDIVIDED PERCENT INTEREST IN THE COMMON ELEMENTS IN THE PARK CONDOMINIUM AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED AS DOCUMENT NO. 23240371, AS AMENDED, IN SECTION 16, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER 13 16 117 045 1011 \* VOLUME NUMBER 339

87581502 (vertical stamp)

which has the address of 4572 N. MILWAUKEE AVE., CHICAGO Illinois 60630 ("Property Address"); (Street) (City) (Zip Code)

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

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

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

UNOFFICIAL COPY

OFFICIAL SEAL  
Amy Lynn Patz  
Notary Public, State of Illinois  
My Commission Expires 10/31/87



MAIL TO  
CATHY FRABE  
SEARS MORTGAGE CORPORATION  
1834 WALDEN OFFICE SQUARE ST 200  
SCHAMBERG, ILLINOIS 60630

Given under my hand and official seal, this 23rd day of OCTOBER 19 87  
set forth:  
signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein  
subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they  
personally known to me to be the same person(s) whose name(s) are

do hereby certify that  
I, the undersigned  
ALBERT W ARENDS and CHERYL M ARENDS, his wife  
a Notary Public in and for said county and state,  
State of Illinois, COOK County ss:

(Space Below This Line For Acknowledgment)

ALBERT W. ARENDS (Seal)  
CHERYL M. ARENDS (Seal)  
Borrower  
Borrower  
Borrower

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

- ADJUSTABLE RATE RIDER 
GRADUATED PAYMENT RIDER 
PLANNED UNIT DEVELOPMENT RIDER 
OTHER(S) [specify] 
ADDITION TO ADJUSTABLE RATE RIDER
- 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. (Check applicable box(es))
- Adjustable Rate Rider
- Condominium Rider
- 2-4 Family Rider

875815102

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.



the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Lender may take action under this paragraph 7, Lender does not have to do so.

Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although in the Property, Lender's actions may include paying any sums secured by a lien which has priority over this Security (regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect 7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the fee title shall not merge unless Lender agrees to the merger in writing.

Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, 6. Preservation and Maintenance of Property; Leasehold. Borrower shall not destroy, damage or substantially Instrument immediately prior to the acquisition.

from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal, shall not extend or when the notice is given.

the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If 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 repair is economically feasible and Lender's security is not lessened. If the carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. 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 carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

unreasonably withheld. All insurance carrier providing the insurance shall be chosen by Borrower, subject to Lender's approval which shall not be requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. The insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender 5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property of the giving of notice.

notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days the Property is subject to a lien which may attach to this Security Instrument. Lender may give Borrower a agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of prevail the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an fail the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) receipts evidencing the payments.

to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall Property which may attach to this Security Instrument, and leasehold payments or ground rents, if any. 4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Note; third, to amounts payable under paragraph 2; fourth, to interest due; and last, to principal due.

paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the 3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under application as a credit against the sums secured by this Security Instrument. than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower amount necessary to make up the deficiency in one or more payments as required by Lender.

amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to this Security Instrument.

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

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

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due 1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due

875815102

# UNOFFICIAL COPY

## ADJUSTABLE RATE RIDER (1 Year Treasury Index—State Cap)

0 1 5 0 2

THIS ADJUSTABLE RATE RIDER is made this 23 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") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to SEARS MORTGAGE CORPORATION, AN OHIO CORPORATION, the Lender, of the same date and covering the property described in the Security Instrument and located at:

4572 N. MILWAUKEE AVE., #2B, CHICAGO, ILLINOIS 60630

[Property Address]

**THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.**

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

### A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

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

### 4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

#### (A) Change Dates

The interest rate I will pay may change on the first day of NOVEMBER 1, 1988, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

#### (B) The Index

Beginning with the first Change Date, my 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 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

#### (C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND 75/100THS percentage points (2.75%) to the Current Index. The Note Holder will then round the result of this addition 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.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

#### (D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 10.375% or less than 6.375%. 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 twelve months. My interest rate will never be greater than 14.375% AND NEVER LOWER THAN 2.375%.

#### (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.

#### (F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

### B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Security Instrument is amended to read as follows:

**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. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee, and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

87581502

UNOFFICIAL COPY

Property of Cook County Clerk's Office

50214372

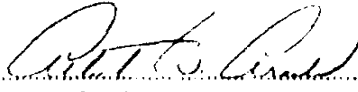
87581502

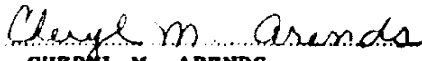
# UNOFFICIAL COPY

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

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 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.

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

  
..... (Seal)  
ALBERT W. ARENDS ..... Borrower

  
..... (Seal)  
CHERYL M. ARENDS ..... Borrower

..... (Seal)  
..... Borrower

..... (Seal)  
..... Borrower

Property of Cook County Clerk's Office

875815072

UNOFFICIAL COPY

Property of Cook County Clerk's Office

87581502  
10/10/12



## ADDENDUM TO ADJUSTABLE RATE RIDER (Fixed Rate Conversion Option)

THIS ADDENDUM TO THE ADJUSTABLE RATE RIDER is made this 23RD day of **OCTOBER**, 19 **87**, and is incorporated into and shall be deemed to amend and supplement the Adjustable Rate Rider (the "Rider") to the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") each of which bears the same shown above and is given by the undersigned (the "Borrower") to secure the Borrower's Adjustable Rate Note to **SEARS MORTGAGE CORPORATION AN OHIO CORPORATION**

(the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at

**4572 N. MILWAUKEE AVE., #2B CHICAGO, ILLINOIS 60630**  
(Property Address)

IN ADDITION TO THE PROVISIONS CONTAINED IN THE RIDER TO THE SECURITY INSTRUMENT, THIS ADDENDUM MAY PERMIT THE BORROWER TO CONVERT THE ADJUSTABLE RATE LOAN INTO A FIXED RATE, LEVEL PAYMENT, FULLY AMORTIZING LOAN.

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

### A. OPTION TO CONVERT TO FIXED RATE

Except as provided in Section B below and notwithstanding anything to the contrary in the Note or the Rider to the Security Instrument, I may choose to convert my adjustable rate interest payments to fixed rate interest payments at any time during the second, third, fourth and fifth years of the mortgage term.

To initiate the conversion of the interest rate from an adjustable rate to a fixed rate, I must pay a nonrefundable conversion fee to register with the Lender my intention to convert my loan at the current conversion rate and fee.

The interest rate at which this loan may be converted may be obtained from the Lender on the day my conversion fee is received. This day is called the "Conversion Registration Date". The fixed rate of interest I must pay will be calculated as the net yield posted for Sears Mortgage Securities Corporation's 30-year fixed rate mortgage program, 60-day mandatory delivery commitment period, on the Conversion Registration Date, plus the servicing fee established by the Lender.

If such a required rate is not available, the Lender will determine my new fixed interest rate by using a comparable figure.

### B. CONDITIONS TO OPTION

I will not have the option to convert my adjustable rate interest payments in Section A above if I am not current with respect to all payments due or if any payment was not made within the month it was due during the previous 12 months.

I must submit the required conversion fee, which sum will not be refundable, in order to initiate the conversion and lock in the new fixed mortgage interest rate. I also must sign and give to the Lender a document, in any form that the Lender may require, changing the terms of the Note as necessary to give effect to the conversion. This document must be received by the Lender no later than the 15th business day from the Conversion Registration Date. If the completed forms are not received by the Lender within the prescribed time period, the conversion will be cancelled. My conversion fee, however, will not be refunded if the conversion is cancelled.

### C. DETERMINATION OF NEW PAYMENT AMOUNT

If I choose to convert to a fixed rate of interest as provided in Section A above, the Lender will then determine the amount of a monthly payment that would be sufficient to repay the unpaid principal balance of my loan (assuming timely payment of all amounts due) that I am expected to owe on the first day of the second month after the Conversion Registration Date (the "Effective Conversion Date") in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly principal and interest payment (the "New Payment Amount").

### D. PAYMENT OF NEW PAYMENT AMOUNT; CONTINUATION OF FIXED RATE

Beginning with my first monthly payment after the Effective Conversion Date, I will, if I have chosen the foregoing conversion, pay the New Payment Amount, plus any required escrow payments, as my monthly payment, and the interest rate I will pay will not change from the fixed rate established as of the Effective Conversion Date.

### E. PAYMENT OF CONVERSION FEE

For choosing to convert my adjustable rate interest payments to fixed rate payments, as provided above, I will pay the Lender a nonrefundable conversion fee equal to **ONE** percent (**1.00**) of that part of principal that, as of the Effective Conversion Date, has not been paid. I will pay the conversion fee in order to initiate the conversion from adjustable interest rate payments to fixed interest rate payments.

### F. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

If I choose the Conversion Option and thereafter, 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 the Note Holder's prior written consent, the Note Holder may, at its option, require immediate payment in full of all amounts I owe under this Note. However, this option shall not be exercised by the Note Holder if exercise is prohibited by federal laws as of the date of this Note.

If the Note Holder exercises this option, the Note Holder shall give me 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 I must pay all amounts I owe.

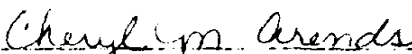
### G. FAILURE TO CHOOSE CONVERSION

If I do not, during the second, third, fourth or fifth year of the mortgage term, give the Lender notice that I choose to convert my adjustable rate interest payments to fixed rate interest payments and do the other things that I must do under Sections A and B above within the applicable times specified in such Sections, I will no longer have right to choose such a conversion of interest payments.

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

Rider

  
\_\_\_\_\_  
ALBERT W. ARENDS (Seal)  
Borrower

  
\_\_\_\_\_  
CHERYL M. ARENDS (Seal)  
Borrower

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

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

UNOFFICIAL COPY

Property of Cook County Clerk's Office

44221015

UNOFFICIAL COPY

CONDOMINIUM RIDER

67581502

THIS CONDOMINIUM RIDER is made this 23RD 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") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to SEARS MORTGAGE CORPORATION AN OHIO CORPORATION (the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 4572 N. MILWAUKEE AVE., CHICAGO, ILLINOIS 60630 (Property Address)

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

THE PARK CONDOMINIUM

[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.

[Signature of Albert W. Arends]

ALBERT W. ARENDS

(Seal) Borrower

[Signature of Cheryl M. Arends]

CHERYL M. ARENDS

(Seal) Borrower

[Signature]

(Seal) Borrower

[Signature]

(Seal) Borrower

87581502

87581502

RECORDING INFORMATION \$18.00

18.25

UNOFFICIAL COPY

Property of Cook County Clerk's Office

Supreme