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COOK CHURT'S ALLWEIS

1988 OCT 11 AM 11: 12

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\$18.00

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LOAN NO. ____1821922

C/O/A/S O/F/CO

MORTGAGE

THIS MOP ("GAGE ("Security Instrument") is given on OCTOBER 3, 1988 . The mortgagor is PATRICK C DUNN AND JUDITH T DUNN, HIS WIFE ("Borrower"). This Security Instrument is given to ST. PAUL FEDERAL BANK FOR SAVINGS, which is organized and existing under the laws of the United States of America, and whose address is 6700 W. North Avenue, Chicago, Illinois 60635 ("Lender"). Borrower cves I ender the pricipal sum of ONE HUNDRED FOUR TOOJSAND AND NO /100-104,000.00 in 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, 2018

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced in his Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all reneval, 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 18 IN BLUETT'S FAIRVIEW GRIFNS, BEING A SUBDIVISION OF PART OF THE WEST 1/2 OF THE EAST 1/2 OF THE SOUTHEAST 1/4 AND PART OF THE EAST 1/2 OF THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 35, TOWNSHIP 42 NORTH, ANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 03-35-407-006-0000

8846503

which has the address of ("Property Address");

1 N STEVENSON LN MT PROSPECT IL 60056

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 seised 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.

MICHAEL J. O'COMNOR ST PAUL FEDERAL BANK FOR SAVINGS 6700 W NORTH AV CHICAGO, IL 6063S

This instrument prepared by:

BOX 333-CC

•	
A	
Notary Public	
3000	0991-191 & :sonigna noissimmos ylé
88 61 , 250000 h	Given under my hand and official seal, this 3xd day of
9	. אינ וֹסִינוֹה
and volume y; et, for the uses and purposes therein	signed and delivered the said instrument as
ay in ver on, and acknowledged that $oldsymbol{t}$	subscribed to the foregoing instrument, appeared before me this d
o (e the same person(s) whose name(s)	, personally known to me t
	do hereby certify that
a Notary Public in and for said county and state,	THE UNDERSIGNED
County ss:	State of Illinois,
Librith T. HILDITH. T. DUMY (Scal)	
(Scal) (Scal) - (Scal) -Borrower	C/O
	The second secon
	BY SIGNING BELOVY, Borrower accepts and agrees to Instrument and in any rider(s) executed by Borrower and recor
	Condominum F Adjustable Lar me Adjustiner Adjustable Large High P
The state of the s	X
מתוופות פי זו נווב נותבו(פ) אבוב ע לעור מו נווע פברתונה	supplement. [Ch. ck applicable box(es)]

23. Walver 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. It is covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. Chick applicable box(es)]

Instrument without charge to Borrower. Borrower shall pay any recordation costs.

prior to rice expiration of any period of redemption following judicial safe, Lender (in person, by agent of by judiciarly appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of 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's 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.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonnient 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

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; (s) the default; (b) the action required to cure the default on or before the date; pay which the default must be cured; and (d) that fallure to cure the default on or before the dates pecified in the notice may result in acceleration of the sums secured by this fallure to cure the default on or before the date specified in the notice may result in the foreclosure proceeding the non-existence Security Instrument, foreclosure by judicial proceeding and the right to assert in the foreclosure proceeding the non-existence of the right to reinstate after acceleration and the right to assert in 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 foreclosure provided in this paragraph 19, including, but not limited entitled to collect all expenses incurred in pursuing the remediate provided in this paragraph 19, including, but not limited entitled to collect all expenses incurred in pursuing the remediate provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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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 of settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lendon and uthorized 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 on he monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower Not Leleased; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortiza ion of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not or trate 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 a nortization 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 pricade 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 creagrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with legard 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 refunding duces 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 shalf 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 potice 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.

insurance terminates in accordance

wal sidusifed. Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument,

requesting payment.

from 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 Any amounts disbursed by Lender 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 Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the 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 bankruptey, probate, for condemnation or to enforce laws or regulations).

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and fee title shall not merge unless Lender agrees to the merger in writing.

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 the title shall shall see that the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and the title shall see that the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and the title shall see that the provisions of the lease and if Borrower acquires fee title to the Property, the leasehold.

this Sourity Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds, Borrower shall not destroy, damage or substantially resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to princips' shall not extend or postpone the due date of the monthly payments referred to in paragraphs I 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 politics and proceeds from damage to the Property arion to the account of the secured by

when the notice is given.

offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The Jo-day period will begin Borrower abandons the Property, or does not answer within 30 days a notice from Lender (not 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 restoration or repair is not economically feasible or Lender's security would be lessen d the insurance proceeds shall be 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 Porrower. all receipts of paid premiums and renewal notices. In the event of loss, Berrawer shall give prompt notice to the insurance

All insurance policies and renewals shall be acceptable to Lender and include a standard mortgage clause. Lender requires, Borrower shall promptly give to Lender

unreasonably withheld.

days of the giving of notice.

5. Hazard Insurance. Borrower shall keep the improve ments now existing or hereafter erected on the Property insured against loss by fire, hazards included within the 'S.m." extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained if the amounts and for the periods that Lender requires. The insurance shall be chosen by Lo to wer subject to Lender's approval which shall not be. The insurance carrier providing the insurance shall be chosen by Lo to wer subject to Lender's approval which shall not be.

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 die 1 or take one or more of the actions set forth above within 10 lien an agreement satisfactory to Lender suborditating the lien to this Security Instrument. If Lender determines that any Borrowers and another statement and the voligation which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the voligation secured by the lien in, legal proceedings which in the 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 of citute of any part of the Property; or (c) secures from the holder of the operate to prevent the enforcement of the lien or of citute of any part of the secures from the holder of the

receipts evidencing the payments. pay them on time directly to the paragraph. If it is rower makes these payments directly, Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If it is rower makes these payments directly, Borrower shall promptly furnish to Lender

Property which may attain privity 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 4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the

principal due. 3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs I and 2 shall be applied; first, to amounts payable under paragraph 2; second, to interest due; and last, to

application as a crudit against the sums secured by this Security Instrument.

immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of

Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made on applying one requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Unless an agreement is made on applying rice 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 Funds and shall give to Borrower 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 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 Carter and the funds held by Lender is not sufficient to pay the escrow items when due, the excess shall be, at Carter and the funds held by Lender is not sufficient to pay the escrow items when due, hor excess shall be, at Carter and the funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any in the carter and the funds held by Lender is not sufficient to pay the escrow items when due, Borrower any carter and the funds held by Lender is not so more or more by more or more by the carter and the funds held by Lender any in one or more or more by the escrow items are required by the funds.

If the amount of the funds held by Lender is not so more or more by the escrow items are required by the funds of funds held by Lender is not so more or more or more by the funds held by the funds of the funds held by t 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 the deposits or accounts of which are insured or guaranteed by a federal or current data and reasonable estimates of future escrow items. 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 twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold

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

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

LOAN NO. DATE 011821922 OCTOBER 3, 1988

THIS RIDER is incorporated into a certain Security Instrument dated of even date herewith given by the undersigned (the "Borrower") to St. Paul Federal Bank For Savings (the "Lender") to secure a mortgage indebtedness; said Security Instrument encumbers real property commonly described as:

1 N STEVENSON LN, MT PROSPECT IL 60056

(PROPERTY ADDRESS)

- 1.) Borrower and Lender agree that notwithstanding anything contained in Uniform Covenant 21 of the Security Instrument, Lender is hereby aut for zed to charge a reasonable fee for the preparation and delivery of a release deed.
- 2.) Borrower and Lender agree that if the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation buy all or some of the Lender's rights under the Security Instrument, this Rider will no longer have any force or effect.

IN WITNESS WHEREOF, BORROWER has executed this RIDER.

PAMBICK C ID NN

Borrower

Jarrawar

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LOAN NO. 011821922 DATE OCTOBER 3, 1988

This Rider is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to ST. PAUL FEDERAL BANK FOR SAVINGS, (the "Lender" or "Note Holder") of the same date herewith (the "Note") and covering the Property described in the Security Instrument and located at:

1 N STEVENSON LN, MT PROSPECT IL 60056 (Property Address)

NOTICE TO BORROWER: THE SECURITY INSTRUMENT SECURES A NOTE WHICH CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND MONTHLY PAYMENTS. THE BORROWER'S MONTHLY PAYMENTS ARE IN FIXED AMOUNTS DURING THE FIRST YEAR(S) OF THE NOTE. THE REMAINING MONTHLY PAYMENTS COULD INCREASE OR DECREASE, DEPENDING ON CHANGES IN THE INTEREST RATE.

Modifications. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:
INTEREST RATE AND MONTHLY PAYMENT CHANGES
The Note has an Initial interest Rate of
Changes in the Interest rate are governed by changes in an interest rate Index called the "Index". The Index is the Federal Home Loan Bank Board Mor hij National Median Annualized Cost of Funds for FSLIC-insured savings and loan associations.
To set the new Interest rate before each Interest Change Cate the Note Holder will first add
By signing this, Borrower agrees to all of the above.

PATRICK C DUNN (Seal)

JUDITH T DUNN (Seal)
-Borrower

2425 MAR 88 (ARM 2N MR1)(BUYDOWN)

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Property of Coot County Clert's Office

UNDER TO DUISTABLE BASE TO AN RIDER (Fixed Rate Conversion and Assumption Options)

LOAN NO. 011821922 DATE OCTOBER 3, 1988

THIS ADDENDUM TO ADJUSTABLE RATE LOAN RIDER is incorporated into and shall be deemed to amend and supplement the Adjustable Rate Loan Rider(the "Rider") to the Mortgage, Deed of Trust or Security Deed(the "Security Instrument"), each dated the same date as this Addendum and given by the undersigned(the "Borrower") to secure Borrower's Adjustable Rate Note with Addendum To Adjustable Rate Note to ST. PAUL FEDERAL BANK FOR SAVINGS, (the "Lender") and dated the same date as this Addendum (the "Note"), covering the property described in the Security Instrument and located at:

1 N STEVENSON LN, MT PROSPECT IL 60056 (Property Address)

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

A. FIXED INTEREST RATE OPTION

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

1. Option to Convert to Fixed Rate

I have a Conversion Option which I can exercise at any time unless I am in default or this Section A1 or Section A3 below will not permit me to do so. The "Conversion Option" is my option to convert the interest rate i am required to pay by the Note from an adjustable rate to a fixed rate.

The conversion will be effective on the first day of any month when a payment is due provided I have given the notice set forth below. The date on which the conversion will be effective is called the "Conversion Date".

if I want to exercise the Corversion Option, I must first meet certain conditions. Those conditions are that:(a) I must give the Not. Florider notice that I am doing so at least 15 days before the next Conversion Date;(b) on the Conversion Date, I am not in default under the Note or the Security Instrument;

(c) by the Conversion Date I must pay the Note Holder a conversion fee equal to of the unpaid principal I am expected to owe on that Conversion Date plus U.S.

slon Date, if an appraisal report is required by Section A3 below, the Note Holder has received the report and I have paid the appraisal fee and any amount necessary to reduce unpaid principal; and (e) I must sign and give the Note Holder any documents the Note Holder require to effect the conversion.

2. Calculation of Fixed Rate

My new, fixed interest rate will be equal to the Federal Flome Loan Mortgage Corporation's required net yield for 30-year, fixed rate mortgages covered by 60 dry mandatory delivery commitments in effect as of the date 15 days before the Conversion Date, Duty.

OF ONE PERCENT (0.375 %)

If this reculred net yield is not available, the

Note Holder will determine my interest rate by using a compareble figure.

3. Reduction of Principal Balance Before Conversion; Appraisal
If the unpaid principal I am expected to owe on the Conversion Date will be greater than the original
principal amount of my loan, the Note Holder may require an appraisal report, on the value of the
property described in the Security Instrument. The appraisal report must be propered by a qualified
appraiser chosen by the Note Holder. I will pay the Note Holder a reasonable see for this appraisal

report.

The unpaid principal I am expected to owe on the Conversion Date could be an amount greater than 95% of the appraisal report's stated value of the property securing my loan. If so, I cannot exercise the Conversion Option unless I pay the Note Holder an amount sufficient to reduce my unpaid principal to an amount equal to 95% of the stated value of the property.

4. Determination of New Payment Amount

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 by the final payment date at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the final payment date.

B. ASSUMPTION OPTION

The provisions of Uniform Covenant 17 of the Security Instrument provides 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.

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

Notwith to reling the provisions of Uniform Covenant 17 of the Security Instrument, Lender shall waive such option to a celerate and shall release Borrower from all obligations under the Security Instrument and the Note provider that, prior to the sale or transfer, (a) Borrower is not in default of the terms and conditions of the Security instrument and the Note, (b) the credit of the person to whom the Property is to be sold or transferred is satisfactory to Lender, (c) Lender is paid Lender's then applicable assumption fee, (d) the person to whom the noperty is to be sold or transferred executes an assumption agreement acceptable to Lender wherein such person agrees to assume all of the Borrower's obligations under the Security Instrument and the Note.

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

Of Collins (Seal) PATRICK C DUNN -Borrower

NAOCI V HITCOL

(Seal) -Borrower