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THIS INSTRUMENT WAS PREPARED BY: James D. O'Malley 8 9 0 9 9 Loan # 0710554892

86715C157

mail to
Great American Fed. S & L
1001 Lake Street
Oak Park, IL 60301

89099270

(Space Above This Line For Recording Date)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on March 19, 1989. The mortgagor is THOMAS H. RILEY, JR. AND BEVERLY D.H. RILEY, MARRIED TO EACH OTHER ("Borrower"). This Security Instrument is given to Great American Federal Savings and Loan Association, which is organized and existing under the laws of UNITED STATES OF AMERICA, and whose address is 1001 Lake Street, Oak Park, Illinois 60301 ("Lender"). Borrower owes Lender the principal sum of Sixty Eight Thousand and no/100 Dollars (U.S. \$ 68,000.00). 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 April 20, 1989. 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 48 IN BLOCK 8 IN SUBDIVISION OF BLOCKS 1, 2, 3, 4, 5, 6, 7, 8, 9 IN WALLEN AND PROBST'S ADDITION TO OAK PARK, IN THE NORTH WEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER: 16-18-129-011

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DEPT-01 \$18.25
T#4444 TRAN 5748 03/07/89 15:24:00
#1198 # D 89-099270
COOK COUNTY RECORDER

which has the address of 828 S WENONAH OAK PARK
(Street) (City)
Illinois 60304 ("Property Address");
(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 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.

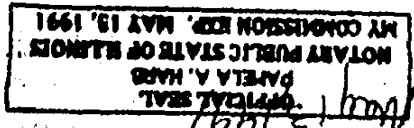
THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

\$18.00 MAIL

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This instrument was prepared by.....



Notary Public
Pamela A. Haas
(Seal)

My Commission Expires: *May 19 1991*

Witness my hand and official seal this *2nd* day of *MARCH* 19*87*.

they, she, they)

executed said instrument for the purposes and uses therein set forth.

(this, her, their)

have executed name, and acknowledged said instrument to be...
THOMAS H. RILEY, JR., AND BEVERLY D. H. RILEY, H.S. W.F.E. personally appeared before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, free and voluntary act and deed and that

PAMELA A. HAAS

STATE OF *ILLINOIS*
COUNTY OF *COOK*
SS: }

Property of Cook County

(Space Below This Line For Acknowledgment)

.....
(Seal) -Borrower

.....
(Seal) -Borrower
Thomas H. Riley, Jr. OR: Beverly D. H. Riley

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. Rider 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 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.

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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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 at any time be levied on the Property; (b) yearly leasehold payments or ground rents on the Property; if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debt 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 date of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 2; fourth, to interest due and last, to principal due.

4. Charges, Taxes, Fees, Assessments, Charges, and Impositions. Borrower shall pay all taxes, assessments, charges, fees and impositions attributable to the Property which may attach primarily over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) consents in good faith to 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 lien which may attach primarily 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 amount 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 (equal) gives prompt notice to the insurance carrier and 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 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.

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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) by 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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THIS ADJUSTABLE PAYMENT RIDER is made this 1st day of March 1989, and 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 Adjustable Payment Note (the "Note") to GreatAmerican Federal Savings & Loan Association (the "Lender") of the same date and covering the property described in the Security Instrument and located at:
828 S WENONAH OAK PARK, IL 60304

Property Address)
RIDER ATTACHED TO MORTGAGE FOR RECORDING

This Note Contains Provisions Allowing For Changes In The Interest Rate And The Monthly Payment And For Increases In The Principal Amount To Be Repaid.

The Note Also Provides For Calculations Of Two Separate Monthly Payment Amounts. One Will Be The Amount That The Borrower Must Actually Pay Each Month. The Other Will Be An Amount That The Borrower Would Pay Each Month To Fully Repay The Loan On The Maturity Date. This Means That The Borrower Could Repay More Than The Amount Originally Borrowed Or That The Borrower Could Repay The Loan Before The Maturity Date.

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

This Note provides for an initial rate of 9.750%. Sections 2, 3, 4, 5 and 6 of the Note provide for changes in the interest rate and the monthly payments, as follows:

2. INTEREST

(A) Interest Owed

Interest will be charged on that part of principal which has not been paid. Interest will be charged beginning on the date of this Note and continuing until the full amount of principal has been paid.

Beginning on the date of this Note, I will owe interest at a year rate of 9.750%. The rate of interest I will owe will change on the first day of the month of April 1990 and on that day every SIXTH month thereafter. Each date on which the rate of interest could change is called an "Interest Change Date." The new rate of interest will become effective on each Interest Change Date.

(B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the Federal Home Loan Bank 7th District 3 month moving average cost of funds as made available by Federal Home Loan Bank of Chicago. 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.

The most recently available Index figure as of the date 45 but not more than 45 days before each Interest Change Date is called the "Current Index."

(C) Calculation of Interest Rate Changes

TWO AND 750/1000THS

Before each Interest Change Date, the Note Holder will calculate my new interest rate by adding 2.750 percentage points (2.750%) to the Current Index. This amount will be my new rate of interest until the next Interest Change Date.

(D) Interest After Default

The rate of interest required by this Section 2 is the rate I will owe both before and after my default described in Section 9(A) below.

(E) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 11.68% or less than 7.680%. 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 SIX months. My interest rate will never be greater than 13.750%. The interest rate limits of this Section 2(E) will not apply if I exercise my Conversion Option under Section 6 of this Note, or less than 3.00%.

(F) Effective Date of Changes

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

(G) 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 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.

3. CALCULATION OF AMOUNTS OWED EACH MONTH

The Note Holder will calculate my Full Monthly Amount. The "Full Monthly Amount" is the amount of the monthly payment that would be sufficient to repay the unpaid principal balance of the loan at the rate of interest I am required to pay by Sections 2(A) and 2(C) above in substantially equal monthly payments over an amortization period of thirty (30) years from the date of this note. The balance of the indebtedness, if not sooner paid, shall be due and payable on April 120, 29, which is called the "maturity date". My first Full Monthly Amount is U.S. Five Hundred Eighty Four (\$ 584.73). Before each Interest Change Date, the Note Holder will calculate the new Full Monthly Amount which I will owe each month beginning on the first monthly payment date after the Interest Change Date.

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Property of Cook County Clerk's Office

(Sign Original Only)

(Scan) Borrower

(Scan) Borrower

(Scan) Borrower

(Scan) Borrower

THOMAS H. RILEY JR.
Beverly D. H. Riley
BEVERLY D. H. RILEY

G. NO FUTURE ADVANCES
Non-Uniform Covenant 21 of the Security Instrument ("Future Advances") is deleted.

H. LOAN CHARGES
If the loan secured by the Security Instrument is subject to a law which sets maximum loan charges, and that law is
 interpreted so that the interest or other loan charges collected or to be collected in connection with the loan
 exceed permitted limits, then (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to
 the permitted limits; and (2) 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 prepay-
 ment under the Note.

I. LEGISLATION
 If, after the date hereof, enactment or expiration of applicable laws have the effect either of rendering the provi-
 sions of the Note, the Security Instrument or this Adjustable Rate Rider (other than this paragraph 1) unenforceable
 according to their terms, or all or any part of the sums secured hereby uncollectible, as otherwise provided in the
 Security Instrument and this Adjustable Rate Rider, or of diminishing the value of Lender's security, then Lender, at
 Lender's option, may declare all sums secured by the Security Instrument to be immediately due and payable. The par-
 ties hereto agree that such an enactment or expiration of applicable laws would produce a mutual mistake in law.
 IN WITNESS WHEREOF, Borrower has executed this Adjustable Payment Rider.

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mortgages covered by applicable 60-day mandatory delivery commitments, plus ^{THREE} ~~EIGHT~~ percentage point (0.375). If this required net yield cannot be achieved because the applicable commitment is not available, the Note Holder will determine my interest rate by using comparable information. 9 2 7 0

(C) New Payment Amount and Effective 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 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 maturity date.

B. CHARGES; LIENS

Uniform Covenant 4 of the Security Instrument is amended to read as follows:

4. **Charges; Liens.** Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Security Instrument, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument; provided, that Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien by, or defend against enforcement of such lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Security Instrument.

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Security Instrument, Lender shall send Borrower notice identifying such lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within ten days of the giving of notice.

C. NOTICE

Uniform Covenant 14 of the Security Instrument is amended to read as follows:

14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

D. UNIFORM MORTGAGE; GOVERNING LAW; SEVERABILITY

Uniform Covenant 15 of the Security Instrument is amended to read as follows:

15. **Uniform Mortgage; Governing Law; Severability.** This form of 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. 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, and to this end the provisions of this Security Instrument and the Note are declared to be severable.

E. TRANSFER OF THE PROPERTY; ASSUMPTION

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

17. **Transfer of the Property; Assumption.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Security Instrument which does not relate to a transfer of rights of occupancy in the property, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Security Instrument to be immediately due and payable.

If a Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

Lender may consent to a sale or transfer if: (1) Borrower causes to be submitted to Lender information required by Lender to evaluate the transferee as if a new loan were being made to the transferee; (2) Lender reasonably determines that Lender's security will not be impaired and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable; (3) interest will be payable on the sums secured by this Security Instrument at a rate acceptable to Lender; (4) changes in the terms of the Note and this Security Instrument required by Lender are made, including, for example, periodic adjustment in the interest rate, a different final payment date for the loan, and addition of unpaid interest to principal; and (5) the transferee signs 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, as modified if required by Lender. To the extent permitted by applicable law, Lender also may charge a reasonable fee as a condition to Lender's consent to any sale or transfer.

Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

F. BORROWER'S RIGHT TO REINSTATE

Non-Uniform Covenant 19 ("Borrower's Right to Reinstate") is amended to read as follows:

19. **Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Security Instrument, Borrower shall have the right to have any proceedings begun by Lender to enforce this Security Instrument discontinued only if applicable law so provides. Any right to reinstate shall be exercised in the manner required by such law.

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My new, fixed interest rate will be equal to the ... FEDERAL HOME LOAN MORTGAGE CORP. ... required ...

(B) Calculation of Fixed Rate

to effect the conversion. ... 250.00 ... Holder a conversion fee equal to ... percent ...

6. FIXED INTEREST RATE CONVERSION OPTION

(A) Option to Convert to Fixed Rate ... I have a Conversion Option which I can exercise unless I am in default or this Section 6(A) will not permit me to do so.

5. UNPAID PRINCIPAL BALANCE

(A) Changes in My Unpaid Principal Balance ... My monthly payment could be less than the amount of the interest portion of the first Full Monthly Amount I owe or less than the interest portion of my first Full Monthly Amount after an Interest Change Date.

(C) Calculation of Monthly Payment Changes

Before each Payment Change Date, the Note Holder will calculate a new monthly payment sufficient to repay the unpaid principal balance on my loan in full over the remaining amortization period at the Payment Rate in substantially equal payments.

4. PAYMENTS

(A) Time and Place of Payments ... I will pay principal and interest by making payments every month. My monthly payments will be applied to interest before principal.

Vertical text on the left side: 0126699270, 150/100THS

The Full Monthly Amount I owe may be more or less than the amount I am required to pay each month. Section 5 below describes how my unpaid balance will change if the amount of my monthly payment and the Full Monthly Amount are different.