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COOK COUNTY RECORDER

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MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on APRIL 06, 1989. The mortgagor is ROBERT C. BELPEDIO AND VICTORIA A. BELPEDIO HIS WIFE ("Borrower"). This Security Instrument is given to SHELTER MORTGAGE CORPORATION, which is organized and existing under the laws of the State of Wisconsin, and whose address is 4201 Euclid Avenue, Rolling Meadows, IL 60008 ("Lender"). Borrower owes Lender the principal sum of ONE HUNDRED NINE THOUSAND FIVE HUNDRED AND NO /100 Dollars (U.S. \$ 109500.00). 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 01, 2019. 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 NUMBER 5094 IN ELK GROVE VILLAGE IN SECTION 17 BEING A SUB-DIVISION IN SECTION 25 AND SECTION 36, TOWNSHIP 41 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS ON NOVEMBER 14, 1969 AS DOCUMENT NO. 21013138 IN COOK COUNTY, ILLINOIS.

(Such property having been purchased in whole or in part with the sums secured hereby.)

TAX KEY NO: 07-36-202-303

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BOX 334

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which has the address of 1000 WEST GLENN TRAIL ELK GROVE VILLAGE  
60007 Illinois ("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.

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

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

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

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

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

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

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

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

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

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

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

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

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

**6. Preservation and Maintenance of Property; Leaseholds.** Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on 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 Borrower and Lender 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 or Not Released; Forbearance by Lender Not a Waiver.** Extension of the time for payment or modification of amount or rate of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower, or all or part of 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 authorization 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 prejudice to the exercise of any right or remedy.

**11. Successors and Assigns; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument shall bind and affect 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 does not execute the Note, and (c) its co-signing this Security Instrument only to mortgage, grant and convey the sums secured by this Security Instrument, and (d) 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) a sum 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. If enforcement 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 confirmed copy of the Note and of this Security Instrument. Note are declared to be severable.

**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 Redeem.** 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 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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Loan No: 0101006314

## ADJUSTABLE RATE RIDER (1 Year Treasury Index—Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 6TH day of APRIL, 19 89, 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 SHELTER MORTGAGE CORPORATION (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1000 WEST GLENN TRAIL, ELK GROVE VILLAGE, IL 60007  
[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 7.875%. 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 APRIL 01, 19 90, 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 2.80 percentage points (2.80%) 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 9.875% or less than 5.875%. 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 13.875%.

#### (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.

If Lender exercises the option to require immediate payment, it will report that the transferee has assumed the loan.

Lender will continue to be obligated under the Note and the Security Instrument until the transferee has assumed the loan and the transferee has agreed to pay the debt in full to Lender.

The transferee will continue to be obligated under the Note and the Security Instrument until the transferee has assumed the loan and the transferee has agreed to pay the debt in full to Lender.

to the extent permitted by applicable law. Lender may exercise a foreclosure remedy if the transferee fails to pay the debt in full to Lender.

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ADMINISTRATIVE PAGE NUMBER

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THIS SECURITY INSTRUMENT IS PART OF A SECURITY INSTRUMENT...  
INCORPORATED INTO AND SHALL BE DEEMED TO BE PART OF THE SECURITY INSTRUMENT...  
SECURITY INSTRUMENT OF THE SAME DATE...  
SHELTER MORTGAGE CORPORATION  
1000 WEST GLENH TRAIL, ELK GROVE VILLAGE, IL 60007

THE NOTE CONTAINS PROVISIONS ALLOWING FOR THE BORROWER TO PREPAY THE NOTE...  
AND THE MONTHLY PAYMENT. THE NOTE IS SUBJECT TO THE PROVISIONS OF THE SECURITY INSTRUMENT...  
INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE BORROWER'S PAYMENTS MUST BE

ADJUSTED TO REFLECT SUCH CHANGES. IN ADDITION TO THE PROVISIONS OF THE SECURITY INSTRUMENT...  
AND LENDER'S OBLIGATIONS AND AGREEMENTS MADE IN THIS SECURITY INSTRUMENT...  
A. INTEREST RATE AND MONTHLY PAYMENT PROVISIONS  
The rate payable for the loan shall be the rate in effect on the date of the first payment...  
monthly payment as follows:  
1. INTEREST RATE AND MONTHLY PAYMENT PROVISIONS  
(A) (Contingent Rate)

The interest rate shall be the rate in effect on the date of the first payment...  
every 15 months thereafter. Each rate shall be subject to the provisions of the Security Instrument...  
(B) The Index  
Beginning with the first change (that is, the first change that will result in a new rate...  
average yield on United States Treasury securities adjusted to a maturity of 90 days...  
Federal Reserve Board. The most recent index value shall be the index value for the...  
the "Current Index".  
If the index is no longer available, the "Current Index" shall be the index value...  
information. The Note Holder will give the notice of the change in the index value...

ROTTERDAM, ILL. 60008  
1201 E. ENGLID AVENUE  
SHELTER MORTGAGE CORPORATION  
ALTER RECORDING RETURN TO: SHELTER MORTGAGE CORPORATION  
4400 before the recorded account will be any more...  
The Note Holder will then determine the amount of the next payment...  
and the date of the next payment. The amount of the next payment shall be...  
substantially equal payment. The amount of the next payment shall be...  
the amount of the next payment shall be...  
The interest rate shall be the rate in effect on the date of the first payment...  
shall be the rate in effect on the date of the first payment...  
interest rate shall be the rate in effect on the date of the first payment...  
(C) Effective Date of Changes  
My new interest rate will become effective on the date of the first payment...  
beginning on the first day of the month following the date of the first payment...  
rate.

(E) Notice of Changes  
The Note Holder will give the notice of the change in the index value...  
reason for the change in the index value. The notice shall be given...  
also the file and volume number of a public record which contains a copy of the...  
TRANSFER OF THE PROPERTY ON A BEHALF OF THE BORROWER  
Lender hereby transfers to the Borrower on a beneficial interest in the Property...  
sold or transferred to a beneficial interest in the Property...  
without Lender's prior written consent. Lender hereby agrees to execute...  
by the Note Holder. However, the Note Holder shall not be bound by the...  
Rider, the date of the Security Instrument. Lender hereby agrees to execute...  
to the transfer and the Lender hereby agrees to execute the Security Instrument...

By SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate  
Security Instrument and the Security Instrument. Lender hereby agrees to execute the Security Instrument...  
or demand on Borrower's behalf of a period of any covenant, enforcement in the Security Instrument...  
expiration of this period. Lender may invoke any remedies permitted by this Security Instrument without further notice...  
which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the...  
upon. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within...  
If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of accelera-  
Borrower in writing.  
Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases  
Lender and that obligates the transfer to keep all the promises and agreements made in the Note and in this Security  
the loan assumption. Lender may also require the transfer to sign an assumption agreement that is acceptable to  
To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to

ROBERT C. BELPEDIO  
VICTORIA A. BELPEDIO  
Borrower (Seal)  
Borrower (Seal)

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Property of Cook County, Illinois

ONE YEAR ADDENDUM  
ADDENDUM TO ADJUSTABLE RATE RIDER  
(Fixed Rate Conversion Option)

THIS ADDENDUM TO ADJUSTABLE RATE RIDER is made this 6TH day of APRIL, 19 89 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 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, to SHELTER MORTGAGE CORPORATION (the "Lender") and located at 1000 WEST GLENN TRAIL, ELK GROVE VILLAGE, IL 60007 (Property Address)

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements made in the Security Instrument and the Rider, Borrower and Lender further covenant 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 unless I am in default. I have been delinquent at any time during the term of this loan, or this Section A-1 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 may take place at any time after the first anniversary through the fourth year. I can convert my interest rate only during this period called the Conversion Period.

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: a) I must give the Note Holder notice that I am doing so during the Conversion Period and at least thirty (30) days before the end of the Conversion Period; b) on the Conversion Date, I am not in default under the Note or the Security Agreement; c) I have never been delinquent on any payment under my Note from the inception of this loan; d) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion; e) I must be qualified at the rate of interest after conversion using the Note Holder's FHLMC current underwriting guidelines for fixed rate mortgages; and f) I must be the original Borrower under this Note.

**2. Calculation of Fixed Rate**

My new fixed interest rate shall be equal to the FHLMC 90 day net yield for 30 year or 15 year fixed rate mandatory

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delivery commitments plus 50 basis points that was in effect on the date that was 45 days prior to the conversion date; or if my loan exceeds \$187,600, my new fixed interest rate shall be equal to Residential Funding Corporation's 60 day net price for 30 year or 15 year fixed rate conventional mortgage mandatory delivery commitments plus 50 basis points, that was in effect 45 days prior to the conversion date. If the aforementioned calculated interest rate exceeds the maximum allowable interest rate (the lifetime cap for the ARM), the capped interest rate will become my new interest rate for the fixed rate mortgage.

3. 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 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. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

If Borrower exercises the Conversion Option under the Note as stated in Section A of this Addendum to Adjustable Rate Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in the Rider shall cease to be in effect, and the provisions of Uniform Covenant 17 of the Security Instrument shall instead be in effect, 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 thirty (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 Addendum to Adjustable Rate Rider.

Robert C. Belpedio (Seal) Victoria A. Belpedio (Seal)  
ROBERT C. BELPEDIO Borrower VICTORIA A. BELPEDIO Borrower  
(Seal) (Seal)

RETURN TO: SHELTER MORTGAGE CORP., 4201 Euclid Avenue, Rolling Meadows, IL 60007

12/11/87