

UNOFFICIAL COPY

PREPARED BY AND
AFTER RECORDING MAIL TO:

GREAT WESTERN MORTGAGE CORPORATION
P.O. BOX 1900
NORTHRIDGE, CA 91328

90426885

90126385

SPACE ABOVE THIS LINE FOR RECORDER'S USE

MORTGAGE

Loan No. 0-919526-6
OFFICE NUMBER: 149

ADJUSTABLE INTEREST RATE MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on AUGUST 20, 1990

The mortgagor is
ALAN L. WILGUS AND HELEN J. WILGUS, HUSBAND AND WIFE

("Borrower") This Security Instrument is given to

GREAT WESTERN MORTGAGE CORPORATION, A DELAWARE CORPORATION, which is organized and existing under the laws of DELAWARE, and whose address is

9451 CORBIN AVENUE, NORTHRIDGE, CA 91328

("Lender")

Borrower owes Lender the principal sum of ONE HUNDRED FIFTY ONE THOUSAND FIVE HUNDRED AND

00/100— Dollars (U.S.) \$151,500.00

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

SEPTEMBER 1, 2030

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

County, Illinois

COOK

LOT 14 IN HEATH R. HILLING'S ADDITION TO HEATHER HILL A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 12, TOWNSHIP 35 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. 31-12-308-021

• PPT-01 RECORDING \$17.25
• T1111 TRAK 5174 08/31/90 15:57:00
• 90426885 A # -90-426885
• COOK COUNTY RECORDER

Land Title -- 205550 - C2

1700
HWA

which has the address of:

3007 KATHLEEN LANE, FLOSSMOOR

[Street]

[City]

Illinois

60422
(Post Code)

("Property Address")

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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9501 WEST 144TH PLACE, ORLAND PARK, ILLINOIS 60462

(Address)

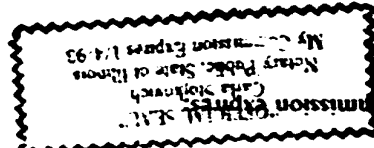
(Name)

JANET EICK

This instrument was prepared by:

Notary Public

Carla Stojkovic



Given under my hand and official seal, this 30th day of August, 1990.

set forth.

signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they

personally known to me to be the same person(s) whose names they

do hereby certify that Alan L. Wilgus and Helen J. Wilgus, his wife

a Notary Public in and for said county and state.

County ss:

the undersigned
Cook

STATE OF ILLINOIS

(Seal) Borrower

(Seal) Borrower

(Seal) Borrower

(Seal) Borrower

HELEN J. WILGUS
ALAN L. WILGUS

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)
- ___ (Family Rider)
- ___ (Planned Unit Development Rider)

XX. 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 receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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

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

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. (If not applicable rider(s))

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.

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 receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. (If not applicable rider(s))

XX. 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 receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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UNIFORM COVENANTS Borrower and Lender covenant and agree as follows:

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

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attach in 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 depository or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay: the escrow items, unless Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. 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 attach in 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 persons 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 attach in 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 insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier provided for this 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 renewals. 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 and Lender's security is not lessened, the 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 insurance carrier 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 from damage to the Property prior to the acquisition of the Property, Borrower's right to any insurance proceeds 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 action 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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ADJUSTABLE RATE RIDER (ARM-G)

Loan No. 0-919526-6

THIS ADJUSTABLE RATE RIDER is made this **20TH DAY OF AUGUST, 1990** 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 Promissory Note (the "Note") to **GREAT WESTERN MORTGAGE CORPORATION, A DELAWARE CORPORATION** (the "Lender") of the same date and covering the property described in the Security Instrument and located at **3007 KATHLEEN LANE, FLOSSMOOR, IL. 60422** (Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR AN ADJUSTABLE INTEREST RATE AND NEGATIVE AMORTIZATION.

To the extent that any scheduled monthly installment due is insufficient to pay all interest required for the period for which payment is being made, the amount of such unpaid interest ("Deferred Interest") shall be added to and become a part of the unpaid principal as of the due date of any such monthly installment and shall bear interest thereafter as provided in the Note.

INTEREST RATE AND MONTHLY INSTALLMENT CHANGES

The Note provides for changes in the interest rate and monthly installment as follows:

Initial Interest Rate	7.990%	Maturity Date	09/01/30
Initial Monthly Installment	\$1,047.72	Commencing on	10/01/90
Installment Due Date	1ST	First Installment Adjustment Date	10/01/91
Rate Differential	2.00%	Minimum Rate*	7.990%
		Maximum Rate*	13.750%

*Subject to a maximum rate of 13.750% per annum.

1. Definitions

As used in the Note, "Standard" means the prime rate as determined by the Board of Directors of the Federal Home Loan Bank Board, or its successor, or an alternate comparable Standard to permit interest rate adjustments. The "Rate Differential" shall mean the number of percentage points specified above.


2. Adjustable Interest Rate Terms

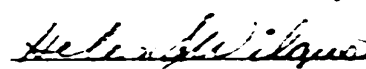
The interest rate shall be adjusted effective on the **SIXTH (6TH)** monthly installment due date of the Note and thereafter on each anniversary date to increase the interest rate of the Note each month by adding the Rate Differential to the prime rate or other current index which sum shall be the adjusted interest rate. The first rate change will be effective on the installment due date of the **SIXTH (6TH)** monthly installment and subsequent rate changes will be effective on the installment due date of each monthly installment thereafter. If a current index is calculated for each calendar month but a published rate of the index may be delayed. The Standard will be deemed to have been published in each successive calendar month for purposes of rate adjustments. Borrower may elect to defer all or any part of the rate change that will result in an increase of that rate. No prior monthly amount of interest rate adjustments shall be required.

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ALL TERMS AND CONDITIONS CONTAINED ON THE REVERSE SIDE HEREOF
ARE INCLUDED IN THIS RIDER

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

 (Seal) _____ (Seal)
ALAN L. WILGUS Borrower Borrower

 (Seal) _____ (Seal)
HELEN J. WILGUS Borrower Borrower

(Space Below This Line For Acknowledgment)

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The interest rate may not be adjusted to a rate higher than the Maximum Rate or to a rate lower than the Minimum Rate, unless there is a sale or transfer of the real property described in the deed of trust, mortgage or other security instrument securing the Note (the "Security Instrument") which requires Holder's consent (upon such sale or transfer of said real property, the holder reserves the right to adjust the Maximum Rate up to five percentage points (5%) above and the Minimum Rate up to five percentage points (5%) below the sum of the Rate Differential and the Current Index most recently published either prior to the date of such sale or transfer or the date this loan obligation is assumed. Holder at its sole option may exercise the rights reserved in this paragraph, or may forego the exercise of such rights, without waiving said rights in connection with future transfers requiring Holder's consent. Such election must be made by Holder for each sale or transfer at the time Holder's consent to that sale or transfer is given.

Rate Adjustment Limitation

The Initial Monthly Installment amount shall be adjusted commencing on the first installment adjustment date and annually thereafter as follows: Within approximately sixty (60) days prior to each installment adjustment date a review of the loan shall be made for the purpose of calculating the installment adjustment. The loan balance as of the time of the review shall be projected to the Installment Adjustment Date, without regard to any delinquent or prepaid installments, to calculate the installment adjustment. The interest rate in effect at the time of review shall be used for calculation of the adjustment. The monthly installment shall be adjusted to an amount which would be sufficient to then amortize the projected loan balance at said rate over the remaining term of this loan. The projected loan balance shall be that amount projected by the holder to be outstanding immediately prior to the due date of the next adjusted installment, assuming that no prepayments of principal or changes in the interest rate will be made after the date of determination and disregarding any delinquent or prepaid monthly installments, if principal and interest.

Interest Adjustment Limitation

Any monthly installment increase or decrease required under the provisions of this Paragraph 3 shall not exceed the monthly installment due prior to the effective date of an installment adjustment due on the Note, and at the end of the term of the loan from the commencement date of the monthly installment due on the Note, and at the end of each fifth year thereafter, when installments will be adjusted without regard to the 5% limitation.

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

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

Paragraph 17 of the security instrument is amended to read as follows:

17. LENDER'S CONSENT REQUIRED. Lender may declare all sums secured hereby immediately due and payable within 30 days after each declaration of default as expressly stated by law. If Borrower without Lender's prior written consent (a) sells, conveys, contracts to sell, alienates or further encumbers all or any part of the property, or (b) leases all or any part of the property for a term together with all exercisable options, of 5 years or more, or (c) leases all or any part of the property and in connection with such lease, grants the lessee an option to purchase all or any part of the property, or (d) suffers the property to be changed in character or use of the property, or (e) a party or individual acquires an ownership interest in the property or terms to be changed in character or use of the property, or (f) is a partner or partner's interest in the partnership are transferred or assigned or otherwise voluntarily or involuntarily transferred or involuntarily, or (g) is a corporation with fewer than 100 stockholders at the date of execution of this security instrument and more than 10% of its capital stock is sold, transferred or assigned during a 12-month period.

B FUNDS FOR TAXES AND INSURANCE

The third sentence in the second paragraph of Uniform Covenant 2 of the security instrument is amended to read as follows:

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, provided however, that Lender may impose upon Borrower at closing a fee to compensate a third party who shall be responsible for the monitoring and payment of real estate taxes without thereby becoming obligated to pay Borrower interest on the Funds.

C LEGISLATION AFFECTING LENDER'S RIGHTS

Uniform Covenant 13 of the security instrument is hereby deleted.