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State of Illinois  
AP # 1316717

**MORTGAGE**

FHA Case No.  
131:6242308-729

THIS MORTGAGE ("Security Instrument") is made on NOVEMBER 30, 1990.

The Mortgagor is  
LOUIS S. BERNITZ, S BACHELOR AND CLIFFORD  
A. ~~BERNITZ~~, DIVORCED AND NOT SINCE REMARRIED  
KAPSON

whose address is 2919 NORTH DANSON AVENUE  
CHICAGO, IL 60618

("Borrower"). This Security Instrument is given to

CENTRUST MORTGAGE CORPORATION  
which is organized and existing under the laws of THE STATE OF CALIFORNIA  
address is 340 S.W. 15TH AVE. DEERFIELD BEACH, FL 33442

and whose

address is ("Lender"). Borrower owes Lender the principal sum of  
ONE HUNDRED FORTY FOUR THOUSAND NINE HUNDRED FIFTY SIX AND NO/100

Dollars (U.S. \$ 144,756.00). 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  
DECEMBER 1, 1990.

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 6 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.

SEE ATTACHED LEGAL DESCRIPTION

PLN 15-26-218-022  
15-26-218-021

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which has the address of 2919 NORTH DANSON AVENUE CHICAGO (Street, City,  
Illinois 60618 (ZIP 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."

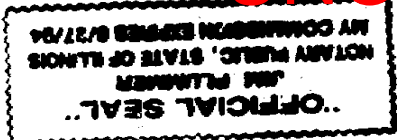
BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage,  
grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants  
and will defend generally the title to the Property against all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

1. **Payment of Principal, Interest and Late Charge.** Borrower shall pay when due the principal of, and interest on, the  
debt evidenced by the Note and late charges due under the Note.

2. **Monthly Payments of Taxes, Insurance and Other Charges.** Borrower shall include in each monthly payment, together  
with the principal and interest as set forth in the Note and any late charges, an installment of any (a) taxes and special assessments  
levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for  
insurance required by paragraph 4.

Box 108 1900

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Record and return to:  
CENTRUST MORTGAGE CORPORATION  
350 S.W. 12 AVENUE  
DEERFIELD BEACH, FL 33442

This instrument was prepared by: LAURIE MAYRUM

My Commission expires:

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they personally known to me to be the same person(s) whose name(s) signed and delivered the said instrument as LAURIE MAYRUM, free and voluntary act, for the uses and purposes therein set forth. Given under my hand and official seal, this 30th day of November, 1990.

that Louis S. Benschitz and Clifford A. Kapsos and A. Benschitz a Notary Public in and for said county and state do hereby certify

STATE OF ILLINOIS

County ss: De Kalb

(Seal) -Borrower Page 4 of 4

(Seal) -Borrower CLIFFORD A. KAPSON

(Seal) -Borrower LOUIS S. BENSCHITZ

Witnesses:

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

Condominium Rider  Adjustable Rate Rider  Graduated Payment Rider  Other  Growing Equity Rider  Planned Unit Development Rider

**Riders to this Security Instrument.** If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants 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 in a part of this Security Instrument. (Check applicable box(es))  
Acceleration Clause. Borrower agrees that should this Security Instrument and the note secured thereby not be eligible for insurance under the National Fire Insurance Act within 90 days from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 90 days from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to comply with a mortgage insurance premium to the Secretary.

17. Foreclosure Procedure. If Lender requires immediate payment in full under paragraph 9, Lender 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 17, including, but not limited to, reasonable attorney's fees and costs of title evidence.  
18. 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.  
19. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

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Any application of the proceeds of the maturity of this Note shall be first applied to the payment of the monthly payments, which are deferred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

8. Fees. Lender may collect fees and charges authorized by the Secretary.

9. Grounds for Acceleration of Debt.

(a) Default. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or
- (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) Sale Without Credit Approval. Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all the sums secured by this Security Instrument if:

- (i) All or part of the Property is otherwise transferred (other than by devise or descent) by the Borrower, and
- (ii) The Property is not occupied by the purchaser or grantee as his or her primary or secondary residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(c) No Waiver. If circumstances exist that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(d) Regulations of HUD Secretary. In many circumstances regulations issued by the Secretary will limit Lender's rights in the case of payment defaults to require immediate payment in full and foreclose if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

10. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate this Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, fees, late charges, and reasonable and customary attorney's fees and expenses properly incurred with the foreclosure proceedings. Lender shall not require immediate payment in full if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a court foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will allow the effect of the provisions of this Security Instrument.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time of payment or modification or 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 successor in interest. Lender shall not be required to commence proceedings against any successor in interest or to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any debt and made by the original Borrower or Borrower's successor 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.

12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Security Instrument shall bind and be binding on the original Borrower and any (a) Lender and Borrower, subject to the provisions of paragraph 20. Borrower shall be jointly and severally liable with the joint and several. Any Borrower who co-signs this Security Instrument shall be bound by the terms of this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument and is not personally obligated to pay the sums secured by this Security Instrument and to agree that Lender and any other Borrower may agree to extend, modify, forbear or make any other modifications with regard to the term of this Security Instrument or the Note without that Borrower's consent.

13. 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, if the address is changed, to the address designated by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address, or, if the address is changed, to the address designated 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.

14. 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. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. Borrower's Copy. Borrower shall be given one conformed copy of this Security Instrument.

16. Assignment of Rents. Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 16.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

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FHA Case No. 131:6242308-729

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 20TH day of NOVEMBER 19 90, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to

CENTRUST MORTGAGE CORPORATION, A CALIFORNIA CORPORATION (the "Lender") of the same date and covering the property described in the Security Instrument and located at: 2919 NORTH BAUSON AVENUE CHICAGO, IL 60616 (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:

- 1. Under the Note, the initial stated interest rate of NINE per centum (9.0000%) per annum ("Initial Interest Rate") on the unpaid principal balance is subject to change, as hereinafter described. When the interest rate changes, the equal monthly installments of principal and interest also will be adjusted as hereinafter provided, so that each installment will be in an amount necessary to fully amortize the unpaid principal balance of the Note, at the new adjusted interest rate, over the remaining term of the Note.
2. The first adjustment to the interest rate (if any adjustment is required) will be effective on the first day of APRIL 19 92 (which date will not be less than twelve months nor more than eighteen months from the due date of the first installment payment under the Note), and thereafter each adjustment to the interest rate will be made effective on that day of each succeeding year during the term of the Security Instrument ("Change Date").
3. Each adjustment to the interest rate will be made based upon the following method of employing the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year ("Index"; the Index is published in the Federal Reserve Bulletin and made available by the United States Treasury Department in Statistical Release H-15 (519)). As of each Change Date, it will be determined whether or not an interest rate adjustment must be made, and the amount of the new adjusted interest rate, if any, as follows:
(a) The amount of the Index will be determined, using the most recent available figure, thirty (30) days before the Change Date ("Current Index").
(b) 1.00 percentage points (2.0000%; the "Margin") will be added to the Current Index and the sum of this addition will be rounded to the nearest one-eighth of one percentage point (0.125%). The rounded sum, of the Margin plus the Current Index, will be called the "Calculated Interest Rate" for each Change Date.
(c) The Calculated Interest Rate will be compared to the interest rate being earned immediately prior to the current Change Date (such interest rate being called the "Existing Interest Rate"). Then, the new adjusted interest rate, if any, will be determined as follows:
(i) If the Calculated Interest Rate is the same as the Existing Interest Rate, the interest rate will not change.
(ii) If the difference between the Calculated Interest Rate and the Existing Interest Rate is less than or equal to one percentage point, the new adjusted interest rate will be equal to the Calculated Interest Rate (subject to the maximum allowable change over the term of the Security Instrument of five percentage points, in either direction, from the Initial Interest Rate, herein called the "5% Cap").
(iii) If the Calculated Interest Rate exceeds the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point higher than the Existing Interest Rate (subject to the 5% Cap).
(iv) If the Calculated Interest Rate is less than the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point less than the Existing Interest Rate (subject to the 5% Cap).
(d) Notwithstanding anything contained in this Adjustable Rate Rider, in no event will any new adjusted interest rate be more than five percentage (5%) points higher or lower than the Initial Interest Rate. If any increase or decrease in the Existing Interest Rate would cause the new adjusted interest rate to exceed the 5% Cap,

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the new adjusted interest rate will be limited to five percentage (5%) points higher or lower, whichever is applicable, than the initial interest rate.

(c) Lender will perform the functions required under Subparagraphs 3(a), (b) and (c) to determine the amount of the new adjusted rate, if any. Any such new adjusted rate will become effective on the Change Date and thereafter will be deemed to be the existing interest rate. The new existing interest rate will remain in effect until the next Change Date on which the interest rate is adjusted.

(f) If the Index is no longer available, Lender will be required to use any index prescribed by the Department of Housing and Urban Development. Lender will notify Borrower in writing of any such substitute index (getting all necessary information for Borrower to obtain such index) and after the date of such notice the substitute index will be deemed to be the Index hereunder.

4. (a) If the Existing Interest Rate changes on any Change Date, Lender will recalculate the monthly installment payments of principal and interest to determine the amount which would be necessary to repay in full, on the maturity date, the unpaid principal balance (which unpaid principal balance will be deemed to be the amount due on such Change Date assuming there has been no default in any payment on the Note, but that all payments on the Note have been taken into account), at the new Existing Interest Rate, in equal monthly payments. At least 25 days before the date on which the new monthly payment at the new level is due, Lender will give Borrower written notice ("Adjustment Notice") of any change in the Existing Interest Rate and of the revised amount of the monthly installment payment of principal and interest, calculated as provided above. Each Adjustment Notice will set forth (i) the date the Adjustment Notice is given, (ii) the Change Date, (iii) the new Existing Interest Rate as adjusted on the Change Date, (iv) the amount of the adjusted monthly installment payments, calculated as provided above, (v) the Current Index and the date it was published, (vi) the method of calculating the adjustment to the monthly installment payments, and (vii) any other information which may be required by law from time to time.

(b) Borrower agrees to pay the adjusted monthly installment amount beginning on the first payment date which occurs at least twenty-five (25) days after Lender has given the Adjustment Notice to Borrower. Borrower will continue to pay the adjusted monthly installment amount set forth in the last Adjustment Notice given by Lender to Borrower until the first payment date which occurs at least twenty-five (25) days after Lender has given a further Adjustment Notice to Borrower. Notwithstanding anything to the contrary contained in this Adjustable Rate Rider or the Security Instrument, Borrower will be relieved of any obligation to pay, and Lender will have forfeited its right to collect, any increase in the monthly installment amount caused by the recalculation of such amount under Subparagraph 4(a) for any payment date occurring less than twenty-five (25) days after Lender has given the applicable Adjustment Notice to Borrower.

(c) Notwithstanding anything contained in this Adjustable Rate Rider, in the event that (i) the Existing Interest Rate was reduced on a Change Date, and (ii) Lender failed to give the Adjustment Notice when required, and (iii) Borrower, consequently, has made any monthly installment payments in excess of the amount which would have been set forth in such Adjustment Notice ("Excess Payments"), then Borrower, at Borrower's sole option, may either (1) demand the return from Lender (who for the purposes of this sentence will be deemed to be the lender, or lenders, who received such Excess Payments), whether or not any such lender subsequently assigned the Security Instrument, of all or any portion of such Excess Payments, with interest thereon at a rate equal to the sum of the Margin and the Index on the Change Date when the Existing Interest Rate was so reduced, from the due date of such Excess Payments, or (2) request that all or any portion of such Excess Payments, together with all interest thereon calculated as provided above, be applied as payments against principal.

5. Nothing contained in this Adjustable Rate Rider will permit Lender to accomplish an interest rate adjustment through an increase (or decrease) to the unpaid principal balance. Changes to the Existing Interest Rate may only be reflected through adjustment to Borrower's monthly installment payments of principal and interest, as provided for herein.

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

(Seal) \_\_\_\_\_  
Borrower  
LUIS S. BENOMIA

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

(Seal) \_\_\_\_\_  
Borrower  
ALFRED A. KAPSON

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AF# 1808717

FHA Case No. 131:6242308-729

ADJUSTABLE RATE ALLONGE AMENDING NOTE

THIS ADJUSTABLE RATE ALLONGE is an AMENDMENT made this 30TH day of NOVEMBER, 19 90, and is incorporated into and shall be deemed to amend and supplement the Note ("Note") of the same date given by the undersigned ("Borrower") to evidence Borrower's indebtedness to

CENTRUST MORTGAGE CORPORATION, A CALIFORNIA CORPORATION ("Lender"), which indebtedness is secured by a Mortgage, Deed of Trust or Security Deed ("Security Instrument"), of the same date and covering the property described in the Security Instrument and located at:

2919 NORTH DAWSON AVENUE CHICAGO, IL 60618

(Property Address)

Notwithstanding anything to the contrary set forth in the Note, Borrower hereby agrees to the following:

- 1. The interest rate stated in the Note, of NINE per centum (9.000%) per annum ("Initial Interest Rate"), is subject to change as hereinafter provided. Borrower promises to pay, on the unpaid principal amount, interest at the rate in effect from time to time, as adjusted in accordance with the provisions of this Amendment, in monthly installments of principal and interest as provided in Paragraph 4. When the interest rate changes, the equal monthly installments of principal and interest also will be adjusted, as hereinafter provided, so that each installment will be in an amount necessary to fully amortize the unpaid principal balance of the Note, at the new adjusted interest rate, over the remaining term of the Note. Borrower agrees to pay to the order of Lender the amount of all such adjusted monthly installments, provided that Borrower is notified of such adjustments as hereinafter required.
2. The first adjustment to the interest rate (if any adjustment is required) will be effective on the first day of APRIL, 19 90, which date will not be less than twelve months nor more than eighteen months from the due date of the first installment payment under the Note), and thereafter each adjustment to the interest rate will be made effective on the day of each succeeding year during the term of the Note ("Change Date").
3. Each adjustment to the interest rate will be made based upon the following method of employing the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year ("Index"; the Index is published in the Federal Reserve Bulletin and made available by the United States Treasury Department in Statistical Release H-15 (519)). As of each Change Date, it will be determined whether or not an interest rate adjustment must be made, and the amount of the new adjusted interest rate, if any, as follows:
(a) The amount of the Index will be determined, using the most recently available figure, thirty (30) days before the Change Date ("Current Index").
(b) 1.00 percentage point (1.0000%); the "Margin" will be added to the Current Index and the sum of this addition will be rounded to the nearest one-eighth of one percentage point (0.125%). The rounded sum, of the Margin plus the Current Index, will be called the "Calculated Interest Rate" for each Change Date.
(c) The Calculated Interest Rate will be compared to the interest rate being earned immediately prior to the current Change Date (such interest rate being called the "Existing Interest Rate"). Then, the new adjusted interest rate, if any, will be determined as follows:
(i) If the Calculated Interest Rate is the same as the Existing Interest Rate, the interest rate will not change.
(ii) If the difference between the Calculated Interest Rate and the Existing Interest Rate is less than or equal to one percentage point, the new adjusted interest rate will be equal to the Calculated Interest Rate (subject to the maximum allowable change over the term of the Note of five percentage points, in either direction, from the Initial Interest Rate, herein called the "5% Cap").
(iii) If the Calculated Interest Rate exceeds the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point higher than the Existing Interest Rate (subject to the 5% Cap).
(iv) If the Calculated Interest Rate is less than the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point less than the Existing Interest Rate (subject to the 5% Cap).
(d) Notwithstanding anything contained in this Amendment, in no event will any new adjusted interest rate be more than five percentage (5%) points higher or lower than the Initial Interest Rate. If any increase or decrease in the Existing Interest Rate would cause the new adjusted interest rate to exceed the 5% Cap,

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CLIFFORD A. KAPSON  
KAPSON  
LOUIS S. BENQMITZ  
Borrower (Seal)  
Borrower (Seal)

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

6. If more than one person has signed the Note and this Amendment, each person is jointly and severally liable for all of the obligations under the Note as modified by this Amendment and, therefore, each person is fully and personally obligated to fulfill all of the promises made in the Note and this Amendment, including, without limitation, payment of the entire amount owed (except as provided under Subparagraph 4(b)).

5. Nothing contained in this Amendment will permit the Lender to accept an interest rate adjustment through an increase (or decrease) to the unpaid principal balance. Changes to the Existing Interest Rate may only be reflected through adjustment to Borrower's monthly installment payments of principal and interest, as provided for herein.

(c) Notwithstanding anything contained in this Amendment, in the event that (i) the Existing Interest Rate was reduced on a Change Date, and (ii) Lender failed to give the Adjustment Notice when required, and Borrower has, consequently, made any monthly installment payments in excess of the amount which would have been set forth in such Adjustment Notice ("Excess Payments"), then Borrower, at Borrower's sole option, may either (1) demand the return of Lender from Lender (who for the purposes of this sentence will be deemed to be the lender, or lenders, who received such Excess Payments, whether or not any such lender subsequently assigned the Note and Security Instrument) of all or any portion of such Excess Payments, with interest thereon at a rate equal to the sum of the Margin and the Index on the Change Date when the Existing Interest Rate was so reduced, from the date each such Excess Payment was made by Borrower to repayment, or (2) request that all or any portion of such Excess Payments, together with all interest thereon calculated as provided above, be applied as payments against principal.

(b) Borrower agrees to pay the adjusted monthly installment amount beginning on the first payment date which occurs at least twenty-five (25) days after Lender has given the Adjustment Notice to Borrower. Borrower will continue to pay the adjusted monthly installment amount set forth in the last Adjustment Notice given by Lender to Borrower until the first payment date which occurs at least twenty-five (25) days after Lender has given a further Adjustment Notice to Borrower. Notwithstanding anything to the contrary contained in this Amendment of the Note, Borrower will be relieved of any obligation to pay, and Lender will have forfeited its right to collect, a by increase in the monthly installment amount (caused by the recalculation of such amount under Subparagraph 4(a)) for any payment date occurring less than twenty-five (25) days after Lender has given the applicable Adjustment Notice to Borrower.

4. (a) If the Existing Interest Rate changes on any Change Date, Lender will recalculate the monthly installment payments of principal and interest to determine the amount which would be necessary to repay in full, on the maturity date, the unpaid principal balance (which unpaid principal balance will be deemed to be the amount due on such Change Date assuming there has been no default in any payment on the Note, but that all prepayments on the Note have been taken into account), at the new Existing Interest Rate, in equal monthly payments. At least 25 days before the date on which the new monthly payment at the new level is due, Lender will give Borrower written notice ("Adjustment Notice") of any change in the Existing Interest Rate and of the revised amount of the monthly installment payments of principal and interest, calculated as provided above. Each Adjustment Notice will set forth (i) the date the Adjustment Notice is given, (ii) the Change Date, (iii) the new Existing Interest Rate as adjusted on the Change Date, (iv) the amount of the adjusted monthly installment payments, calculated as provided above, (v) the Current Index and the date it was published, (vi) the method of calculating the adjustment to the monthly installment payments, and (vii) any other information which may be required by law from time to time.

(b) If the Index is no longer available, Lender will be required to use any index prescribed by the Department of Housing and Urban Development. Lender will notify Borrower in writing of any such substitute index (giving all necessary information for Borrower to obtain such index) and after the date of such notice the substitute index will be deemed to be the Index hereunder.

(c) Lender will perform the functions required under Subparagraphs 3(a), (b) and (c) to determine the amount of the new adjusted interest rate, if any. Any such new adjusted interest rate will become effective on the Change Date and thereafter will be deemed to be the Existing Interest Rate. The new Existing Interest Rate will remain in effect until the next Change Date on which the interest rate is adjusted.

(d) The new adjusted interest rate will be limited to five percentage (5%) points higher or lower, whichever is applicable, than the Initial Interest Rate.

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