

UNOFFICIAL COPY

WHEN RECORDED MAIL TO

FIRST NATIONWIDE BANK  
CONSUMER LOANS  
P.O. BOX 4627  
OAKBROOK, IL 60522

THIS INSTRUMENT WAS PREPARED BY  
J. PRICE FIRST NATIONWIDE BANK  
NAME  
1520 KENSINGTON RD - SUITE 300  
ADDRESS  
OAK BROOK, IL 60521

MAIL TO  
*[Handwritten signature]*

90237691

SPACE ABOVE THIS LINE FOR  
RECORDER'S USE DOC.020

**MORTGAGE AND ASSIGNMENT OF RENTS**

(Variable Interest Rate)  
(Revolving Line of Credit)

NOTICE: THIS MORTGAGE MAY SECURE BORROWINGS MADE BY AN OWNER OF THE PROPERTY EVEN AFTER SUCH OWNER SELLS THE PROPERTY. YOUR LOAN WILL CONTAIN PROVISIONS FOR AN ADJUSTABLE INTEREST RATE.

THIS MORTGAGE AND ASSIGNMENT OF RENTS (herein "Mortgage") is made this 4TH day of May, 19 90, by and between, ROBERT L. RAY AND LILLIAN M. RAY, HUSBAND AND WIFE AS JOINT TENANTS

(herein "Borrower"), and FIRST NATIONWIDE BANK, A Federal Savings Bank, whose address is 700 Market Street, San Francisco, California 94102 (herein "Lender").

Borrower, in consideration of the indebtedness herein mortgages, grants and conveys to the Lender the following described property located in the County of COOK, State of Illinois.

THE NORTH 330 FEET OF THE WEST 100 FEET OF THE EAST 160 FEET OF THE SOUTH 1/2 OF THE EAST 1/2 OF THE SOUTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 32, TOWNSHIP 12 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TAX PARCEL #: 02-32-102-010

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which has the address of (Street) 2155 FROST ROAD  
(City) SCHAUMBURG, Illinois (Zip Code) 60195  
(herein "Property Address").

TOGETHER WITH all the improvements now or hereafter erected on the Property, and all easements, rights, appurtenances and rents (subject however to the rights and authorities given herein to Lender to collect and apply such rents), royalties, mineral oil and gas rights and profits, water, water rights, and water stock, insurance and condemnation proceeds, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property";

FOR THE PURPOSE OF SECURING: The prepayment to the Lender of the revolving line of credit indebtedness evidenced by an EQUITY RESERVE ACCOUNT AGREEMENT AND DISCLOSURE STATEMENT ("Agreement") of even date herewith, in the maximum principal sum of U.S. \$60,000.00, or so much thereof that may be advanced and outstanding with interest thereon, providing for monthly payments in accordance with the terms thereof.

This Mortgage is given to secure a "Revolving Credit" loan as defined in Illinois Revised Statutes, Chapter 17, Section 6405 and secures not only the indebtedness from the Mortgagor to the Mortgagee on the date hereof but all such future advances, whether such advances are obligatory or to be made at the option of the Mortgagee, or otherwise, as are made within fifteen years of the date of the Mortgage, to the same extent as if such future advances were made at the time of execution of this Mortgage, and although there may be no indebtedness outstanding at the time any advance is made. The total amount of indebtedness secured by this Mortgage may increase or decrease from time to time, but the total unpaid balance secured at any one time shall not exceed twice the principal sum set forth above. The Agreement and this Mortgage are collectively referred to as the "Credit Documents". Any deficiency in the payment of any monthly payment when due and any failure to perform any obligation of Borrower contained in this Mortgage or the Agreement shall constitute an event of default as set forth below in paragraph "15. EVENTS OF DEFAULT".

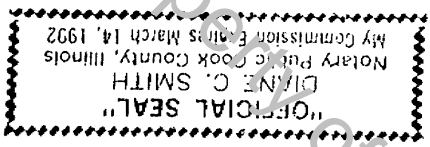
Borrower covenants that Borrower is the lawful owner of the estate in land hereby conveyed and has the right to grant and convey the Property, and that the Property is unencumbered except for encumbrances of record as of the date hereof. Borrower covenants that Borrower warrants and will defend generally the title to the Property, against all claims and demands, subject to encumbrances of record as of the date hereof. Borrower covenants that Borrower will neither take nor permit any action to subdivide the Property or any part thereof.

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Handwritten initials and date: 3/14/52

EQUITY RESERVE

CLERK (0559) WHITE - RETURN TO LENDER CANARY - BORROWER PINK - RETAIN IN FILE



My Commission Expires: 3/14/52  
Notary Signature: Diane C. Smith

Given under my hand and official seal, this 4 day of May 19 52

personally known to me to be the same person(s) whose name(s) appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free voluntary act, for the uses and purposes therein set forth.

I, DIANE C. SMITH, a Notary Public in and for said county and state, do hereby certify that

STATE OF ILLINOIS  
COUNTY OF COOK  
DEPT. OF RECORDING  
BOOK COUNTY RECORDER  
#5000 # 90-237691

BORROWER: ROBERT L. RAY  
BORROWER: LILLIAN M. RAY

IN WITNESS WHEREOF, Borrower has executed this Mortgage.  
Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST

25. ACCELERATION; REMEDIES. Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 11 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and foreclosure, if the breach is not cured on or before the date specified in the notice. Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.  
26. BORROWER'S RIGHT TO REINSTATE. Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in paragraph 25 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.  
27. WAIVER OF HOMESTEAD. Borrower hereby waives all right of homestead exemption in the Property.

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Borrower acknowledges that the Agreement secured by this Mortgage provides for, among other things, a revolving line of credit up to the maximum credit limit amount stated above, a variable interest rate, and the right of Lender to cancel future advances for reasons other than default by the Borrower. Reference is made to the Agreement for the specific terms, covenants, conditions and provisions thereof which are incorporated herein by this reference.

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

**1. PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall promptly pay when due in accordance with the terms of the Agreement the principal and interest on the indebtedness evidenced by the Agreement, together with any late charges, membership fees, and other charges imposed under the Agreement and allowed by applicable law.

**2. TAXES AND INSURANCE.** Borrower shall pay, at least ten calendar days before delinquency, all taxes, assessments (including condominium or planned unit development assessments, if any), and ground rents affecting the Property. 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 such other hazards (collectively referred to as "Hazards") as Lender may require including but not limited to flood insurance if the Property is located in a designated flood hazard area, and in such amounts and for such periods as Lender may require, but in no event shall such amounts be less than the face amount of any obligation secured by any mortgage or other security agreement which has or appears to have priority over this Mortgage plus the amount of the line of credit secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has or appears to have any priority over this Mortgage. If Borrower makes the premium payment directly, Borrower shall promptly furnish to Lender all renewal notices and, if requested by Lender, all receipts of paid premiums. If policies and renewals are held by any other person, Borrower shall supply copies of such to Lender within ten calendar days after issuance.

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.

Subject to the rights and terms of any mortgage, or other security agreement with a lien which has or appears to have any priority over this Mortgage, the amounts collected by Borrower or Lender under any hazard insurance policy may, at Lender's sole discretion, either be applied to the indebtedness secured by this Mortgage and in such order as Lender may determine or be released to Borrower for use in repairing or reconstructing the Property, and Lender is hereby irrevocably authorized to do any of the above. Such application or release shall not cure or waive any default or notice of default under this Mortgage or invalidate any act done pursuant to such notice.

If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender in writing within 30 calendar days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is irrevocably authorized to settle the claim and to collect and apply the insurance proceeds at Lender's sole option either to restoration or repair of the Property or to the sums secured by this Mortgage.

If the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to such sale or acquisition shall become the property of Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

Borrower, at the discretion of the Lender, shall pay the cost of an ALTA policy of title insurance, with such endorsements as Lender shall request and subject to such exceptions as Lender may approve in writing, insuring Lender's interest in the Property and shall cause to be provided to Lender at Borrower's expense such further endorsements as Lender may request insuring Lender's continuing lien priority over encumbrances not of record as of the date hereof.

**3. APPLICATION OF PAYMENTS.** Unless applicable law provides otherwise, all payments received by Lender under the Agreement and this Mortgage shall be applied first in payment of any finance charge payable under the Agreement, then in payment of any other amounts (excluding principal) payable to Lender by Borrower under the Agreement or this Mortgage and then to the principal balance on the line of credit.

**4. PRIOR MORTGAGES AND DEEDS OF TRUST; CHARGES; LIENS.** Borrower shall fully and timely perform all of Borrower's obligations under any mortgage, or other security agreement with a lien which has or appears to have any priority over this Mortgage, including Borrower's covenants to make any payments when due. Borrower shall pay or cause to be paid all taxes, assessments and other charges, fines and impositions attributable to the Property and all encumbrances, charges, loans and liens (other than any prior first Mortgage) on the Property which may attain any priority over this Mortgage and leasehold payments or ground rents, if any.

**5. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS; CONDOMINIUMS; PLANNED UNIT DEVELOPMENTS.** Borrower shall use, improve and maintain the Property in compliance with the law, shall keep the Property in good condition and repair, including the repair or restoration of any improvements on the Property which may be damaged or destroyed, shall not commit or permit waste or permit impairment or deterioration of the Property and shall fully and promptly comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or planned unit development, Borrower shall promptly perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, and constituent documents, all as may be amended from time to time. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

**6. PROTECTION OF LENDER'S SECURITY.** If Borrower fails to perform the covenants and agreements contained in this Mortgage or in the Agreement, or if any action or proceeding is commenced which affects Lender's interest in the Property or the rights or powers of Lender then Lender without demand upon Borrower, but upon notice to Borrower pursuant to paragraph 11 hereof, may, without releasing Borrower from any obligation in this Mortgage, make such appearances, defend the action or proceeding, disburse such sums, including reasonable attorney's fees and costs incurred at the trial or appellate levels, and take such action as the Lender deems necessary to protect the security of this Mortgage.

Any amounts disbursed by Lender (unless otherwise provided or agreed upon with Borrower) pursuant to this paragraph 6, with interest thereon at the rate from time to time in effect under the Agreement, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree in writing to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 6 shall require Lender to incur any expense or take any action hereunder and any action taken shall not release Borrower from any obligation in this Mortgage.

**7. INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

**8. CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender, subject to the terms of any mortgage, or other security agreement with a lien which has priority over the Mortgage. Borrower agrees to execute such further documents as may be required by the condemnation authority to effectuate this paragraph. Lender is hereby irrevocably authorized to apply or release such moneys received or make settlement for such moneys in the same manner and with the same effect as provided in this Mortgage for disposition or settlement of proceeds of hazard insurance.

**9. BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER.** Extension of the time for payment, acceptance by the Lender of payments other than according to the terms of the Agreement, or modification in payment terms of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release in any manner, the liability of the original Borrower. Borrower's successor in interest or any guarantor or surety thereof, Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify payment terms of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right as otherwise provided in this Mortgage to accelerate the maturity of the indebtedness secured by this Mortgage in the event of Borrower's default under this Mortgage or the Agreement which it secures.

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holder of any Mortgage or other encumbrance with a lien prior to this Mortgage give notice to Mortgagee at P.O. Box 4627, Oakbrook, Illinois 60522. Attention: Consumer Loan Department.

**24. NO ASSUMPTION.** Because the extension of credit herein is based upon Mortgagee's personal financial circumstances, the Agreement and Request for Notice of Default and Foreclosure Under Superior Mortgage, Mortgagee and Mortgagee request that the Mortgagee may not be assumed by any third party. Any attempted assumption may result in acceleration of the entire indebtedness secured hereby.

See Mortgage Rider attached hereto and incorporated herein by this reference.

**23. ACTUAL KNOWLEDGE.** For purposes of this Mortgage, Lender will not be deemed to have received actual knowledge of information required to be conveyed to Lender in writing by Borrower until the date of actual receipt of such information at the address shown on Page 1 for FIRST NATIONAL WIDE BANK, (or such other address specified by Lender to Borrower). Such date shall be conclusively determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent. Lender will be deemed to have actual knowledge of such event or information as of the date Lender receives a written notice of such event or information from a source Lender reasonably believes to be reliable, including but not limited to a court or other governmental agency, institutional lender or title company. The actual date of receipt shall be determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent.

**22. TIME OF ESSENCE.** Time is of the essence in this Mortgage and Agreement.

**21. INCORPORATION OF TERMS.** All of the terms, conditions and provisions of the Agreement secured by this Mortgage are by this reference incorporated herein as if set forth in full. Any Event of Default under the Agreement shall constitute an Event of Default hereunder without further notice to Borrower.

**20. REQUEST FOR NOTICES.** Borrower requests that copies of any notice of default and notice of sale by address to Borrower and sent to the Property Address. Lender requests that copies of notices of foreclosure from the holder of any lien which has priority over this Mortgage be sent to Lender's address, and set forth on page one of this Mortgage.

**19. RELEASE OF MORTGAGE.** When Lender has been paid all amounts due under the Agreement, under this Mortgage, and under any notes for additional loans Lender may in the future make to Borrower which are secured by the Mortgage, Lender will discharge and release this Mortgage by delivering a certificate stating that this Mortgage has been satisfied. Borrower agrees to pay at no charge to Borrower all costs of recording said certificate.

**18. ASSIGNMENT OF RENTS; APPOINTMENT OF RECEIVER; LENDER IN POSSESSION.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that prior to acceleration under paragraph 17 hereof or the occurrence of an Event of Default hereunder or abandonment of the Property, Borrower shall have the right to collect and retain such rents as they become due and payable. Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender, by agent or by judicially appointed receiver, and without regard to the adequacy of any security for the indebtedness secured by this Mortgage, shall be entitled to enter upon, take possession of and manage the Property, and in its own name sue for or collect the rents of the Property, including the past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of operation and management of the Property and collection of rents, including not limited to receiver's fees, premiums on receiver's bond and reasonable attorney's fees, and then to the satisfaction of this Mortgage. Lender and the receiver shall be liable to account only for those amounts actually received. The entering upon and taking possession of the Property and the collection and application of the rents shall not cure or waive any Event of Default or notice of default hereunder or invalidate any act done pursuant to such notice.

**17. LENDER'S RIGHTS UPON DEFAULT.** If Borrower shall become in default under this Mortgage, Lender shall have the right (but not the obligation) and without notice or demand upon Borrower and without releasing Borrower from any obligations hereof, at its option, to declare all sums secured hereby immediately due within 30 days and may make or do this in such manner and to such extent as it may deem necessary to protect the security hereof. If Borrower is in default as described in paragraph 15, the Lender shall have each and every one of the following rights in addition to the right of foreclosure by judicial proceeding and sale of the property: (a) Offset by amount owing by Lender to Borrower against the Borrower's debt to Lender; (b) Apply any money which Lender may have in its possession (such as balances in the escrow account, rents, condemnation or insurance proceeds) against the indebtedness owing by Borrower to Lender; (c) Enforce any other legal right which Lender may have. No such offset or application as mentioned in items (a) and (b) above shall cure any default or relieve the Borrower from the obligation to pay any installments or perform any of its other obligations owing under the Agreement and Mortgage as they become due.

**16. TRANSFER OF THE PROPERTY.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, or (b) the creation of a purchase money security interest for household appliances, such event shall constitute an Event of Default hereunder and under the Agreement and Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Any use or attempted use by Borrower of the revolving line of credit evidenced by the Agreement after Borrower's sale, transfer, or promise to sell or transfer the Property or any interest therein shall constitute the basis of a separate Event of Default.

**15. EVENTS OF DEFAULT.** In addition to the Event of Default caused by sale or transfer of or promise to sell or transfer, all or any part of the Property, or any interest therein, which event is specifically covered in paragraph 16 hereof, set forth below is a list of events which will constitute Events of Default. The events are: (1) Borrower fails to pay in a timely manner any amounts due under the Credit Documents; (2) Lender receives actual knowledge that Borrower omitted material information in Borrower's credit application or made any false or misleading statements on Borrower's credit application; (3) Borrower files for bankruptcy under any provision of any state bankruptcy law or under any federal bankruptcy act in effect at the time of filing; (4) Lender receives actual knowledge that Borrower has defaulted under any credit instrument or Mortgage widening or securing a loan to Borrower which loan has priority over the lien hereof, or any other creditor of Borrower attempts to (or actually does) seize or obtains a writ of attachment against the Property; (5) Borrower fails to keep any other covenant or agreement contained in any of the Credit Documents not otherwise specified in this paragraph 15, or (6) The Lender receives actual knowledge that the Property is no longer the Borrower's principal residence.

**14. REMEDIES CUMULATIVE.** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or accorded by law or equity, and may be exercised concurrently, independently, or successively.

**13. BORROWER'S COPY.** Borrower shall be furnished a confirmed copy of the Agreement and of this Mortgage at the time of execution or after recording hereof.

**12. GOVERNING LAW-SEVERABILITY.** The loan secured by this Mortgage shall be construed and governed by the laws of the United States and the rules and regulations promulgated thereunder, and with the laws of the State of Illinois not contrary thereto or inconsistent therewith. Any law of the State of Illinois which would restrict the Lender in engaging in activities which are not prohibited or restricted by the laws of the United States and the rules and regulations promulgated thereunder shall be construed as inconsistent and contrary therewith. If any provision of this Mortgage is construed or interpreted by a court of competent jurisdiction to be void, invalid, or unenforceable, then such provision shall be deemed separable from the remaining provisions and such decision shall affect only such provision and shall not affect the validity or enforceability of the remaining provisions of this Mortgage or the Agreement which it secures.

into the US mail system as first class mail addressed as provided in this paragraph 11. notice provided for in this Mortgage shall be deemed to have been given on the date hand delivery is actually made or the day notice is deposited at the address shown on Page 1 for First Nationalwide Bank or to such other address as Lender may designate by written notice. Any mail to Lender at the address shown on Page 1 for First Nationalwide Bank or to such other address as Lender may designate or certified class mail addressed to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) at the Property Address or at such other address as Borrower may designate by written notice to Lender as provided herein, and (b) any notice to Lender shall be given by registered or certified class mail addressed to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) at the Property Address or at such other address as Borrower may designate by written notice to Lender as provided herein, and (c) any notice to Lender shall be given by hand delivering it to or by mailing such notice by first class mail addressed to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) as provided in this paragraph 11.

**11. NOTICE.** Except for any notice required under applicable law to be given in another manner (as any notice to Borrower or Borrower's successor, heirs, legatees, devisees and assigns provided for in this Mortgage shall be given by hand delivering it to or by mailing such notice by first class mail addressed to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) at the Property Address or at such other address as Borrower may designate by written notice to Lender as provided herein, and (c) any notice to Lender shall be given by hand delivering it to or by mailing such notice by first class mail addressed to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) as provided in this paragraph 11. notice provided for in this Mortgage shall be deemed to have been given on the date hand delivery is actually made or the day notice is deposited at the address shown on Page 1 for First Nationalwide Bank or to such other address as Lender may designate by written notice. Any mail to Lender at the address shown on Page 1 for First Nationalwide Bank or to such other address as Lender may designate or certified class mail addressed to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) at the Property Address or at such other address as Borrower may designate by written notice to Lender as provided herein, and (c) any notice to Lender shall be given by hand delivering it to or by mailing such notice by first class mail addressed to Borrower (or Borrower's successors, heirs, legatees, devisees and assigns) as provided in this paragraph 11.

**10. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CAPTIONS; CO-ASSIGNS; CAPTIONS.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors, heirs, legatees, devisees and assigns of Lender and Borrower and assigns) shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Agreement, (a) is co-signing this Mortgage only to grant and convey that Borrower's interest in the property to Lender under the terms of this Mortgage, (b) is not personally liable on the Agreement or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Agreement, without the Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof. In this Mortgage, whenever the context requires, the masculine gender includes the feminine and/or neuter, and the singular number includes the plural.

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This Mortgage Rider is attached to and made a part of a Mortgage dated MAY 24, 1990 given by the undersigned (the "Borrower") to secure Borrower's obligations to FIRST NATIONWIDE BANK, A Federal Savings Bank (the "Lender") under the Equity Reserve Account Agreement and Disclosure Statement (the "Agreement") of the same date and shall be deemed to amend and supplement said Mortgage.

INTEREST RATE AND PAYMENT ADJUSTMENTS. Paragraph 28 is hereby added to the Mortgage.

28. INTEREST RATE AND PAYMENT ADJUSTMENTS. The Agreement secured by this Mortgage contains the following provisions:

FINANCE CHARGES

Finance Charges for my Credit Line. The "Initial Finance Charge" section and "Periodic Finance Charge" section, including its subsections "How Daily Interest Rate Is Determined," "How Average Daily Balance Is Figured," and "Current Finance Charge Rate" describe the Finance Charges payable in connection with my credit line and how they will be calculated.

A. Initial Finance Charge

To open my credit line I will pay the Loan Origination Fee (Initial Finance Charge) shown above, which is a one-time non-refundable Finance Charge. This amount may be posted to my credit line. If I want to avoid interest charges on this amount, I will pay this amount in cash when I sign this Agreement.

B. Periodic Finance Charges

Periodic Finance Charges, consisting of interest, will be charged on my credit line if there is an outstanding balance owing to the Lender on my credit line at the end of any day of the billing cycle. Interest will begin to accrue on the date a transaction is posted to my credit line. Interest will be calculated by applying the daily interest rate for that billing cycle to the average daily balance for that billing cycle and multiplying the result by the number of actual calendar days in the billing cycle. (See "How Daily Interest Rate Is Determined" and "How Average Daily Balance Is Determined.") This daily interest rate is subject to increase or decrease on the first day of each billing cycle if there has been a change in the "Index" (defined below). If the daily interest rate increases, my minimum monthly payment will also increase. (See "Minimum Payment")

1. How Daily Interest Rate is Determined

To determine the daily interest rate for my credit line for each billing cycle before that billing cycle begins, the Lender will go through the following Step 1 to get the "Index" for the billing cycle and Steps 2 and 3 to get the daily interest rate for the cycle.

Step 1. The Lender will determine the value of the "Index" as of the "Determination Date." The "Index" that will apply to my credit line will be the Prime Rate as quoted and published in the Western Edition of The Wall Street Journal, currently published by Dow Jones and Co. The referenced Prime Rate is usually listed under a column entitled Money Rates. In the event that on the Determination Date two or more Prime Rates are published, the Index will be the highest Prime Rate. The Lender will obtain the Prime Rate quoted (using up to the first two decimal places) on the 30th day (Determination Date) of the month preceding the first day of the billing cycle, unless there is no Prime Rate quoted for the 30th day in which event the Lender will obtain the Prime Rate quoted for the next preceding day on which a Prime Rate was quoted.

In the event the Index, as described above, is no longer available, Index shall mean a substitute Index selected by the Lender in compliance with federal law.

Step 2. The Lender will then add to the Index an amount referred to as the "Spread." The "Spread" will be L. 70.

Step 3. The Lender will then divide the total of my Index plus the Spread by 365 to determine the daily interest rate that will apply for the next billing cycle.

2. How Average Daily Balance is Calculated

The Lender will calculate the Average Daily Balance by starting with the balance I owe at the beginning of each day in the billing period for that statement. The Lender will add any new loan advances and other charges and will subtract any payments and credits which are posted to my credit line during the day. The Lender subtracts all unpaid interest and late charge(s). This will result in the daily balance for the day. The Lender will then add together the daily balance for each of the days in the billing period and divide the total by the number of days in the billing period, which will result in my Average Daily Balance.

Interest will continue to accrue until my credit line balance is paid in full. I understand that I may receive a final billing statement showing only the interest which accrued from the closing date of the previous statement to the date on which the Lender received my payment of my remaining principal balance.

3. Current Finance Charge Rate

Based upon the Index in effect on the date this Agreement was prepared for signing, the current daily interest rate and the corresponding Annual Percentage Rate are as shown on the first page of this Agreement.

These rates are subject to increase or decrease at the beginning of the next and subsequent billing cycles based on increases and/or decreases in the Index.

IN WITNESS WHEREOF, Borrower has executed this Mortgage Rider.

WITNESS (SEAL) BORROWER ROBERT L. RAY (SEAL)
WITNESS (SEAL)
WITNESS (SEAL) BORROWER LILLIAN M. RAY (SEAL)
WITNESS (SEAL)
WITNESS (SEAL) BORROWER (SEAL)
WITNESS (SEAL)
WITNESS (SEAL) BORROWER (SEAL)
WITNESS (SEAL)

EQUITY RESERVE

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