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Form 2014 936

ILLINOIS - Form 1 - Fannie Mae Freddie Mac UNIFORM INSTRUMENT

60093

675 FOXDALE

PLN #05-17-413-040-0000

MINNETKA

FROM SAID PORTION THE WESTERN 30 FEET THEREOF) IN BLOCK 6 IN MINNETKA PARK PLATS, BEING A SUBDIVISION OF PART OF SECTIONS 16, 17 AND 20, TOWNSHIP 42 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 30, 1891 AS DOCUMENT 1498816; ALSO THAT PORTION AS HEREINAFTER DESCRIBED OF LOT 28 IN BLOCK 6 IN MINNETKA PARK PLATS, BEING A SUBDIVISION OF PART OF SECTIONS 16, 17 AND 20 TOWNSHIP 42 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 30, 1891 AS DOCUMENT 1498816 THE SECTION BEING DESCRIBED AS COMMENCING AT THE SOUTHWEST CORNER OF SAID LOT 28; THENCE NORTHWESTERLY ON THE NORTHEAST LINE OF SAID LOT, A DISTANCE OF 11 FEET; THENCE SOUTHWESTERLY WITH THE NORTHEAST LINE OF SAID LOT, A DISTANCE OF 150 FEET MORE OR LESS TO A POINT ON THE WESTERLY LINE OF SAID LOT; THENCE NORTHWESTERLY ON THE WESTERLY LINE OF SAID LOT BEING THE PLACE OF BEGINNING (EXCEPT FROM SAID PORTION THE WESTERN 30 FEET THEREOF) ALL IN COOK COUNTY, ILLINOIS.

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COOK
The amount of this security instrument is the sum of \$282,200.00 (Two hundred eighty two thousand two hundred and no/100ths dollars) and the same shall be paid in monthly payments of \$1,175.83 per month, commencing on the first day of December, 2001, and continuing until the principal and interest thereon has been paid in full. The term of this security instrument is thirty years from the date hereof. The borrower shall pay the interest on this security instrument in advance on the first day of each month. The borrower shall pay the principal on this security instrument in advance on the first day of each month. The borrower shall pay the interest on this security instrument in advance on the first day of each month. The borrower shall pay the principal on this security instrument in advance on the first day of each month.

HARRIS BANK WINNETKA, N.A.
THE UNITED STATES OF AMERICA
520 OPEN EYE ROAD, WINNETKA, IL 60093
NOVEMBER 22, 1991
INDOXY R. KELLOGG AND MARY A. KELLOGG, HIS WIFE

MORTGAGE

[Space Above This Line For Recording Data]

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[Handwritten notes and signatures, including "520 Open Eye Road" and "Harris Bank"]

[Vertical handwritten note: "K 716 # 1005 (copy)"]

[Handwritten mark]

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TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and 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.

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") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, until Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. 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. Borrower and Lender may agree in writing, however, that interest shall be paid 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 all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If the amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

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 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale 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 any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

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

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

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of mortgage insurance. Loss reserve payments may not be required at the option of Lender, if mortgage insurance coverage for the amount and for the period that Lender requires is provided by an insurer approved by Lender and, before is available and is obtained. Borrower shall pay the premium required for such coverage in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

9. 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 the nature and scope of the inspection.

10. Condemnation. The proceeds of any award or claim for damages, benefit or compensation in connection with any condemnation or other taking of any part of the Property, and the proceeds of any such 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 there has been any express notice to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured by this Security Instrument, immediately before the taking, Lender and Borrower, otherwise agree in writing, the sums secured by this Security Instrument shall be reduced to the amount of the proceeds to be applied by the following fraction: (a) the amount of the sums secured immediately before the taking, divided by the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, Lender and Borrower, otherwise agree in writing, or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not the sums are then due.

If the Property is abandoned by Borrower or is otherwise taken by Lender or its agent, Lender may, at its option, make an award of settlement claims and damages. Borrower shall cooperate with Lender in the settlement of the above issues. Lender is authorized to collect and apply the proceeds of any award, claim or settlement 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 to postpone the due date of the monthly payments set forth in paragraphs 1 and 2 or change the amount of such payments.

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

12. Successors and Assigns Bound; Joint and Several Liability; Cosigners. The covenants and agreements of this Security Instrument shall bind and benefit the successors or 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 cosigns this Security Instrument but does not execute the Note, as cosigning this Security Instrument, shall be deemed to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument, shall be personally obligated to pay the sums secured by this Security Instrument, and agrees that Lender and any other Borrower, as cosigner, may extend time for payment or make any accommodations with regard to the terms of this Security Instrument, in the absence of the Borrower's consent.

13. 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 which may be collected in connection with the loan exceed the permitted limits, then any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit, and the sums actually repaid to Borrower when the permitted limits are reached shall 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 made as a part of the next scheduled payment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by first class mail 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.

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5. **Hazard or Property 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, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amount and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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

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

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

6. **(Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** Borrower shall occupy, establish, maintain, and use the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any tortious action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest in the Property. Borrower may cure such a default and restate, as provided in paragraph 8, by causing the action or proceeding to be dismissed with a finding that in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender or failed to provide Lender with any material information in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. **Protection of Lender's Rights in the Property.** 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 forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower 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.

8. **Mortgage Insurance.** 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 mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in the event of a claim.

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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, in which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums in full to the satisfaction of Lender within 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 is in default under this Security Instrument, Borrower shall have the right to have an assignment of this Security Instrument dissolved and all sums due prior to the expiration of 30 days or such other period as applicable law may specify for reinstatement before sale of the Property pursuant to any provision of sale contained in this Security Instrument, if Borrower pays in full to Lender all sums due under this Security Instrument and the Note as of the acceleration had occurred, together with all other covenants or agreements, including all expenses incurred in enforcing this Security Instrument, including but not limited to reasonable attorneys' fees and all other such actions as Lender may reasonably require to assure the full performance 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 paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a part or interest in the Note together with this Security Instrument may be sold one or more times without prior notice to Borrower. A sale may be made in whole or in part on the entire "known as the "Loan Servicer" that collects monthly payments due under the Note on this Security Instrument. There may be one or more changes of the Loan Servicer during the term of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change, in accordance with paragraph 14 above, as applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall be responsible for the proper use, storage, disposal, removal or release of any Hazardous Substances on or in the Property. Borrower shall be responsible for any and all actions or omissions affecting the Property that are in violation of any Environmental Law. If any Environmental Law or any other law relating to the presence, use, or storage of the Property or small quantities of Hazardous Substances, including but not limited to, is amended to be more stringent than normal residential uses and the maintenance of the Property:

Borrower shall promptly give Lender written notice of the change in law and of any action or omission that may be required by any governmental or regulatory agency to comply with the law. Lender shall be notified of any such action or omission and of any governmental or regulatory agency that may be required to comply with the law. Lender shall be notified of any such action or omission and of any governmental or regulatory agency that may be required to comply with the law. Lender shall be notified of any such action or omission and of any governmental or regulatory agency that may be required to comply with the law.

As used in paragraph 20, "Hazardous Substances" means any substance that is listed as a Hazardous Substance by the Environmental Protection Agency, or any substance that is listed as a Hazardous Substance by the Environmental Protection Agency, or any substance that is listed as a Hazardous Substance by the Environmental Protection Agency, or any substance that is listed as a Hazardous Substance by the Environmental Protection Agency.

21. 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 paragraph 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 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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

Form 3014 9/90

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24. 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. [Check applicable box(es)]

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- Other(s) [specify]
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

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.

Timothy R. Kellogg (Seal)
 x TIMOTHY R. KELLOGG -Borrower

Social Security Number 167-42-3938

Mary A. Kellogg (Seal)
 x MARY A. KELLOGG -Borrower

Social Security Number 332-44-1660

[Space Below This Line For Acknowledgment]

STATE OF ILLINOIS, COOK County ss:

I, *Kristin Werner*

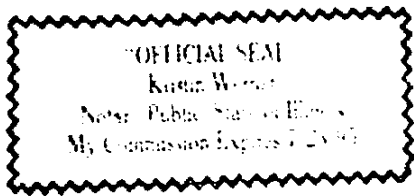
a Notary Public in and for said county and state, certify that *TIMOTHY R. KELLOGG AND MARY A. KELLOGG,*
HIS WIFE

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

Given under my hand and official seal, this *22nd* day of *November*, 1991

My Commission expires:

Kristin Werner
 Notary Public



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ADJUSTABLE RATE RIDER (1 Year Treasury Index - Rate Caps - Fixed Rate Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this 22nd day of November 1991 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned, the "Borrower", to secure Borrower's Adjustable Rate Note (the "Note") to Harris Bank Winnetka, N.A. (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

674 Foxdale, Winnetka, Illinois 60093

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 ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE ADJUSTABLE RATE TO A FIXED RATE.

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

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 6.75%. The Note provides for changes in the adjustable interest rate and the monthly payments, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The adjustable interest rate I will pay may change on the first day of December 1, 1992, and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding 2.75 percentage points (2.75%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4 below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full, on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 8.75% or less than 4.75%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 12.75%, which is called the "Maximum Rate."

(E) Effective Date of Changes

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

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my adjustable interest rate, and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. FIXED INTEREST RATE OPTION

The Note provides for the Borrower's option to convert from an adjustable interest rate with interest rate limits to a fixed interest rate, as follows:

5. FIXED INTEREST RATE CONVERSION OPTION

(A) Option to Convert to Fixed Rate

I have a Conversion Option that I can exercise unless I am in default on this Section 5(A) will not permit me to do so. The Conversion Option is my option to convert the interest rate I am required to pay by this Note from an adjustable rate with interest rate limits to the fixed rate calculated under Section 5(B) below.

The conversion can only take place on a date(s) specified by the Note Holder during the period beginning on the first Change Date and ending on the nth Change Date. Each date on which my adjustable interest rate can convert to the new fixed rate is called the "Conversion Date."

If I want to exercise the Conversion Option, I must first meet certain conditions. These conditions are that: (1) I must give the Note Holder notice that I want to do so on the Conversion Date; I must not be in default under the Note or the Security Instrument; and by a date specified by the Note Holder, I must pay the Note Holder a conversion

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FORM 1041-00, BULKY PAGE 3 OF 3, 12-1-97

.....
(Seal) Borrower X *Mary A. Kelllogg*
Mary A. Kelllogg

.....
(Seal) Borrower X *Timothy R. Kelllogg*
Timothy R. Kelllogg

Rider

By Signing Below Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate

Lender may invoke any remedies permitted by this Security Instrument without further notice of acceleration or demand on Borrower.

sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period,

period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a

exercise is prohibited by federal law as of the date of this Security Instrument.

in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if

not a natural person) without Lender's prior written consent. Lender may, at its option, require immediate payment

interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any

be in effect, as follows:

shall then cease to be in effect, and the provisions of Uniform Covenant 17 of the Security Instrument shall instead

Kate Rider, the amendment to Uniform Covenant 17 of the security instrument contained in Section C 1 above

2. If Borrower exercises the Conversion (Option under the conditions stated in Section B of this Adjustable

instrument without further notice or demand on Borrower.

these sums prior to the expiration of this period. Lender may invoke any remedies permitted by this Security

mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay

acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of

unless Lender releases Borrower in writing.

and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument

acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note

consent to the loan assumption. Lender also may require the transferee to sign an assumption agreement that is

to the extent permitted by applicable law. Lender may charge a reasonable fee as a condition to Lender's

in this Security Instrument is acceptable to Lender.

transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's

option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended

exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this

in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if

not a natural person) without Lender's prior written consent. Lender may, at its option, require immediate payment

interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any

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

1. If Borrower exercises the Conversion (Option under the conditions stated in Section B of this Adjustable

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

If I choose to exercise the Conversion (Option), the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal I am expected to owe on the Conversion Date in full on the maturity date at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the maturity date.

(C) New Payment Amount and Effective Date

My new fixed interest rate will be equal to the Federal National Mortgage Association's required net yield as of a date and time of day specified by the Note Holder for (1) if the original term of this Note is greater than 15 years, 30-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus five-eighths of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%), or (2) if the original term of this Note is 15 years or less, 15-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus five-eighths of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%). If this required net yield cannot be determined because the applicable commitments are not available, the Note Holder will determine my interest rate by using comparable information. My new rate calculated under this Section 5(B) will not be greater than the Maximum Rate stated in Section 4(D) above.

(B) Calculation of Fixed Rate

requires to effect the conversion. I must sign and give the Note Holder any documents the Note Holder

1,416.00

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