

This instrument prepared by:
Joseph R. Lipcak
6700 W North Av
Chicago IL 60635

UNOFFICIAL COPY



92467557

DEPT-01 RECORDING \$27.50
T41111 TRAN 0650 06/26/92 14:15:00
#8392 : A * - 92 - 467557
COOK COUNTY RECORDER

(Space Above This Line For Recording Data)

LOAN NO. 011913665
DATE: JUNE 24, 1992

MORTGAGE TO SECURE A REVOLVING LINE OF CREDIT

NOTICE: THIS MORTGAGE MAY SECURE BORROWINGS MADE SUBSEQUENT TO A TRANSFER OF THE PROPERTY.

THIS MORTGAGE TO SECURE A REVOLVING LINE OF CREDIT LOAN (herein "Mortgage") is made by and among TERRY SAMNADDA AND KATHLEEN SAMNADDA, HIS WIFE and (strike if title is not held in an Illinois Land Trust) _____ (the "Trustee"), not personally but as Trustee under a Trust Agreement dated _____ and known as Trust No. _____ (herein each of TERRY SAMNADDA, KATHLEEN SAMNADDA and the Trustee, if any, are individually and collectively and jointly and severally referred to as "Borrower") and ST. PAUL FEDERAL BANK FOR SAVINGS, whose address is 6700 W. North Avenue, Chicago, Illinois 60635 (herein "Lender").

In consideration of the indebtedness herein recited, Borrower, excepting any Trustee which is a constituent party in Borrower, hereby grants, bargains, sells, conveys, warrants and mortgages, and the Trustee, if any, hereby conveys, mortgages and quit claims, unto Lender and Lender's successors and assigns the following described property located in the CITY of CHICAGO, County of COOK State of Illinois:

LOT TWENTY-SIX (26) IN BLOCK ONE (1) IN WHITE'S FIRST RUTHERFORD PARK ADDITION, A SUBDIVISION OF PART OF THE EAST TWO-THIRDS (2/3) OF THE SOUTH HALF OF THE EAST HALF OF THE NORTH WEST QUARTER OF SECTION THIRTY-ONE (31), TOWNSHIP FORTY (40) NORTH, RANGE THIRTEEN (13), EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. P. I. N. #13-31-123-025.

which has the address of 6834 W DICKENS, CHICAGO IL 60635 (herein "Property Address");

TO HAVE AND TO HOLD such property unto Lender and Lender's successors and assigns, forever, together with all the improvements now or hereafter erected on the property and all easements, rights, appurtenances, after-acquired title or reversion in and to the beds of ways, streets, avenues and alleys adjoining the Property, and rents (but not 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"; as to any property which does not constitute a fixture (as such term is defined in the Uniform Commercial Code) this Mortgage is hereby deemed to be, as well, a Security Agreement under the UCC for the purpose of creating a security interest in such property, which Borrower hereby grants to Lender as Secured Party (as such term is defined in UCC);

To Secure to Lender on condition of the repayment of the REVOLVING LINE OF CREDIT indebtedness evidenced by Borrower's Variable Interest Rate Promissory Note ("Note") of even date herewith, in the principal sum of U.S. \$ 75,000.00 (the "Maximum Credit"), or so much thereof as may be advanced and outstanding, with interest thereon, providing for monthly installments of principal and interest, with the principal balance of indebtedness, if not sooner paid or required to be paid, due and payable on 07/01/02; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower contained herein and in the Note, provided that the maximum amount secured hereby shall be as set forth in paragraph 20 below.

Notwithstanding anything to the contrary herein, the Property shall include all of Borrower's right, title and interest in and to the real property described above, whether such right, title, and interest is acquired before or after execution of this Mortgage. Specifically, and without limitation of the foregoing, if this Mortgage is given with respect to a leasehold estate held by Borrower, and Borrower subsequently acquires a fee interest in the real property, the lien of this Mortgage shall attach to and include the fee interest acquired by Borrower.

Borrower covenants that Borrower is the lawful owner of the estate in land hereby conveyed and has the right to grant, convey and mortgage the Property, and that the Property is unencumbered except for encumbrances of record. Borrower (excepting any Trustee which is a constituent party in Borrower) warrants and Borrower covenants that it will defend generally the title to the Property against all claims and demands, subject to encumbrances of record. Borrower covenants

Equity Title
415 N. LaSalle, Suite 402
Chicago, IL 60610

22130368

92467557

2750

UNOFFICIAL COPY

Notary Public

Commission Expires: _____

Given under my hand and official seal this _____ day of _____, 19 _____

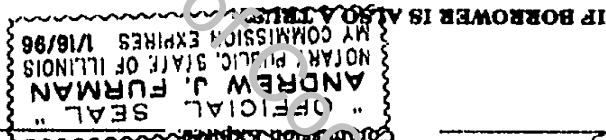
For the uses and purposes herein set forth, including the right of homestead, I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that the undersigned, a Notary Public, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument as their own free and voluntary acts, and the free and voluntary acts of said corporation, as Trustee, for the uses and purposes herein set forth; and the said Secretary did also then and there acknowledge that he, as custodian of the corporate seal of said corporation, did affix the said corporate seal to said instrument as his own free and voluntary act, and as the free and voluntary act of said corporation, as Trustee, for the uses and purposes herein set forth.

ATTEST:

State of Illinois SS: _____
County of _____

not personally but solely as trustee as aforesaid

By: _____



Notary Public

Personally known to me to be the same person whose name (a) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes herein set forth, including the right of homestead, I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that _____ and _____

STATE OF ILLINOIS SS: LOOK

INDIVIDUAL BORROWER	Date	INDIVIDUAL BORROWER	Date
TERRY SAMNADDA	6/24/92	KATHLEEN SAMNADDA	6/24/92

IF BORROWER IS AN INDIVIDUAL(S)

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

of any co-maker, co-signer, endorser or guarantor of said Note and this Mortgage. conveyed by enforcement of the provisions hereof and of said Note, but this waiver shall in no way affect the personal liability on this Mortgage and the Note secured hereby as against said Trustee shall be solely against and out of the Property hereby covered by the mortgage hereon and implied herein contained, all such liability, if any, being expressly waived, and that any recovery to pay said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder or to perform any contained herein or in the Note secured by this Mortgage shall be constituted as creating any liability on the Trustee personally agreed by the mortgage hereon and by every person now or hereafter claiming any right or security hereunder that nothing in the exercise of the power and authority conferred upon and vested in it as such trustee, and it is expressly understood and 24. Trustee Exemption. If this Mortgage is executed by a Trust, Trustee executes this Mortgage as Trustee as aforesaid, 23. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.

Note Lender shall release this Mortgage without charge to Borrower.

22. Release. Upon payment of all sums secured by this Mortgage and termination of the revolving credit line under the rents actually received. attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those past due. All rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the any period of redemption following judicial sale, Lender, in person, by agent or by judicially appointed receiver, shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those Upon acceleration under paragraph 18 hereof or abandonment of the Property, and at any time prior to the expiration of hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

21. 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 Borrower shall, prior to acceleration under paragraph 18 excepting solely taxes and assessments levied on the Property, to the extent of the maximum amount secured hereby.

This Mortgage shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, "maximum amount secured hereby"). including future advances, from the time of its filing for record in the recorder's or registrar's office of the county in which the Property is located. The total amount of indebtedness secured hereby may increase or decrease from time to time, but the total unpaid balance of indebtedness secured hereby (including disbursements which the Lender may make under this Mortgage or any other document with respect thereto) at any one time outstanding shall not exceed one hundred fifty per cent of the Maximum Credit, plus interest thereon and any disbursements made for payment of taxes, special assessments or interest on the Property and interest on such disbursements (all such indebtedness being hereinafter referred to as the

92197557

UNOFFICIAL COPY

9. **Condemnation.** The proceeds of any award or claim for damages, fire 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. In the event of a total or partial taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of any payment due under the Note or change the amount of such payment.

10. **Borrower Not Released.** Extension of the time for payment or modification of any other term of the Note or 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 and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify any term of the Agreement or this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or remedy under the Note or 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 to accelerate the maturity of the indebtedness secured by this Mortgage.

12. **Remedies Cumulative.** All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. **Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 19 hereof. All covenants and agreements of Borrower shall be joint and several. 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.

14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it to the Property or by mailing such notice by ordinary mail, addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by registered or certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower on the date it is delivered to the Property's address or the date such notice is deposited in the U.S. Mail system with the proper postage and addressed to Borrower. Any notice to Lender shall not be deemed to have been given until it has been received by Lender.

15. **Actual Knowledge.** For purposes of this Mortgage and the Note, 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 specified above (or such other address specified by Lender to Borrower). Such date shall be conclusively determined by reference to the return receipt in possession of Borrower. If such return receipt is not available, such date shall be conclusively determined by reference to the "Received" date stamped on such written notice by Lender or Lender's agent. With regard to other events or information not provided by Borrower under this Mortgage or the Note, 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.

16. **Governing Law, Severability.** This Mortgage shall be governed by the law of the State of Illinois. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of the Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

17. **Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

18. Events of Default; Remedies (Including Freezing the Line).

a. **Events of Defaults.** Set forth below is a list of events which will constitute Events of Default. Such events are: (1) Borrower's failure to pay when due any amounts due under the Note; (2) the outstanding balance due under the Note exceeds the Principal; (3) Lender receives actual knowledge that Borrower's omitted material information on Borrower's credit application or made any false or misleading statement on Borrower's credit application; (4) the death of Borrower or any maker or guarantor of the Note; (5) Borrower files for bankruptcy, or bankruptcy proceedings are instituted against Borrowers and not dismissed within sixty (60) calendar days, under any provision of any state or federal bankruptcy law in effect at the time of filing; (6) Borrower makes an assignment for the benefit of Borrower's creditors, becomes insolvent or becomes unable to meet Borrower's obligations generally as they become due; (7) Borrower further encumbers the Property or suffers a lien, claim of lien or encumbrance against the Property, except such liens or encumbrances which are subordinate to this Mortgage; (8) Borrower is in default or an action is filed alleging a default under any credit instrument or mortgage evidencing or securing an obligation of Borrower with priority in right of payment over the line of credit described in the Note; or whose lien has or appears to have any priority over the lien created by this Mortgage; or whose lien is or appears to be secured by the Property or on which this Mortgage is a lien; or any of Borrower's other creditors attempt to (or actually does) seize or obtain a writ of attachment against the Property; (9) Borrower fails to keep any other covenant contained in this Mortgage and the Note not otherwise specified in this Section.

b. **Remedies (Including Freezing the Line).** Lender may, at its sole option, upon the occurrence of an Event of Default, freeze or terminate the line, and, require Borrower to make immediate full repayment of the unpaid principal balance of the line together with accrued but unpaid interest and other charges. "Freezing" the line means refusal to make any further advances against the line. If Lender fails to make such payment upon demand, Lender may institute foreclosure proceedings or pursue any other remedy or remedies given to Lender by law or under this Mortgage and the Note. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including but not limited to, reasonable attorneys' fees, and costs of documenting evidence, abstracts and title report. As additional specific protection, notwithstanding any other term of this Mortgage, Lender, without declaring or asserting an Event of Default or invoking any of its remedies pertaining to Events of Default, may immediately and without notice, freeze the line, upon the occurrence of any event enumerated herein. Freezing the line will not preclude Lender from subsequently exercising any right or remedy set forth herein or in the Note.

19. **Transfer of 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 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 Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Mortgage.

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

20. **Revolving Line of Credit Loan.** This Mortgage is given to secure a revolving credit loan evidenced by the Note. This Mortgage shall secure not only presently existing indebtedness under the Note but also future advances, whether such advances are obligatory or to be made at the option of the Lender, or otherwise, as are made within 20 years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage and although there may be no indebtedness secured hereby outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all indebtedness secured hereby,

00157557

UNOFFICIAL COPY

that Borrower will neither take any action to partition or subdivide the Property or otherwise change the legal description of the property or any part thereof, or change in any way the condition of title of the property or any part thereof. Borrower acknowledges that the Note calls for a variable interest rate, and that the Lender may, prior to the expiration of the term of the Note, cancel future advances thereunder and/or require repayment of the outstanding balance under the Note.

GOVERNANTS, Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal and interest on the indebtedness evidenced by the Note together with any fees and charges as provided in the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, or the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, Borrower shall pay to Lender on the day monthly payments due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth (1/12) of the amount of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

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

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and this Mortgage shall be applied by Lender first in payment of any advance made by Lender pursuant to this Mortgage, then to interest, fees and charges payable pursuant to the Note, then to the principal amount outstanding under the Note.

4. Charges, Liens, Borrower's Duty or Cause to be Paid. Lender, assessments and other charges, liens and impositions attributable to the Property which may, at any time, be payable over this Mortgage, and leasehold payments or ground rents, if any, including all payments due under any mortgage disclosed by the title insurance policy insuring Lender's interest in the Property; Borrower shall, upon request of Lender, promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage (except for the lien or any mortgage disclosed by the title insurance policy insuring Lender's interest in the Property) or shall, in a manner acceptable to Lender, or shall in good faith contest, each lien by or against the Property or any part thereof.

5. Hazard Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage," and such other hazards as Lender may require in such amounts and for such periods as Lender may require and coverage, but Lender shall not require the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage and any other mortgage on the Property.

6. Fidelity 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 such other hazards as Lender may require in such amounts and for such periods as Lender may require and coverage, but Lender shall not require the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage and any other mortgage on the Property.

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 premiums on insurance policies shall be paid in a timely manner. All insurance policies and renewals therefor shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Upon request of Lender, Borrower shall promptly furnish to Lender all renewals notices and all receipts of paid premiums. 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 and subject to the rights and terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, insurance proceeds shall be applied at Lender's sole discretion to pay the sums secured by this Mortgage, with the excess, if any, paid to Borrower and Lender is hereby authorized to do any of the above. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 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 authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Borrower and Borrower otherwise agree in writing and subject to the rights and terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage, insurance proceeds shall be applied at Lender's sole discretion to pay the sums secured by this Mortgage, with the excess, if any, paid to Borrower and Lender is hereby authorized to do any of the above. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 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 authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, any proceeding brought by or on behalf of a prior mortgagee, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankruptcy or reorganization, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this paragraph 7, which interest thereon, shall become additional amounts due to Lender upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Agreement. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. Inspection. Lender may make or cause to be made reasonable inspections 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.

02167554

UNOFFICIAL COPY

V.A. ASSUMPTION POLICY RIDER

NOTICE: THIS LOAN IS NOT ASSUMABLE WITHOUT THE APPROVAL OF THE DEPARTMENT OF VETERANS AFFAIRS OR ITS AUTHORIZED AGENT.

THIS ASSUMPTION POLICY RIDER is made this 14TH day of JUNE, 1992, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to Secure Debt ("Instrument") of the same date herewith, given by the undersigned ("Mortgagor") to secure the Mortgagor's Note ("Note") of the same date to

MOUNTAIN STATES MORTGAGE CENTERS, INC.

its successors and assigns ("Mortgagee") and covering the property described in the Instrument and located at:

11304 SOUTH LOWE, CHICAGO, ILLINOIS, 60628
(Property Address)

Notwithstanding anything to the contrary set forth in the Instrument, Mortgagee and Mortgagor hereby acknowledge and agree to the following:

GUARANTY: Should the Department of Veterans Affairs fail or refuse to issue its guaranty in full amount within 60 days from the date that this loan would normally become eligible for such guaranty committed upon by the Department of Veterans Affairs under the provisions of Title 38 of the U.S. Code "Veterans Benefits," the Mortgagee may declare the indebtedness hereby secured at once due and payable and may foreclose immediately or may exercise any other rights hereunder or take any other proper action as by law provided.

TRANSFER OF THE PROPERTY: If all or any part of the Property or any interest in it is sold or transferred, this loan may be declared immediately due and payable upon transfer ("assumption") of the property securing such loan to any transferee ("assumer"), unless the acceptability of the assumption and transfer of this loan is established by the Department of Veterans Affairs or its authorized agent pursuant to Section 1814 of Chapter 37, Title 38, United States Code.

An authorized transfer ("assumption") of the property shall also be subject to additional covenants and agreements as set forth below:

(a) **ASSUMPTION FUNDING FEE:** A fee equal to one-half of 1 percent (.50%) of the unpaid principal balance of this loan as of the date of transfer of the property shall be payable at the time of transfer to the mortgagee or its authorized agent, as trustee for the Department of Veterans Affairs. If the assumer fails to pay this fee at the time of transfer, the fee shall constitute an additional debt to that already secured by this instrument, shall bear interest at the rate herein provided, and, at the option of the mortgagee of the indebtedness hereby secured or any transferee thereof, shall be immediately due and payable. This fee is automatically waived if the assumer is exempt under the provisions of 38 U.S.C. 1829 (b).


(b) **ASSUMPTION PROCESSING CHARGE:** Upon application for approval to allow assumption and transfer of this loan, a processing fee may be charged by the mortgagee or its authorized agent for determining the creditworthiness of the assumer and subsequently revising the holder's ownership records when an approved transfer is completed. The amount of this charge shall not exceed the lesser of the maximum established by the Department of Veterans Affairs for a loan to which Section 1814 of Chapter 37, Title 38, United States Code applies or any maximum prescribed by applicable State law.

(c) **ASSUMPTION INDEMNITY LIABILITY:** If this obligation is assumed, then the assumer hereby agrees to assume all of the obligations of the veteran under the terms of the instruments creating and securing the loan, including the obligation of the veteran to indemnify the Department of Veterans Affairs to the extent of any claim payment arising from the guaranty or insurance of the indebtedness created by this instrument.

IN WITNESS WHEREOF, Mortgagor(s) has executed this Assumption Policy Rider.


ARTHUR HARTLEY

(Seal)
Mortgagor


ARLENE HARTLEY

(Seal)
Mortgagor

(Seal)
Mortgagor

(Seal)
Mortgagor

92467558