

UNOFFICIAL COPY

AFTER RECORDING MAIL TO:

WESTAMERICA MORTGAGE COMPANY
1 SOUTH 660 MIDWEST ROAD
OAKBROOK TERRACE, IL 60181



LOAN NO. 00083788 #71

93549327

[Space Above This Line For Recording Data]

STATE OF ILLINOIS

FHA MORTGAGE

FHA CASE NO.
131:7161252-729

This Mortgage ("Security Instrument") is given on July 7, 1993. The Mortgagor is MICHAEL BENSON, A MARRIED MAN ~~XXX~~ JOINED HEREIN BY STEPHANIE L. REID* his wife *waiving homestead rights

whose address is 14804 WABASH, DOLTON, IL 60419

("Borrower"). This Security Instrument is given to WESTAMERICA MORTGAGE COMPANY, A COLORADO CORPORATION which is organized and existing under the laws of THE STATE OF COLORADO and whose address is 5655 S YOSEMITE ST., SUITE 460, ENGLEWOOD, COLORADO 80111

("Lender"). Borrower owes Lender the principal sum of Fifty Nine Thousand Three Hundred Twenty Eight Dollars and no/100 Dollars (U.S. \$ 59,328.00).

This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on August 1, 2023. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under Paragraph 6 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

THE NORTH 42 FEET OF THE SOUTH 58 OF LOT 1 (EXCEPT THE WEST 8 FEET THEREOF) IN BLOCK 5 IN TOWN AND COUNTRY HOMES 5TH ADDITION TO IVANHOE BEING A SUBDIVISION OF THE NORTH 20 ACRES OF LOT 3 IN VERHOEVEN'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 9, TOWNSHIP 36 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

TAX I.D. # 29-02-205-025 VOLUME 201

DEPT-01 RECORDINGS \$31.59
T#9999 TRAN 9398 07/15/93 14:20:00
#9229 # *93-649327
COOK COUNTY RECORDER

which has the address of 14804 WABASH DOLTON
[Street] [City]
Illinois 60419 ("Property Address");
[Zip Code]

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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

Handwritten notes: M1354891.W, RUSH, HSN, and a signature.

Handwritten note: 3150 ND

Vertical handwritten note: 93549327

93549327

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of, and interest on,

together with the principal and interest as set forth in the Note and any late charges, an installment of any (a) taxes and special assessments levied or to be levied against the Property, (b) leasehold payments or ground rents on the

Property, and (c) premiums for insurance required by Paragraph 4.

Each monthly installment for items (a), (b) and (c) shall equal one-twelfth of the annual amounts, as reasonably

estimated by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the

estimated amount for each item shall be accumulated by Lender within a period ending one

month before an item would become delinquent. Lender shall hold the amounts collected in trust to pay items (a), (b)

and (c) before they become delinquent.

If at any time the total of the payments held by Lender for items (a), (b) and (c), together with the future monthly

payments for such items payable to Lender prior to the due dates of such items, exceeds by more than one-sixth the

estimated amount of payments required to pay such items when due, and if payments on the Note are current, then

Lender shall either refund the excess over one-sixth of the estimated payments or credit the excess over one-sixth of the

estimated payments by Borrower, at the option of Borrower, if the total of the payments made

by Borrower for item (a), (b), or (c) is insufficient to pay the item when due, then Borrower shall pay to Lender any

amount necessary to make up the deficiency on or before the date the item becomes due.

As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or

his designee, in any year in which the Lender must pay a mortgage insurance premium to the Secretary, each monthly

payment shall also include either: (i) an installment of the annual mortgage insurance premium to be paid by Lender to

the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the

Secretary. Each monthly installment of the mortgage insurance premium shall be in an amount sufficient to accumulate

the full annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage

insurance premium is due to the Secretary; or if this Security Instrument is held by the Secretary, each monthly charge

shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal balance due on the Note.

If Borrower tenders to Lender the full payment of all sums secured by this Security Instrument, Borrower's account

shall be credited with the balance remaining for all installments for items (a), (b) and (c) and any mortgage insurance

premium installment that Lender has not become obligated to pay to the Secretary, and Lender shall promptly refund

Borrower's account shall be credited with any balance remaining for all installments for items (a), (b) and (c).

3. Application of Payments. All payments under Paragraphs 1 and 2 shall be applied by Lender as follows:

FIRST, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge by the

Secretary instead of the monthly mortgage insurance premium;

SECOND, to any taxes, special assessments, leasehold payments or ground rents, and fire, flood and other hazard

insurance premiums, as required;

THIRD, to interest due under the Note;

FOURTH, to amortization of the principal of the Note;

FIFTH, to late charges due under the Note.

4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether

now in existence or subsequently erected, against fire, and contingencies, including fire, for which

Lender exists insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires.

Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against

loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by

Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor

of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not

made promptly by Borrower. Each insurance company named is hereby authorized and directed to make payment

for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds

may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security

Instrument, first to any delinquent amounts applied in the order in Paragraph 3, and then to prepayment of principal, or

(b) to the restoration or repair of the damaged property. Any application for the proceeds to the principal shall not

extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount

of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under

the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the

indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property. Borrower's Loan Application;

after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal

residence for at least one year after the date of occupancy, unless the Secretary determines this requirement will cause

undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower

shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or

substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may

inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may, take reasonable action

to protect and preserve such vacant or abandoned Property. 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 the provisions of the lease. If Borrower acquires fee title to the Property, the

leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental

or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations

on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the

Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other

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, for condemnation or to enforce laws or

regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's

rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be

secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate,

and at the option of Lender, shall be immediately due and payable.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with

any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby

assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the

Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the

Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and

then to prepayment of principal. Any application of the proceeds of the award or postponement of the due

date of principal or the proceeds of the award or postponement of the due date of principal shall not

extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount

of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under

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In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the

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loan application process, gave materially false or inaccurate information or statements to Lender or failed to provide

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on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the

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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, for condemnation or to enforce laws or

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rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

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then to prepayment of principal. Any application of the proceeds of the award or postponement of the due

date of principal or the proceeds of the award or postponement of the due date of principal shall not

extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount

of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under

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then to prepayment of principal. Any application of the proceeds of the award or postponement of the due

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extend or postpone the due date of the monthly payments which are referred to in Paragraph 2, or change the amount

of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under

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In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the

indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property. Borrower's Loan Application;

after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal

residence for at least one year after the date of occupancy, unless the Secretary determines this requirement will cause

undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower

shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or

substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may

inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may, take reasonable action

to protect and preserve such vacant or abandoned Property. 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,

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on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the

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6. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental

or municipal charges, fines and impositions that are not included in Paragraph 2. Borrower shall pay these obligations

on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the

Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other

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, for condemnation or to enforce laws or

regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's

rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

Any amounts disbursed by Lender under this Paragraph shall become an additional debt of Borrower and be

secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate,

and at the option of Lender, shall be immediately due and payable.

7. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with

any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby

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of such payments. Any excess insurance proceeds over an

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

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

9. Grounds for Acceleration of Debt.

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

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

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

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

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

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

(e) Mortgage Not Insured. Borrower agrees that should this Security Instrument and the note secured thereby not be eligible for insurance under the National Housing Act within 60 DAYS from the date hereof, Lender may, at its option and notwithstanding anything in Paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 DAYS from the date hereof, declining to insure this Security Instrument and the note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

10. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will preclude foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

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

12. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 9.b. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or 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 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.

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

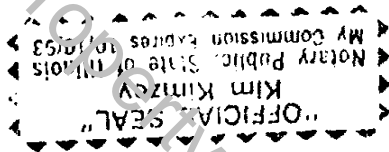
15. Borrower's Copy. Borrower shall be given one conformed copy of this Security Instrument.

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

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

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

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



(Name) WEST AMERICA MORTGAGE COMPANY
1 SOUTH 660 WEST ROAD
OAKBROOK TERRACE, IL 60181
(Address)

This instrument was prepared by:

Notary Public
[Signature]
1993

My Commission expires:

Given under my hand and official seal, this

7 day of July 1993
I, the undersigned, a Notary Public in and for said county and state, do hereby certify that MICHAEL BENSON known to STEPHANIE L. REID, do hereby certify personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he/she signed and delivered the said instrument as free and voluntary act, for the uses and purposes therein set forth.
My Commission expires:

(Seal) Borrower

~~NOM AND FOREVER
MAINTAINING ANY AND ALL HOMESTEAD RIGHTS
MORTGAGE FOR THE SOLE PURPOSE OF~~

STEPHANIE L. REID IS SIGNING THIS

(Seal) Borrower

MICHAEL BENSON

(Seal) Borrower

Witnesses:

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in pages 1 through 4 of this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- Condominium Rider
- Planned Unit Development Rider
- Graduated Payment Rider
- Growing Equity Rider
- Other (Specify) ADJUSTABLE RATE RIDER

(Check applicable box(es)).

Riders to this Security Instrument, if one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were in a part of this Security Instrument.

19. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.
18. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

17. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender may invoke the power of sale and any other remedies permitted by applicable law. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

UNOFFICIAL COPY

LOAN NO. 00083788 #71

FHA MULTISTATE ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 7th day of July, 1993 and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to WESTAMERICA MORTGAGE COMPANY, A COLORADO CORPORATION (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

14804 WABASH, DOLTON, IL 60419
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Date

The interest rate may change on the first day of October, 1994, and that day of each succeeding year. "Change Date" means each date on which the interest rate could change.

(B) The Index

Beginning with the first Change Date, the interest rate will be based on an Index. "Index" means the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year, as made available by the Federal Reserve Board. "Current Index" means the most recent Index figure available 30 days before the Change Date. If the Index (as defined above) is no longer available, Lender will use as a new Index any index prescribed by the Secretary. As used in this Rider, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. Lender will give Borrower notice of the new Index.

(C) Calculation of Interest Rate Changes

Before each Change Date, Lender will calculate a new interest rate by adding a margin of two and 1/2 percentage points (2.5000%) to the current Index and rounding the sum to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Paragraph (D) of this Rider, this rounded amount will be the new interest rate until the next Change Date.

(D) Limits on Interest Rate Changes

The interest rate will never increase or decrease by more than one percentage point (1.0%) on any single Change Date. The interest rate will never be more than five percentage points (5.0%) higher or lower than the initial interest rate.

(E) Calculation of Payment Change

If the interest rate changes on a Change Date, Lender will calculate the amount of monthly payment of principal and interest which would be necessary to repay the unpaid principal balance in full at the maturity date at the new interest rate through substantially equal payments. In making such calculation, Lender will use the unpaid principal balance which would be owed on the Change Date if there had been no default in payment on the Note, reduced by the amount of any prepayments to principal. The result of this calculation will be the amount of the new monthly payment of principal and interest.

(F) Notice of Changes

Lender will give notice to Borrower of any change in the interest rate and monthly payment amount. The notice must be given at least 25 days before the new monthly payment amount is due, and must set forth (i) the date of the notice, (ii) the Change Date, (iii) the old interest rate, (iv) the new interest rate, (v) the new monthly payment amount, (vi) the Current Index with the date it was published, (vii) the method of calculating the change in monthly payment amount, and (viii) any other information which may be required by law from time to time.

93549327

Property of Cook County Clerk's Office

(Seal) Borrower _____ (Seal) Borrower _____
(Seal) Borrower _____ MICHAEL BENSON (Seal) Borrower _____
Michael Benson

Adjustable Rate Rider.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 and 2 of the
Adjustable Rate Rider.
A new interest rate calculated in accordance with Paragraphs (C) and (D) of this Rider will become effective on the
Change Date. Borrower shall make a payment in the new monthly amount beginning on the first payment date which
occurs at least 25 days after Lender has given the notice of changes required by Paragraph (F) of this Rider.
Borrower shall have no obligation to pay any increase in the monthly payment amount calculated in accordance with
Paragraph (E) of this Rider for any payment date occurring less than 25 days after Lender has given the required notice.
If the monthly payment amount calculated in accordance with Paragraph (E) of this Rider decreased, but Lender failed
to give timely notice of the decrease and Borrower made any monthly payment amount exceeding the payment
amount which should have been stated in a timely notice, then Borrower has the option to either (i) demand the return
to Borrower of any excess payment, with interest thereon at the Note rate (a rate equal to the interest rate which should
have been stated in a timely notice), or (ii) request that any excess payment, with interest thereon at the Note rate, be
applied as payment of principal. Lender's obligation to return any excess payment with interest on demand is not
assignable even if the Note is otherwise assigned before the demand for return is made.

(G) Effective Date of Changes

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