

# UNOFFICIAL COPY

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LOAN NO. 93770730

(Space Above This Line For Recording Use)

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on December 17, 1993. The mortgage party is **THE BANK OF AMERICA NATIONAL ASSOCIATION**.

(Trustee)

The Security Instrument is given to **First Federal of Utah, F.S.B.**

which is organized and existing under the laws of THE UNITED STATES OF AMERICA, and whose principal office is located at 100 South Main Street, Salt Lake City, Utah 84111. Borrower owes Lender the principal sum of Two Hundred and Fifty Thousand and No/100ths Dollars (\$250,000.00). The debt is evidenced by Borrower's note dated the same date as the Security Instrument ("Note"), which provides for monthly payments with the full debt if not paid earlier due and payable on January 1, 2000. The Security Instrument secures to Lender (a) the repayment of the debt evidenced by the Note, with interest and all renewal, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 1 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 Lender's purposes, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Salt Lake County, Utah:

SEE ATTACHED LEGAL DESCRIPTION  
PIN 8915 02 20 400 254 AND 07 01 401 034 401 035

THIS DOCUMENT IS BEING RE-RECORDED TO ADD THE LEGAL DESCRIPTION

which has the address of **719 SPRINGWOOD LANE** PARADISE, UT 84061  
[City] [State] [Zip]  
[City] [State] [Zip]  
[City] [State] [Zip]  
[City] [State] [Zip]

TOGETHER WITH all the improvements now or hereafter made on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All restrictions, covenants, conditions and obligations affecting the Property are hereby assumed by the 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 entire hereby conveyed and free the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for the restrictions on record that appear hereon, and will defend generally the title to the Property against all claims and demands, claims in title and otherwise of record.

ILLUSTRATION: SINGLE FAMILY RESIDENTIAL UNIFORM INSTRUMENT  
FORM NO. 1001 (REV. 1/84) PAGE 1 OF 2

FORM NO. 1001

BOOK 15

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LOAN NO. \_\_\_\_\_

THIS INSTRUMENT HAS BEEN PREPARED FOR NATIONAL USE AND THE APPLICABLE STATE LAW HAS BEEN SELECTED BY PROVISION 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 Escrow Items.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attach priority over this Security Instrument as a lien on the Property; (b) yearly taxes and 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, according to the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. § 261.1 or 602 (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 records, its 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, instrumentally, or fully (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 assessing the escrow account, or applying the Escrow Items, unless 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 escrow account that 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. If the Funds as pledged are additional security for a loan secured by a 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 demand Borrower in writing, or, 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 return to Borrower any Funds held by Lender if, under paragraph 2, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender as a lien 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, or impositions attributable to the Property which may attach priority over this Security Instrument, and household payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not so provided, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender, at the time of amounts to be paid under this paragraph, if Borrower makes these payments directly to the person owed payment, Lender receipts evidencing the payments.

Borrower shall promptly discharge any lien which has priority over this Security Instrument and which Lender: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender, or (b) consents in good faith to the lien by or detests against enforcement of the lien in legal proceedings which in 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 attach 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.

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing on the latter one-half of 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. The insurance shall be maintained in the amounts 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 the coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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LOAN NO. 11194

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 sums 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 failed 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 21 the Property is acquired by Lender, Borrower's right to any insurance policies and payments resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument, immediately prior to the acquisition.

**8. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application;** Lender shall have the right to occupy, establish, and use the Property as Borrower's principal residence within sixty days 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 Lender otherwise agrees in writing, which consent shall not be unreasonably withheld. In the event of any intervening circumstances 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 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 benefits of the Security Instrument or Lender's security interest in the Property or otherwise materially impair the benefits of the Security Instrument or Lender's security interest in the Property. Borrower may not be such a default and reinstatement, as provided in paragraph 18, by causing the action or proceeding to be discontinued with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the benefits created by this Security Instrument or Lender's security interest in the Property. Borrower shall also be in default if Borrower, during the loan application process, gave intentionally false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan application 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 in force on a second floor, Borrower shall comply with all the provisions of the local laws. If Borrower acquires fee title to the Property the second floor and the fee title shall merge unless Lender agrees otherwise in writing.

**9. 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 adversely affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation, or forfeiture or to enforce any lien or regulations), then Lender may go 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 expenses, on the Property to make a report. Although Lender may take action under this paragraph 9, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 9 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the then prevailing rate and shall be payable with interest upon notice from Lender to Borrower requesting payment.

**10. Mortgage Insurance.** If Lender requires mortgage insurance as a condition of making the loan to you by this Security Instrument, Borrower shall pay the premiums required to maintain this mortgage insurance in effect. In the event 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. If a claim is made against the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender, if substantially equivalent mortgage insurance coverage is not available, then Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium which would have been paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept and retain these payments as a loss reserve in lieu of mortgage insurance. Lender reserves the right to require that the loss reserve be held in an escrow account approved by Lender. If mortgage insurance coverage is obtained, Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, with the requirements for mortgage insurance ends in accordance with any written agreement between Borrower and Lender as applicable law.

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(PART 1)

1. The proceeds of a loan taken by Borrower, made pursuant to this Security Instrument, shall be applied to the payment of the debt secured by the Property, as set forth in the promissory note, at the time of or prior to an inspection specifying reasonable cause for the inspection.

2. In the event of any award or claim for damages, losses or consequential, incidental or other damages, or other liability of any part of the Property, or for conveyance in lieu of certain notices and hereby acknowledged, shall be paid to Lender.

3. 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 then due, with any excess paid to Borrower. In the event of a partial taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing. In the event of a partial taking of the Property, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds made available by the following method: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property, where the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing. If the amount of the sums secured immediately before the taking is greater than the amount of the proceeds, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

4. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the conditions hereof have been met or a claim for damages, losses or consequential, incidental or other damages, or other liability of any part of the Property, or for conveyance in lieu of certain notices and hereby acknowledged, shall be paid to Lender, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or replacement of the Property or to the sums secured by this Security Instrument, whether or not then due.

5. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not constitute the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

6. Borrower Not Released: Forbearance By Lender Not a Waiver. Extension of the time for payment or satisfaction of any indebtedness 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 successors in interest. Lender shall not be required to commence proceedings against any successor in interest of Borrower to collect the sums secured by this Security Instrument or otherwise modify satisfaction of the sums secured by this Security Instrument by reason of a release of 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 prejudice the exercise of any right or remedy.

7. 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 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument and has not executed this Note: (a) is co-signing this Security Instrument only to mortgage, deed and convey the Property under the terms of this Security Instrument, if it is not seasonably obtained to pay the sums secured by this Security Instrument, and (b) agrees that Lender and any other lender may, without notice, modify, alter or make any amendments with respect to the terms of this Security Instrument or this Note without the Borrower's consent.

8. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is fairly interpreted to that the interest or other loan charges collected or to be collected in connection with the loan, and the permitted limits, then: (a) any such loan charges shall be reduced by the amount necessary to reduce the charges to the permitted limit, and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the loan or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment of the loan and any prepayment charge under this Note.

9. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivery of 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 for correspondence designated by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address listed on this Security Instrument 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.

10. Governing Law; Severability. This Security Instrument shall be governed by 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 the extent of the conflict, the conflicting provision shall be deemed to be severable.

11. Borrower's Copy. Borrower shall be given one confirmed copy of this Note and of this Security Instrument.

12. Transfer of the Property or a Beneficial Interest in Herein. If all or any part of the Property or any interest in it is sold or transferred to a third party, the interest in Borrower's obligation shall be assigned to the transferee without Lender's prior written consent. Lender may, at its option, require immediate payment in full of all sums.

Properly  
Clerk's Office

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Section 17. Acceleration. Lender may, at any time, accelerate the debt secured by this Security Instrument if the Borrower fails to pay any amount due under 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, within which Borrower must pay all sums secured by this Security Instrument, if Borrower fails to pay those sums prior to the expiration of this period. Lender may, without any further notice, exercise this option without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have Lender, at any time prior to the expiration of (a) 5 days for such other period as applicable law may specify for reinstatement, before a sale of the Property pursuant to any power of sale contained in this Security Instrument, or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (i) pays Lender all sums which then would be due under this Security Instrument, and the fees as if no acceleration had occurred; (ii) cures any default of any other covenants or agreements; (iii) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (iv) takes such action as Lender may reasonably require to assure that the lien 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, the 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 partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity known as the "Loan Servicer" that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale 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 and 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 not, cause or permit the presence, use, disposal, storage or release of any hazardous substance on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower is, or is notified by any governmental or regulatory authority that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous pollutants by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde and radon with a radon level of 4 pCi/L. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

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 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 the Security Instrument without charge to Borrower. Borrower shall pay any recording costs.

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

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24. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded to refer 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 appropriate box(es)]

- |  |   |   |
|--|---|---|
| <input type="checkbox"/> Adjustable Rate Rider     | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> 1-4 Family Rider       |
| <input type="checkbox"/> Accelerated Payment Rider | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Assumption Rider          | <input type="checkbox"/> Rate Improvement Rider         | <input type="checkbox"/> Second Home Rider      |
| <input type="checkbox"/> Other(s) (specify)        |   |   |

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

Witness:

*[Signature]*

JANE R. HART

Social Security Number

HERBERT H. HART

Social Security Number

Social Security Number

Social Security Number

(Sign over this line for refinancing)

STATE OF ILLINOIS

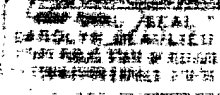
County of

I, the undersigned, a Notary Public in and for said county do hereby certify that

On this day of 1998, I saw the same persons whose names are described in the foregoing instrument, appeared before me in person and acknowledged that they executed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this day of

My Commission expires



This instrument was prepared

Property of Cook County Clerk's Office

93770730

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## BALLOON RIDER (CONDITIONAL RIGHT TO REFINANCE)

LOAN NO. \_\_\_\_\_

THIS BALLOON RIDER is made this 17th day of December, 1991, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Other Security Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure the Borrower's

Loan to Federal National Loan, F.S.A. (the "Lender"), of the same date and covering the property described in the Security Instrument and located at  
1111 BIRCHWOOD LANE, TALLAHASSEE, FL 32317  
(Property Address)

The interest rate stated on the Note is called the "Note Rate." The date of the Note is called the "Maturity Date." I understand the Lender may transfer the Note, Security Instrument and this Rider. The Lender or anyone who takes the Note, the Security Instrument and this Rider by transfer and who is entitled to receive payments under the Note is called the "Note Holder."

**ADDITIONAL COVENANTS.** In addition to the covenants and agreements in this Security Instrument, Borrower and Lender further covenant and agree as follows (despite anything to the contrary provided in the Security Instrument or the Note):

### 1. CONDITIONAL RIGHT TO REFINANCE

At the maturity date of the Note and Security Instrument (the "Maturity Date") I will be able to obtain a new loan ("New Loan") with a new Maturity Date of \_\_\_\_\_ and with an interest rate equal to the "New Note Rate" determined by accordance with Section 3 hereof if all the conditions provided in Sections 2 and 3 below are met (the "Conditional Refinancing Option"). If those conditions are not met, I understand that the Note Holder is under no obligation to refinance or pay the Note, or to extend the Maturity Date, and that I will have to repay the Note from my own resources or find a lender willing to lend me the money to repay the Note.

### 2. CONDITIONS TO OPTION

If I want to exercise the Conditional Refinancing Option at maturity, certain conditions must be met as of a Maturity Date. These conditions are: (1) I must still be the owner and occupant of the property subject to a Security Instrument (the "Property"); (2) must be current in my monthly payments and I cannot have been more than 30 days late on any of the 12 scheduled monthly payments immediately preceding the Maturity Date; (3) no lien against the Property (except for taxes and special assessments) or other debt (and payable) other than that of the Security Instrument may exist; (4) the New Note Rate cannot be more than 1 percentage point above the Note Rate; and (5) I must make a written request to the Note Holder as provided in Section 5 below.

### 3. CALCULATING THE NEW NOTE RATE

The New Note Rate will be a fixed rate of interest equal to the Federal National Mortgage Association required net yield for 30 year fixed rate mortgages subject to a 60-day mandatory delivery commitment at plus one-half of one percentage point (0.5%), rounded to the nearest one-eighth of one percentage point (0.125%) (the "New Note Rate"). The required net yield shall be the applicable net yield in effect on the date and time of day that the Note Holder receives notice of my election to exercise the Conditional Refinancing Option. If this required net yield is not available, the Note Holder will determine the New Note Rate by using comparable information.

Notary Clerk's Office

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LOAN NO. 1101141-1

## 4. CALCULATING THE NEW PAYMENT AMOUNT

Provided the New Note Rate as calculated in Section 3 above is not greater than 5 percentage points above the Note Rate and all other conditions required in Section 2 above are satisfied, the Note Holder will determine the amount of the monthly payment that will be sufficient to repay in full (a) the unpaid principal, plus (b) accrued but unpaid interest, plus (c) all other sums I will owe under the Note and Security Instrument on the Maturity Date (assuming my monthly payments thereafter are current as required under Section 2 above), over the term of the New Note at the New Note Rate in equal monthly payments. The result of this calculation will be the amount of my new principal and interest payment every month until the New Note is fully paid.

## 5. EXERCISING THE CONDITIONAL REFINANCING OPTION

The Note Holder will notify me at least 60 calendar days in advance of the Maturity Date and advise me of this principal, accrued but unpaid interest, and all other sums I am expected to owe on the Maturity Date. The Note Holder also will advise me that I may exercise the Conditional Refinancing Option if the conditions in Section 2 above are met. The Note Holder will provide my payment record information, together with the name, title and address of the person representing the Note Holder that I must notify in order to exercise the Conditional Refinancing Option. If I meet the conditions of Section 2 above, I may exercise the Conditional Refinancing Option by notifying the Note Holder no later than 45 calendar days prior to the Maturity Date. The Note Holder will calculate the fixed New Note Rate based upon the Federal National Mortgage Association's applicable published required one year in effect on the date and time of day notification is received by the Note Holder and as calculated in Section 3 above. I will then have 30 calendar days to provide the Note Holder with acceptable proof of my required ownership, occupancy and property insurance. Before the Maturity Date the Note Holder will advise me of the new interest rate (the New Note Rate), new monthly payment amount and a date, time and place at which I must appear to sign any documents required to complete the required refinancing. I understand that the Note Holder will charge me a \$150 processing fee and the costs associated with updating the title insurance policy, if any.

BY SIGNING BELOW, I understand, accept and agree to the terms and conditions contained in this Balloon Note Rider.

_____	_____
DONALD E. HART	Grant
	Borrower
_____	_____
BERNARDINE E. HART	Witness
	Borrower
_____	_____
	Grant
	Doc. Grant
_____	_____
	Grant
	Borrower

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TICOR TITLE INSURANCE COMPANY

LOAN POLICY NO.: CH283497

SCHEDULE A CONTINUED

## LEGAL DESCRIPTION

PARCEL 1: THAT PART OF LOT 61 IN PLUM GROVE ESTATES UNIT NO. 2 A SUBDIVISION IN SECTION 35, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN LYING SOUTH WESTERLY OF A LINE DRAWN FROM A POINT IN THE FRONT LINE OF LOT 60 IN SAID SUBDIVISION WHICH POINT IS 33 FEET SOUTHWESTERLY OF THE NORTH WESTERLY CORNER OF SAID LOT 60 TO A POINT IN THE REAR LINE OF LOT 61, SAID POINT BEING 120 FEET SOUTH WESTERLY OF THE NORTH EASTERLY CORNER OF LOT 61, IN COOK COUNTY, ILLINOIS.

PARCEL 2: LOT 60 IN PLUM GROVE ESTATES UNIT NO. 2 AFORESAID, EXCEPT THAT PART OF SAID LOT LYING NORTH EASTERLY OF A LINE DRAWN FROM A POINT IN THE FRONT LINE OF SAID LOT 60 WHICH POINT IS 33 FEET SOUTH WESTERLY OF THE NORTH WESTERLY CORNER OF SAID LOT 60 TO A POINT IN THE REAR LINE OF LOT 61 IN THE AFORESAID SUBDIVISION SAID POINT BEING 120 FEET SOUTH WESTERLY OF THE NORTH EASTERLY CORNER OF SAID LOT 61, IN COOK COUNTY, ILLINOIS.

PARCEL 3: LOT 59 IN PLUM GROVE ESTATES UNIT NO. 2 AFORESAID ALL IN COOK COUNTY, ILLINOIS.

END OF SCHEDULE A

Property of Cook County Clerk's Office

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