

UNOFFICIAL COPY



World Class Mortgage
1250 E. Dierl Road, #103
Naperville, IL 60563

93001109 Cook
827

93341618

[Space Above This Line For Recording Data]

MORTGAGE

Property of Cook County Clerk's Office

DEPT OF RECORDING
TRAN 2491 05/06/93 13:41:30
COOK COUNTY RECORDER

THIS MORTGAGE ("Security Instrument") is given on APRIL 29, 1993. The mortgagor is JOSEPH M. SCHMIDT AND TYRRELL J. SCHMIDT/HUSBAND AND WIFE.

("Borrower"). This Security Instrument is given to WORLD CLASS MORTGAGE CORP.,

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which is organized and existing under the laws of THE STATE OF ILLINOIS, and whose address is 1250 E. DIERL ROAD, SUITE 103, NAPERVILLE, IL 60563.

("Lender"). Borrower owes Lender the principal sum of ONE HUNDRED THIRTY THOUSAND FIVE HUNDRED AND 00/100 -- Dollars (U.S. \$ 130,500.00).

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 JAN 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 of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 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:

SEE ATTACHED LEGAL DESCRIPTION

93341618

PTI# 06-24-202-023-1010

which has the address of 2810 BELLE LAKE, SCHAUMBURG (Street, City), Illinois 60193 (Zip Code) ("Property Address");

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

to be received by Borrower within the time specified in the Note. To the extent of any conflict between the Note and the provisions of this Security Instrument, the Note shall prevail.

11. Governing Law. This Security Instrument shall be governed by Federal law and the law of the State of California. In the event that any provision of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument and the Note are declared to be severable.

12. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it to the address last provided by Borrower to Lender. Any notice to Lender shall be given by that class mail to the address last provided by Lender to Borrower. Any notice to Lender shall be given by that class mail to the address last provided by Lender to Borrower. Any notice to Lender shall be given by that class mail to the address last provided by Lender to Borrower. Any notice to Lender shall be given by that class mail to the address last provided by Lender to Borrower.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, then the law shall apply to the loan charges collected or to be collected in connection with the loan. If the law sets maximum loan charges, then the law shall apply to the loan charges collected or to be collected in connection with the loan. If the law sets maximum loan charges, then the law shall apply to the loan charges collected or to be collected in connection with the loan.

14. Successors and Assigns. The provisions of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of this Security Instrument. The provisions of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of this Security Instrument.

15. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

16. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

17. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

18. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

19. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

20. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

21. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

22. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

23. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

24. Borrower Not Released. Borrower's obligation to pay the sums secured by this Security Instrument shall not be released or discharged by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument, or by the payment of any part of the sums secured by this Security Instrument.

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06-24-202-023-1010

UNIT 178-B-2810 IN TOWNE PLACE WEST CONDOMINIUM, SCHAUMBURG, ILLINOIS, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: TOWNE PLACE UNIT 6, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF SECTION 24, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM OWNERSHIP RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON MAY 16, 1991, AS DOCUMENT NO. 91233253, TOGETHER WITH A PERCENTAGE OF THE COMMON ELEMENTS APPURTENANT TO SAID UNIT AS SET FORTH IN SAID DECLARATION, AS AMENDED FROM TIME TO TIME, WHICH PERCENTAGE SHALL AUTOMATICALLY CHANGE IN ACCORDANCE WITH THE AMENDED DECLARATIONS AS SAME ARE FILED OF RECORD, IN COOK COUNTY, ILLINOIS.

ALSO:

RIGHTS AND EASEMENTS APPURTENANT TO THE ABOVE DESCRIBED REAL ESTATE, THE RIGHTS AND EASEMENTS FOR THE BENEFIT OF SAID PROPERTY SET FORTH IN THE AFOREMENTIONED DECLARATION AS AMENDED AND THE RIGHTS AND EASEMENTS SET FORTH IN SAID DECLARATION FOR THE BENEFIT OF THE REMAINING PROPERTY DESCRIBED HEREIN.

PT# 06-24-202-023-1010

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

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

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

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

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, 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 independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

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

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

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

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

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5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including flood or flooding, for which lender requires insurance. This insurance shall be maintained in the amounts and for the periods that lender requires. The insurance's term providing the insurance shall be chosen by borrower subject to lender's approval which shall not be unreasonably withheld. Lender may, at lender's option, require to protect lender's rights in the Property in accordance with paragraph 7.

All coverage 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.

Lender and borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged or 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 60 days a notice from lender that the insurance carrier has offered to settle a claim, then lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 60 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 7 the Property is acquired by lender, borrower's right to any insurance policies and proceeds 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.

6. **Occupancy, Eviction, Disturbance and Protection of the Property; Borrower's Form Application; Lessor's Household.** Borrower shall 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, or unless continuing circumstances exist which are beyond borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or lender's security interest. Borrower may cure such default and restore, as provided in paragraph 7, by causing the action or proceeding to be dismissed 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 lien created by this Security Instrument or lender's security interest. Borrower shall also be in default if borrower, during the loan application process, gave materially false or inaccurate information or statements to lender (or failed to provide lender with any material information in connection with the loan evidenced by the Note, including, but not limited to, representations concerning borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, borrower shall comply with all the provisions of the lease. If borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless lender agrees to the merger in writing).

7. **Protection of Lender's Rights in the Property.** If borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then lender may do and pay for whatever is necessary to protect the value of the Property and lender's rights in the Property. Lender's actions may include paying attorneys' fees and entering on the Property to make repairs. Although lender may take action under this paragraph lender does not have to do so.

Any amounts disbursed by lender under this paragraph 7 shall become additional debt of borrower secured by this Security Instrument. Lender agrees to other terms of payment, these amounts shall bear interest from the date of disbursement at the State rate and shall be payable, with interest, upon notice from lender to borrower requesting payment.

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

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17. **Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

18. **Borrower's Right to Reinstatement.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before 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: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the benefit of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

19. **Sale of Note; Change of Loan Servicer.** The Note or a 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 Substances 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 learns, 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 substances 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 radioactive materials. 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 further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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

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

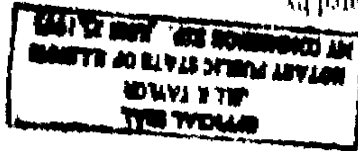
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Form 3074 8/90

NOTARY PUBLIC STATE OF ILLINOIS
1250 N. DEER ROAD, SUITE 100
NAPERVILLE, ILLINOIS 60563

This instrument was prepared by
CLARE HARRIS



My Commission Expires

John J. Schmitt
Notary Public

I, 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 the instrument is the instrument as agreed and delivered the said instrument as free and voluntary act, for the uses and purposes therein set forth. Given under my hand and official seal, this 29th day of April, 1996.

STATE OF ILLINOIS
I, the undersigned, do hereby certify that *Robert M. Schmitt* is a Notary Public in and for said county and state do hereby certify
County of *York*

Borrower (Seal) _____
Borrower (Seal) _____

Borrower (Seal) _____
Robert M. Schmitt
Borrower (Seal) _____

Borrower (Seal) _____
Robert M. Schmitt
Borrower (Seal) _____
BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any riders executed by Borrower and recorded with it.

- Adjustable Rate Rider
- Balloon Rider
- Graduated Payment Rider
- V A Rider
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider
- Others (Specify)

24. Riders to this Security Instrument, if one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

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ADJUSTABLE RATE RIDER

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

THIS ADJUSTABLE RATE RIDER is made this 29TH day of APRIL 1994, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to

WORLD CLASS MORTGAGE CORP., (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

2810 BELLE LANE, SCHLAUBURG, IL 60191

(Property Address)

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

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

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 5.250%. The Note provides for changes in the adjustable interest rate and the monthly payments, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The adjustable interest rate I will pay may change on the first day of JUNE 1994, and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

(B) The Index

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

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

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND THREE FOURTHS (2.750%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

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

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 7.250% or less than 3.250%. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than TWO percentage point(s) (2.000%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 11.250%, which is called the "Maximum Rate."

(E) Effective Date of Changes

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

(F) Notice of Changes

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

B. FIXED INTEREST RATE OPTION

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

5. FIXED INTEREST RATE CONVERSION OPTION

(A) Option to Convert to Fixed Rate

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

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

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Borrower

(Seal)

Borrower

(Seal)

Borrower

(Seal)

Borrower

(Seal)

Handwritten signatures and names: "Schmidt", "Schmidt", "Schmidt".

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BY SIGNING THIS FORM, Borrower accepts and agrees to the terms and covenants contained in this Adjustable

Rate Mortgage Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may

exercise its remedies permitted by this Security Instrument without further notice or demand on Borrower.

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. However, this option shall not be exercised by Lender if exercise is prohibited

by federal law as of the date of this Security Instrument.

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

in it is sold or transferred for a beneficial interest in Borrower, Lender may, at its option, require immediate payment in full of all

sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited

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CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this 29th day of APRIL, 1993, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to WORLD CLASS MORTGAGE CORP., (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

2810 BELLE LANE, SCHAUMBURG, IL 60193

(Property Address)

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

TOWNE PLACE WEST CONDOMINIUM ASSOCIATION

(Name of Condominium Project)

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

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

A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the (i) Declaration or any other document which creates the Condominium Project, (ii) by-laws, (iii) code of regulations, and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property, and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds or net of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance to lien of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 10.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

(i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain,

(ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender,

(iii) termination of professional management and assumption of self-management of the Owners Association, or

(iv) any action which would have the effect of retooling the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.


JOSEPH M. SCHMIDT

(Seal)
Borrower


TYRRELL J. SCHMIDT

(Seal)
Borrower

(Seal)
Borrower

(Seal)
Borrower