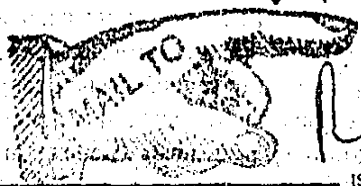


94279042

First Residential Mortgage



1855 Rohlwing Road
Rolling Meadows Ill 60008

(Space Above This Line For Recording Data)

St-E

94515128

DEPT-01 RECORDING \$39.50
T40012 TRAN 7190 03/29/94 09:25:00
#2007 # SK # -94-279042
COOK COUNTY RECORDER

LOAN NO.

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on **DECEMBER 23**, 1993
The mortgagor is **JOSEPH ZAUCHA AND ALINA ZAUCHA, HUSBAND AND WIFE**

This Security Instrument is given to **FIRST RESIDENTIAL MORTGAGE, L.P.**

("Borrower").

which is organized and existing under the laws of **ILLINOIS**, and whose
address is **1855 ROHLWING RD., SUITE E,**
ROLLING MEADOWS, IL 60008

94515128

("Lender").

Borrower owes Lender the principal sum of **ONE HUNDRED THOUSAND AND 00/100**

Dollars

(U.S. \$ **100,000.00**). 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 **JANUARY 1, 2024**

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

County, Illinois:

~~DAKE~~ **COOK**
LOT 13 IN NURSERY ESTATES, BEING A SUBDIVISION OF PART OF THE EAST 1/2
OF THE SOUTHWEST 1/4 AND THE SOUTHEAST 1/4 OF THE NORTHWEST 1/4 OF
SECTION 34, TOWNSHIP 42 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL
MERIDIAN, IN COOK COUNTY, ILLINOIS.

01-34-304-013

DEPT-01 RECORDING \$35.50
T40000 TRAN 6208 01/20/94 14:56:00
#0037 # -94-062999
COOK COUNTY RECORDER

***THIS DOCUMENT IS BEING RE-RECORDED TO ADD ARM ADDENDUM TO
RIDER. AN ASSIGNMENT HAS BEEN RECORDED TO FROM FIRST
RESIDENTIAL MORTGAGE TO MARINE MIDLAND MORTGAGE CORPORATION.

***THIS DOCUMENT IS BEING RE-RECORDED TO ADD PUD RIDER. SEE ABOVE
THAT AN ASSIGNMENT HAS BEEN RECORDED.

which has the address of **12 PENTWATER DRIVE**
Illinois **60010** ("Property Address");
(Zip Code)

SOUTH BARRINGTOWN

3550
3950
RW

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

BORROWER COVENANTS that Borrower is lawfully seised 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.

ILLINOIS - Single Family - Fannie Mae/Freddle Mac UNIFORM INSTRUMENT

INTERCOUNTY TITLE CO

51380530

94279042

94062999

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 and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

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

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.

5. **Hazard or Property Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the 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 coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid

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.

Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower (1) 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.

6. **Assignment of Payments.** Borrower shall promptly furnish to Lender receipts evidencing the payments.

7. **Assignment of Payments.** Borrower shall promptly furnish to Lender receipts evidencing the payments.

8. **Assignment of Payments.** Borrower shall promptly furnish to Lender receipts evidencing the payments.

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666-696

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Property of Cook County Clerk's Office

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the expiration of this period. Lender may invoke any 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. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument.

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

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument without the conflicting provisions. To this end the provisions of this Security Instrument and the Note are declared to be severable, applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect in which the Property is located. In the event that any provision or clause of the Security Instrument or the Note conflicts with

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. 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 the Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument and 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.

14. 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 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.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge 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 Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial or payment without any prepayment charge under the Note.

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 17. 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, forgive or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification or amendment 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 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.

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 such payments.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Security Instrument whether or not the sums are then due. Any balance shall be paid to Borrower. In the event of a partial taking of the Property in which the fair market value immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking, multiplied by the amount of the proceeds multiplied by the following fraction: (a) the

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as if no acceleration had occurred. However, this right of reinstatement shall not apply in the case of acceleration under paragraph 17 of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) shall be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Successor") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more sales of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given 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 in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on or in the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by a governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority that removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take 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 under 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 hazardous substances 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 violation 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) the period of 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 on or before the date specified in the notice as a 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 demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all sums due and incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorney's fees and costs of title evidence.

22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument to Borrower. Borrower shall pay any recordation costs.

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

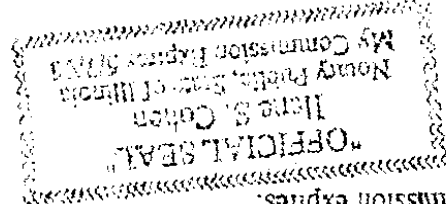
6669036

DEPT-01 RECORDING 439.50
140012 TRAN 3682 06/10/94 11:01:00
43379 SK #1-9-51512S
COOK COUNTY RECORDER

Initials: A. Z. [Signature]

2006-216
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RIDER
der
with this
plement the
applicable

A.Z. 1/3



My Commission expires:

Given under my hand and official seal, this 23RD day of DECEMBER 19 93

Notary Public

James S. Cohen

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

I, THE UNDERSIGNED JOSEPH ZAUCHA AND ALINA ZAUCHA, HUSBAND AND WIFE do hereby certify that

STATE OF ILLINOIS, LAKE County, ILL.

County, ILL.

(Space below this line for Acknowledgment)

94661999

Alina Zaucha
ALINA ZAUCHA
Joseph Zaucha
JOSEPH ZAUCHA

Witnesses:

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

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- Other(s) [specify]
- Condominium Rider *A.Z. 1/3*
- Planned Unit Development Rider
- Rate Improvement Rider
- 1-4 Family Rider
- Biweekly Payment
- Second Home Rider

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

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ADJUSTABLE RATE RIDER

(1 Year Treasury Inflation Rate Cap)

LOAN NO.

THIS ADJUSTABLE RATE RIDER is made this 23RD day of DECEMBER, 19 93, 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 FIRST RESIDENTIAL MORTGAGE, L.P.,

(the "Lender")

of the same date and covering the property described in the Security Instrument and located at:

12 PENTWATER DRIVE
SOUTH BARRINGTON, IL 60010

(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:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 4.625%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of JANUARY 1, 19 95, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, my 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" IS 3.61.

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

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(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding TWO AND SEVEN EIGHTHS percentage points (2.875%) 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 6.625% or less than 2.625%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 10.500%.

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

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

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. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

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MULTISTATE ADJUSTABLE RATE RIDER ARM 52 - Single Family - Fixed Rate Lender
Lender Form No. (100) 440-3895

Form #3111 3/85
L01 03111 B/00

Property of Cook County Clerk's Office

21-05-2016

(Seal) - Borrower

(Seal) - Borrower

ALINA ZAUCHA

(Seal) - Borrower

JOSEPH ZAUCHA

(Seal) - Borrower

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

If Lender exercises the option to require immediate payment in full, 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.

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ONE YEAR ADDENDUM TO ADJUSTABLE RATE RIDER (FIXED RATE CONVERSION OPTION)

This ADDENDUM TO ADJUSTABLE RATE RIDER is made this 23RD day of DECEMBER, 1993, and is incorporated into and shall be deemed to amend and supplement the Adjustable Rate Rider (the "Rider") to the Mortgage, Deed of Trust or Security Deed (the "Security Instrument"), each dated the same date as this Addendum and given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note, with Addendum To Adjustable Rate Note, to FIRST RESIDENTIAL MORTGAGE _____ (the "Lender")

and dated the same date as this Addendum (the "Note"), covering the property described in the Security Instrument and located at: 12 PENTWATER DRIVE
SOUTH BARRINGTON, ILLINOIS 60010
(Property Address)

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

A. FIXED INTEREST RATE OPTION

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

1. Option to Convert to Fixed Rate

I have a Conversion Option which I can exercise unless I am in default or this Section A.1 will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by the Note from an adjustable rate to a fixed rate.

The conversion can take place on that date which is one year after the first Payment Date and on any payment date thereafter ("Conversion Date").

If I want to exercise the Conversion Option, I must first meet certain conditions. These conditions are: (a) I must notify the Note Holder 15 days before the Conversion Date that I intend to convert to a fixed interest rate; (b) for 12 months before the date I register my request to convert my loan, I have been current on all payments due under the Note and Security Instrument. "Current" means that the Note Holder has received my payments in the month that they were due; and (c) I must sign and give the Note Holder any documents required by the Note Holder to effect the conversion within the time frame specified by the Note Holder.

2. Calculation of Fixed Rate

My new fixed interest rate will be equal to the lower of (a) the Federal National Mortgage Association's (FNMA) required net yield as of the date and time of day specified by the Note Holder for 15 or 30-year fixed rate mortgages (depending on my original term) covered by applicable 60-day mandatory delivery commitments, plus five-eighths of one percentage point (0.625%) for a conforming loan size, or seven-eighths of one percentage point (0.875%) for a non-conforming loan size, rounded to the nearest one-eighth of one percentage point, or (b) the one point rate being offered at the time of conversion by Note Holder on 15 or 30-year fixed rate conventional mortgage loan (depending on my original term) for a conforming or non-conforming loan depending on my loan size.

ONE YEAR ARM ADDENDUM TO ADJUSTABLE RATE RIDER
(FIXED RATE CONVERSION OPTION)

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

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

If Borrower exercises the conversion option under the Note as stated in Section A of this Addendum to Adjustable Rate Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in the Rider shall cease to be in effect, and the provisions of Uniform Covenant 17 of the security instrument shall instead be in effect as follows:

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 the 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.

BY SIGNED BELOW, Borrower accepts and agrees to the terms and covenants contained in this Addendum to Adjustable Rate Rider.

ALINA ZAUCHA
BORROWER
JOSEPH ZAUCHA
BORROWER
Joseph Zaucha

Property of Cook County

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LOAN NO.

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 28TH day of DECEMBER, 19 93, 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 FIRST RESIDENTIAL MORTGAGE, L.P.,

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at:

12 PENTWATER DRIVE, SOUTH BARRINGTO, IL 60010

(Property Address)

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

THE COVENANTS, CONDITIONS AND RESTRICTIONS OF RECORD

(the "Declaration"). The Property is a part of a planned unit development known as

PONDS OF SOUTH BARRINGTON

94515128

(Name of Planned Unit Development)

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

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

A. PUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. 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 insuring the Property 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 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 provided by the master or blanket policy.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds 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 or the common areas and facilities of the PUD, or for any conveyance in lieu 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 PUD, 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 rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay PUD 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 PUD Rider.

Signature of Joseph Zaucha (Seal)
JOSEPH ZAUCHA (Seal)
Borrower

Signature of Alina Zaucha (Seal)
ALINA ZAUCHA (Seal)
Borrower

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First Residential Mortgage
600 N. First Bank Bldg
Palatine, IL 60066