

GREAT WESTERN MORTGAGE CORPORATION  
P.O. BOX 1000  
Northridge, CA 91328



94839850

SPACE ABOVE THIS LINE FOR RECORDING DATA

**MORTGAGE**  
ADJUSTABLE INTEREST RATE MORTGAGE

COUNTY CODE: 010  
OFFICE NUMBER: 195  
LOAN NO.: 1-887078-1

THIS MORTGAGE ("Security Instrument") is given on September 27, 1994  
The mortgagor is  
**DAVID SCHREIBER, AN UNMARRIED MAN**  
**JULIE FREEDMAN, AN UNMARRIED WOMAN**

ORIGINAL

This Security Instrument is given to  
**GREAT WESTERN MORTGAGE CORPORATION, A DELAWARE CORPORATION**

("Borrower").

which is organized and existing under the laws of **THE STATE OF DELAWARE**, and whose address is  
**9451 CORBIN AVENUE, NORTH RIDGE, CA 91324**

("Lender"). Borrower owes Lender the principal sum of  
**ONE HUNDRED THIRTY EIGHT THOUSAND AND 00/100**

Dollars (U.S. \$138,000.00). 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 October 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 **COOK** County, Illinois:

**AS PER LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART  
HEREOF KNOWN AS SCHEDULE 'A'.**

PIN/TAX ID: 03-04-300-033-1009 VOL. 231

which has the address of **239 OLD OAK COURT WEST**

**BUFFALO GROVE**  
Illinois **60089** ("Property Address");

DEPT 01 RECORDING \$37.50  
7:00:11 TRAN 3940 09/28/94 13:23:00  
44854 : RV \* - 94 - 839850  
COOK COUNTY RECORDER

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 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 or all 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 household 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.

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.

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CONDOMINIUM RIDER

Loan No.: 1-66707B-1

THIS CONDOMINIUM RIDER is made this 27th day of September, 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 Note to GREAT WESTERN MORTGAGE CORPORATION, A DELAWARE CORPORATION

(the "Lender") of the same date and covering the Property described in the Security Instrument and located at: 239 OLD OAK COURT WEST BUFFALO GROVE, IL 60089

(Property Address)

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

VILLAS OF OAK CREEK CONDOMINIUM ASSOC.

(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 is given, 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 in lieu 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.

ALL TERMS AND CONDITIONS CONTINUED ON THE BACK OF THIS RIDER ARE PART OF THIS RIDER

1st AMERICAN TITLE ORDER # 0723212

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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 in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the same 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;

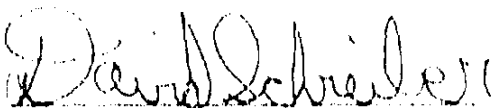
(ii) any amendment to any provision of the Constituent Documents if the provision is, for the express benefit of Lender;


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

(iv) any action which would have the effect of rendering 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 be one 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 regarding payment.

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

  
\_\_\_\_\_  
DAVID SCHREIBER (Seal)

  
\_\_\_\_\_  
JULIE FRIEDMAN (Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

\_\_\_\_\_  
(Seal)

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ADJUSTABLE RATE RIDER  
ARM G-3 TIERED CAP

Loan No. 1 607076-1

THIS ADJUSTABLE RATE RIDER dated September 27, 1994 changes and adds to the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") I signed this day. The Security Instrument secures my Note (the "Note") to  
**GREAT WESTERN MORTGAGE CORPORATION, A DELAWARE CORPORATION**

(the "Lender"), also signed this day, and covers my property as described in the Security Instrument and located at:  
**230 OLD OAK COURT WEST  
BUFFALO GROVE, IL 60089**

(Property Address)

ATTENTION: THE NOTE CONTAINS PROVISIONS ALLOWING FOR ADJUSTMENTS TO MY INTEREST RATE AND MY MONTHLY INSTALLMENT. THE NOTE LIMITS THE MINIMUM AND MAXIMUM INTEREST I MUST PAY AND HAS THE POTENTIAL FOR NEGATIVE AMORTIZATION.

The amount of my scheduled monthly installment could be less than the amount required to pay the interest due after a rate adjustment for that installment period. If so, the Note Holder will subtract the amount of my scheduled monthly installment from the amount of interest that I owe for that month and will add the difference to the outstanding principal balance of my loan. This occurrence is known as negative amortization. This unpaid interest is called "deferred interest." Under the Note, I must pay interest on the amount added to the principal balance at the same rate of interest I am required to pay on the outstanding loan balance each month.

INTEREST RATE AND MONTHLY INSTALLMENT ADJUSTMENTS

The Note provides for adjustments to my interest rate and my monthly installments as follows:

Initial Interest Rate: 3.950%	First Interest Rate Adjustment Date: January 1, 1995
Initial Monthly Installment: \$654.87	Installment Due Date: 1st
First Installment Due Date: November 1, 1994	First Installment Adjustment Date: November 1, 1995
Maturity Date: October 1, 2024	Maximum Rate Limitations*:
Minimum Rate*: 3.950%	Tier 1: 7.500%
Rate Differential: 2.700	Tier 2: 9.000%
	Tier 3 - Lifetime Maximum: 10.050%

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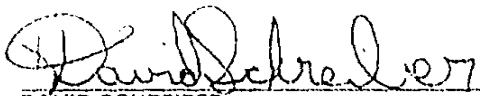
\* The Minimum Rate and Maximum Rate Limitations are subject to adjustment as provided in Section 1(e).

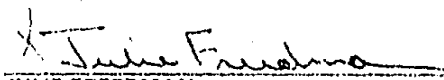
ALL TERMS AND CONDITIONS CONTINUED ON THE BACK  
OF THIS RIDER ARE PART OF THIS RIDER

SIGNATURES OF BORROWERS:

(Please sign your name exactly as it appears below.)

BY SIGNING BELOW, I accept and agree to the terms and covenants in this Adjustable Rate Rider.

  
\_\_\_\_\_  
DAVID SCHREIBER (Seal)

  
\_\_\_\_\_  
JULIE FREEDMAN (Seal)

\_\_\_\_\_  
(Seal) (Seal)

\_\_\_\_\_  
(Seal) (Seal)

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1st AMERICAN TITLE order # 071222101

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## 1. METHOD OF COMPUTING INTEREST RATE ADJUSTMENTS.

(a) **Adjustment Dates.** The interest rate I will pay will be adjusted on the First Interest Rate Adjustment Date (shown on the front of this Rider) and on every installment Due Date thereafter.

(b) **The Index.** Beginning with the First Interest Rate Adjustment Date, my interest rate will be based on an index. The "index" is the monthly weighted average cost of savings, borrowings and advances by the Federal Home Loan Bank of San Francisco (called the "Index") to Arizona, California and Nevada savings institutions of a type that were eligible to be members of the Bank under applicable federal law in effect on August 8, 1989 (called "Eligible Savings Institutions") based on statistics tabulated and published by the Bank during the term of this Note. If the index is no longer published or is deemed by the Note Holder, at its sole discretion, to be substantially invalidated in a manner that no longer represents the monthly weighted average cost of savings, borrowings and advances by the Bank to Eligible Savings Institutions, then the Note Holder may select an alternate index to permit interest rate adjustments, and that alternate index shall be the "index." If the alternate index selected by the Note Holder is no longer published, the Note Holder may choose another alternate index to permit interest rate adjustments. Each published update of the index is called the "Current Index."

(c) **Calculation of Adjustment.** The Note Holder will determine each adjusted interest rate by adding the Rate Differential (shown on the front of this Rider) to the most recently published Current Index. The sum of the Current Index and the Rate Differential is the interest rate that will apply to my loan until the next monthly interest rate adjustment.

The Note Holder may choose not to increase my interest rate even if an increase is permitted because of an increase in the Current Index. The Note Holder is not required to give me advance notice of interest rate adjustments.

(d) **Limits on Interest Rate Adjustments.** The interest rate I am required to pay during the term of the loan will not be less than the Minimum Rate nor more than the Maximum Rate Limitations (shown on the front of this Rider), unless the property securing this loan is sold and the loan is assumed. Sale of the property and assumption of my loan require the Note Holder's consent. Until the 36th installment Due Date my interest rate may not be adjusted to more than the Tier 1 Maximum Rate shown on Page One. Beginning on the

36th installment Due Date until the 72nd installment Due Date my interest rate may not be adjusted to more than the Tier 2 Maximum Rate shown on Page One. Beginning on the 72nd installment Due Date and for the remainder of the loan term my interest rate may not be adjusted to more than the Tier 3 Maximum Rate shown on Page One.

(e) **Limits on Interest Rate Adjustments upon Assumption.** The Minimum Rate and Maximum Rate Limitations shown on Page One shall apply unless my property is sold and the loan is assumed. If my property is sold and my loan is assumed, the Note Holder may adjust the Minimum Rate and one or more of the Maximum Rate Limitations not more than two (2) percentage points above or below the Minimum Rate and Maximum Rate Limitations shown on Page One. The Note Holder may increase or decrease the Minimum Rate and the Maximum Rate Limitations each time the property is sold and the loan is assumed. The Note Holder, however, may choose not to adjust the Minimum Rate or Maximum Rate Limitations each time the property is sold and the loan is assumed. The Note Holder's choice whether to adjust the Minimum Rate or Maximum Rate Limitations will be made at the time the Note Holder consents to the sale and assumption.

## 2. METHOD OF COMPUTING ADJUSTMENTS TO THE MONTHLY INSTALLMENT.

(a) **Adjustment Dates.** My monthly installment will be adjusted on the First Installment Adjustment Date (shown on the front of this Rider) and annually thereafter. The date the installment will be adjusted is called the "Installment Adjustment Date".

(b) **Calculation of Adjustments.** The new installment will be calculated approximately 60 days prior to the Installment Adjustment Date by using the interest rate which is then in effect and the loan balance which would be owing on the Installment Adjustment Date if all regularly scheduled installments are made. The new installment will be an amount which would be sufficient to repay the loan balance used in the calculation over the remaining term of the loan at the interest rate used in the calculation, in substantially equal payments.

(c) **Limitation on Adjustments to the Monthly Installment.** The increases and decreases which occur to the monthly installment on the Installment Adjustment Date will not exceed 1/2% of the previous monthly installment except on the tenth (10th) anniversary of the First Installment Due Date, and on each fifth (5th) anniversary during the remaining term of the loan. On the tenth (10th) anniversary, and each fifth (5th) anniversary following, the increases or decreases to the monthly installment may exceed 1/2% of the previous installment amount if the calculation of installment adjustment described in Section 2(b) would result in a greater adjustment.

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

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

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

(The Note Holder is the "Lender;" I am called the "Borrower.")

17. **LENDER'S CONSENT REQUIRED.** Lender may declare all sums secured hereby immediately due and payable within 30 days after such declaration except as expressly limited by law, if Borrower without Lender's prior written consent: (a) sells, conveys, contracts to sell, alienates or further encumbers all or any part of the property; or (b) leases all or any part of the property for a term, together with all exercisable options, of 5 years or more; or (c) leases all or any part of the property and, in connection with such lease, grants the lessee an option to purchase all or any part of the property; or (d) suffers the title or any interest in the property to be divested, whether voluntarily or involuntarily; or (e) changes or permits to be changed the character or use of the property; or (f) is a partnership and any of the general partners' interests in the partnership are transferred or assigned whether voluntarily or involuntarily; or (g) is a corporation with fewer than 100 stockholders at the date of execution of this Security Instrument and more than 10% of its capital stock is sold, transferred or assigned during a 12-month period.

### B. FUNDS FOR TAXES AND INSURANCE

The third sentence in the second paragraph of Uniform Covenant 2 of the Security Instrument is amended to read as follows: Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits. Lender to make such a charge, provided, however, that Lender may impose upon Borrower at closing a fee to compensate a third party who shall be responsible for the monitoring and payment of real estate taxes without thereby becoming obligated to pay Borrower interest on the Funds.

### C. LEGISLATION AFFECTING LENDER'S RIGHTS

Uniform Covenant 13 of the Security Instrument is hereby deleted.

### D. OCCUPANCY AGREEMENT

If Borrower was required to execute an Occupancy Agreement as a condition for obtaining the loan secured by this Security Instrument, the terms of the Occupancy Agreement, including the provisions which make a violation of its terms an event of default under this Security Instrument, are incorporated herein by this reference.

GREAT WESTERN 

LEGAL DESCRIPTION ATTACHMENT

LOAN NUMBER: 1-567078-1

SCHEDULE "A"

UNIT 205 IN VILLAS OF OAK CREEK CONDOMINIUM AS DELINEATED ON THE SURVEY ON THE FOLLOWING DESCRIBED REAL ESTATE: PARTS OF LOT 1 IN VILLAS OF OAK CREEK, BEING A SUBDIVISION IN THE SOUTHWEST 1/4 OF SECTION 4, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SUBDIVISION RECORDED APRIL 27, 1988 AS DOCUMENT 88176949, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM OWNERSHIP RECORDED JULY 1, 1988 AS DOCUMENT 88289734 IN COOK COUNTY, ILLINOIS, TOGETHER WITH AN UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS APPURTENANT TO SAID UNIT AS SET FORTH IN SAID DECLARATION, AS AMENDED FROM TIME TO TIME, IN COOK COUNTY, ILLINOIS.

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1st AMERICAN TITLE  
Clerk's Office

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As used in this Paragraph 20, "Environmental Laws" 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 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 to Borrower. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under applicable law.

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

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 applicable line(s))

- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- Other(s) (specify)
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

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

Witnesses:

\_\_\_\_\_ (Seal) DAVID SCHREIBER --Borrower

\_\_\_\_\_ (Seal) JULIE FREEDMAN --Borrower

\_\_\_\_\_ (Seal) --Borrower

\_\_\_\_\_ (Seal) --Borrower

[Space Below This Line For Acknowledgment]

State of Illinois, COOK County ss: 94839850

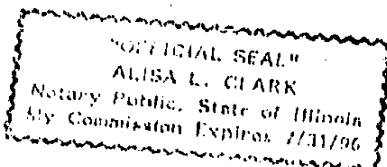
I, THE UNDERSIGNED, a Notary Public in and for said county and state, do hereby certify that DAVID SCHREIBER AND JULIE FREEDMAN

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 THEY signed 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 27th day of SEPTEMBER 1994

My Commission expires: \_\_\_\_\_ Notary Public

This instrument was prepared by: JONDA HEYBACH 2500 S. HIGHLAND AVE. SUITE 250 LOMBARD, IL. 60148





10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to lender.

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

11. Borrower Not Released; Forfeiture By Lender Not a Waiver. Extension of the time for payment or modification of the due date of the monthly payments herein to in Paragraphs 1 and 2 or change the amount of such payments, by the 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 herein to in Paragraphs 1 and 2 or change the amount of such payments.

12. Successors and Assigns; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and obligate 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 to be jointly liable with Borrower for the payment of the sums secured by this Security Instrument and (b) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is hereby 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 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 exceed permitted limits will be refunded to Borrower. Lender may choose to make this refund by crediting 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 prepayment without any prepayment charge under the Note.

14. Notices. Any notice to Borrower provided to or by 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 given by first class mail to Lender's address stated below or any other address Lender designates by notice to Lender, and notice to Borrower shall be given by first class mail to the address last given to Borrower or Lender when given as provided in this paragraph. If the Property is located in the event that any provision of the Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of the Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

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 exercised 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 the 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 for such other period as applicable law may specify by reconstituting before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pay in full all sums which then would be due under the Security Instrument and the Note as if no acceleration had occurred; (b) cure any default of any other covenants or agreements; (c) pay all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorney's fees; and (d) 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 uninterrupted. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective and no acceleration had occurred. However, this right to reinstatement 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 or more times without prior notice to Borrower. A sale may result in a change in the entity (Borrower as the "Loan Servicer") that collects the monthly payments due under the Note and the Security Instrument. There also may be one or more changes of the Loan Servicer assigned 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 governmental 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 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 Substances or Environmental Law of which the owner has actual knowledge. If Borrower leaves, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substances, including the Property is necessary, Borrower shall promptly take all necessary remedial action in accordance with applicable law. Lender, its agents, employees, independent contractors, consultants, attorneys or other representatives of any Hazardous Substances, including the Property is necessary, Borrower shall promptly take all necessary remedial action in accordance with applicable law.

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