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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 30 days of the giving of notice.

**5. Hazard or Property Damage.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the terms of coverage, and any other hazards including flood or flooding, for which Lender requires insurance. This insurance shall be maintained in the amount and for the period 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, after exercising to protect Lender's rights in the Property in accordance with paragraph 1.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may waive proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property or leaves it vacant within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may elect to use the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30 day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 4 and 5 or change the amount of the payments. If under paragraph 2 the Property is required by Lender, Borrower's right to use 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, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds.** 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 extraordinary 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 foreclosure 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 a default and eliminate as provided in paragraph 18, 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 on 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 any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

All amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement of the Note 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 lapses or ceases to be in effect, Borrower shall pay the premiums required to

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Handwritten signature or initials

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14. Address: Any notice to Borrower provided for in this Security Instrument shall be given by delivering it to the address set forth in this instrument or by first class mail to the address set forth in this instrument. Any notice to Lender shall be given by first class mail to the address set forth in this instrument or by first class mail to the address set forth in this instrument.

15. Loan Charges: If the loan secured by this Security Instrument is subject to a charge which is not a charge on the Property, the Borrower shall be responsible for the payment of such charge. If the loan secured by this Security Instrument is subject to a charge which is a charge on the Property, the Borrower shall be responsible for the payment of such charge.

16. Successors and Assigns Bound: Joint and Several Liability; Co-signers: The covenants and agreements of this Security Instrument shall bind and bind 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 agrees this Security Instrument does not execute the Note, and in signing the Security Instrument only to mortgage, sell and convey the Property, under the terms of this Security Instrument, the said Borrower may agree to stand, jointly, jointly or severally, with Lender, as a guarantor of the performance of the obligations of the Borrower under the Note.

17. Borrower Not Released; Forfeiture of Rights: Lender shall not be required to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to release the liability of the original Borrower or Borrower's successors in interest.

18. Lender and Borrower shall agree in writing, any application of proceeds to principal shall not extend to the payment of the due date of the monthly payments referred to in paragraphs 1 and 2 of this instrument. Lender shall not be required to release the liability of the original Borrower or Borrower's successors in interest.

19. 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 the sums secured by this Security Instrument are then due. In the event of a partial taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not the sums secured by this Security Instrument are then due.

20. 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.

21. Inspection: Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

22. Insurance: Lender shall require the Borrower to maintain mortgage insurance in effect, or to provide a loss reserve, and the requirement for mortgage insurance shall be in effect. Lender shall require the Borrower to maintain mortgage insurance in effect, or to provide a loss reserve, and the requirement for mortgage insurance shall be in effect.

23. Substantially Equivalent Mortgage Insurance: Lender shall require the Borrower to maintain mortgage insurance in effect, or to provide a loss reserve, and the requirement for mortgage insurance shall be in effect. Lender shall require the Borrower to maintain mortgage insurance in effect, or to provide a loss reserve, and the requirement for mortgage insurance shall be in effect.

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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 reconduction costs.

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 boxes of)

- |   |   |   |
|---|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider | <input type="checkbox"/> Condominium Rider              | <input type="checkbox"/> Family Rider           |
| <input type="checkbox"/> Graduated Payment Rider          | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider                    | <input type="checkbox"/> Rate Improvement Rider         | <input type="checkbox"/> Second Home Rider      |
| <input type="checkbox"/> VA Rider                         | <input checked="" type="checkbox"/> Other (specify):    |   |
|   | LEGAL DESCRIPTION                                       |   |

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and all riders thereto, and any covenants executed by Borrower and recorded with this Security Instrument.

Witness:

*[Handwritten signature]*

ANDREW P. PIERCE III

(Seal)  
Borrower

LESLIE M. GUSTON

(Seal)  
Borrower

(Seal)  
Borrower

(Seal)  
Borrower

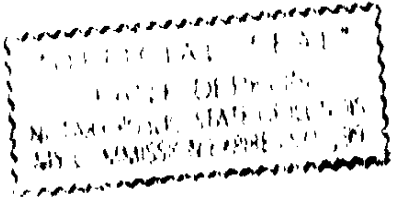
STATE OF ILLINOIS

County of \_\_\_\_\_

I, \_\_\_\_\_, a Security Instrument and law and county and state do hereby certify that \_\_\_\_\_ is the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, and acknowledged that he/she/it executed and delivered the said instrument as his/her/its free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

My Commission Expires \_\_\_\_\_



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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 that not prior to acceleration under paragraph 17 unless...

20. Hazardous Substances. Borrower shall not cause or permit the storage, use, disposal, storage or release of any hazardous substances on or in the Property. Borrower shall not be liable for anything affecting the Property...

19. Sale of Note; Change of Loan Servicer. For Note or a partial interest in the Note together with the Security Instrument in the event of a sale of the Note without prior notice to Borrower. A sale may result in a change in the entity...

18. Borrower's Right to Reinstatement. If Borrower meets certain conditions, Borrower shall have the right to have reinstated the loan without acceleration without further notice or demand on Borrower.

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it and a transferred or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person without...

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

15. Governing Law; Jurisdiction. This Security Instrument shall be governed by federal law and the law of the State in which the Property is located. In the event that any provision of this Security Instrument or the Note which can be...

14. Acceleration Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument that not prior to acceleration under paragraph 17 unless...

13. Hazardous Substances. Borrower shall not cause or permit the storage, use, disposal, storage or release of any hazardous substances on or in the Property. Borrower shall not be liable for anything affecting the Property...

12. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it and a transferred or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person without...

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

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## FIXED/ADJUSTABLE RATE RIDER

(1 Year Treasury Index - Rate Caps)

THIS FIXED/ADJUSTABLE RATE RIDER is made this \_\_\_\_\_ day of \_\_\_\_\_, 2000, 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 Fixed/Adjustable Rate Note (the "Note") in connection with the following:

MORTGAGE LEND

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

2415 TECHNET ROAD

NORTHBROOK

IL 60062

(Property Address)

THE NOTE PROVIDES FOR A CHANGE IN THE BORROWER'S FIXED INTEREST RATE TO AN ADJUSTABLE INTEREST RATE. 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.

**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 fixed interest rate of \_\_\_\_\_%. The Note also provides for a change in the initial fixed rate to an adjustable interest rate as follows:

### 4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

#### (A) Change Dates

The initial fixed interest rate I will pay will change to an adjustable interest rate on the first day of SEPTEMBER 2000, and the adjustable interest rate I will pay may change on that day every 12th month thereafter. The date on which my initial fixed interest rate changes to an adjustable interest rate, and 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 a "Index." The Index is the weekly average yield on United States Treasury securities adjusted for a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 15 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.

MIDSTATE FIXED ADJUSTABLE RATE RIDER - 1 YEAR TREASURY INDEX - Single Family - Future Mee Uniform Instrument

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2. WHEN BORROWERS INITIAL FIXED INTEREST RATE CHANGES TO AN ADJUSTABLE INTEREST RATE UNDER THE TERMS STATED IN SECTION A ABOVE, BORROWERS SHALL BE IN EFFECT, AND THE PROVISIONS OF SECTION B ABOVE SHALL THEN CEASE TO APPLY TO THE SECURITY INSTRUMENT DESCRIBED IN SECTION A ABOVE, THE SECURITY INSTRUMENT SHALL BE 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 for a beneficial interest in Borrower, as 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 the Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by Applicable Law as of the date of this Security Instrument. Lender exercises this option, Lender shall give Borrower notice of its election. 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.

1. UNDER BORROWERS INITIAL FIXED INTEREST RATE CHANGES TO AN ADJUSTABLE INTEREST RATE UNDER THE TERMS STATED IN SECTION A ABOVE, BORROWERS SHALL BE IN EFFECT AS FOLLOWS:

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

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

(1) **Notice of Changes**  
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 new monthly payment changes again.

(2) **Fixed Rate of Changes**  
My 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 new monthly payment changes again.

(3) **Adjustable Rate of Changes**  
The interest rate I am required to pay at the first change date will not be greater than 9.375% or less than 5.375%. Thereafter, my adjustable interest rate will never be increased or decreased by more than one percentage point (1%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 12.375%.

(4) **Limits on Interest Rate Changes**  
The interest rate I am required to pay at the first change date will not be greater than 9.375% or less than 5.375%. Thereafter, my adjustable interest rate will never be increased or decreased by more than one percentage point (1%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 12.375%.

(5) **Calculation of Changes**  
Before each change, the Note Holder will calculate my new interest rate by adding 3.000% to the current rate. 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 B above. This rounded amount will be my new interest rate until the next change date.

(6) **Payment of Changes**  
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.

(7) **Other Provisions**  
The Note Holder will then round the result of this calculation to the nearest one-eighth of one percentage point (0.125%) subject to the limits stated in Section B above. This rounded amount will be my new interest rate until the next change date.

(8) **Other Provisions**  
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.



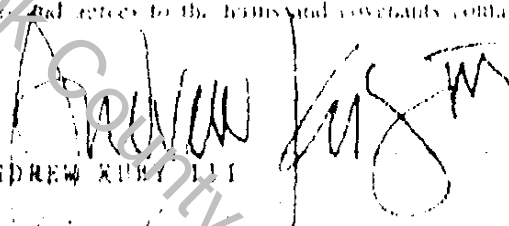
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**Transfer of the Property or a Beneficial Interest in Borrower.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) 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 transfer 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 also may 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.

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.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Fixed Adjustable Rate Note:

  
ANDREW RUBELLI

(Seal)  
Borrower

LESLIE WINSLOW

(Seal)  
Borrower

(Seal)  
Borrower

(Seal)  
Borrower

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THE EAST 100 FEET OF THE NORTH 400 FEET OF THE EAST HALF OF THE EAST HALF NORTH EAST QUARTER OF THE SOUTH WEST QUARTER OF SECTION 16, TOWNSHIP 42 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

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