

3491797

For use only with an Adjustable Rate Mortgage, Deed of Trust or Security Deed Insured under Section 203(b), 203(k) (first lien only) or 234(c) of the National Housing Act, using the Margin method.

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 20TH day

JANUARY, 1986, and is incorporated into and shall be

deemed to amend and supplement the Mortgage, Deed of Trust or

Security Deed ("Mortgage"), of even date herewith, given by the

undersigned ("Mortgagor") to secure Mortgagor's Adjustable Rate

Note ("Note"), of even date herewith, to NMG MORTGAGE CO

("Mortgage"), covering the premises described in the Mortgage

and located at 2725 OXFORD DRIVE, MARKHAM, ILLINOIS 60426.

Notwithstanding anything to the contrary set forth in the Mortgage, Mortgagor and Mortgagor hereby agree to the following:

NINE AND

1. Under the Note, the initial stated interest rate of ONE HALF

per centum (9.50%) per annum ("Initial Interest Rate") on

the unpaid principal balance is subject to change, as

hereinafter described. When the interest rate changes, the

equal monthly installments of principal and interest also

will be adjusted, as hereinafter provided, so that each

installment will be in an amount necessary to fully amortize

the unpaid principal balance of the Note, at the new adjusted

interest rate, over the remaining term of the Note.

2. The first adjustment to the interest rate (if any adjustment is required) will be effective on the first day of

APRIL, 1987

(which date will not be less than

twelve months nor more than eighteen months from the due date

of the first installment payment under the Note), and

thereafter each adjustment to the interest rate will be made

effective on that day of each succeeding year during the term

of the Mortgage ("Change Date").

3. Each adjustment to the interest rate will be made based upon

the following method of employing the weekly average yield on

United States Treasury Securities adjusted to a constant

maturity of one year ("Index"; the Index is published in the

Federal Reserve Bulletin and made available by the United

States Treasury Department in Statistical Release H. 15

UNOFFICIAL COPY

Property of Cook County Clerk's Office

467161C

(519). As of each Change Date, it will be determined whether or not an interest rate adjustment must be made, and the amount of the new adjusted interest rate, if any, as follows:

(a) The amount of the Index will be determined, using the most recently available figure, thirty (30) days before the Change Date ("Current Index").

(b) 2.00 percentage points (2.00%; the "Margin") will be added to the Current Index and the sum of this addition will be rounded to the nearest one-eighth of one percentage point (0.125%). The rounded sum, of the Margin plus the Current Index, will be called the "Calculated Interest Rate" for each Change Date.

(c) The Calculated Interest Rate will be compared to the interest rate being earned immediately prior to the Current Change Date (such interest rate being called the "Existing Interest Rate"). Then, the new adjusted interest rate, if any, will be determined as follows:

(i) If the Calculated Interest Rate is the same as the Existing Interest Rate, the interest rate will not change.

(ii) If the difference between the Calculated Interest Rate and the Existing Interest Rate is less than or equal to one percentage point, the new adjusted interest rate will be equal to the Calculated Interest Rate, the new adjusted interest rate will be equal to the Existing Interest Rate, in either direction, from the Initial Interest Rate, herein called the "5% Cap").

(iii) If the Calculated Interest Rate exceeds the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point higher than the Existing Interest Rate (subject to the 5% Cap).

(iv) If the Calculated Interest Rate is less than the Existing Interest Rate by more than one percentage point, the new adjusted interest rate will be equal to one percentage point less than the Existing Interest Rate (subject to the 5% Cap).

3491797

4. (a) If the Existing Interest Rate changes on any Change Date, Mortgagee will recalculate the monthly installment payments of principal and interest to determine the amount which would be necessary to repay in full, on the maturity date, the unpaid principal balance (which unpaid principal balance will be deemed to be the amount due on such Change Date assuming there has been no default in any payment on the Note but that all prepayments on the Note have been taken into account), at the new Existing Interest Rate, in equal monthly payments. On or before the Change Date, Mortgagee will give Mortgagor written notice ("Adjustment Notice") of

(g) If the index is no longer available, Mortgagee will be required to use any index prescribed by the Department of Housing and Urban Development. Mortgagee will notify Mortgagor in writing of any such substitute index (giving all necessary information for Mortgagor to obtain such index) and after the date of such notice the substitute index will be deemed to be the index hereunder.

(f) The method set forth in this paragraph 3 of this Adjustable Rate Rider, for determining whether or not an adjustment must be made to the Existing Interest Rate incorporates the effects of the provisions of 24 CFR 203.49(a)(1) and 234.79(e)(1) which require that changes in the index in excess of one percentage point must be carried over for inclusion in adjustments to the Existing Interest Rate in subsequent years.

(e) Mortgagee will perform the functions required under Subparagraphs 3(a), (b) and (c) to determine the amount of the new adjusted rate, if any. Any such new adjusted interest rate will become effective on the Change Date and thereafter will be deemed to be the Existing Interest Rate. The new Existing Interest Rate will remain in effect until the next Change Date on which the interest rate is adjusted.

(d) Notwithstanding anything contained in this Adjustable Rate Rider, in no event will any new adjusted interest rate be more than five percentage (5%) points higher or lower than the initial interest rate. If any increase or decrease in the Existing Interest Rate would cause the new adjusted interest rate to exceed the 5% Cap, the new adjusted interest rate will be limited to five percentage (5%) points higher or lower, whichever is applicable, than the initial interest rate.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

3191797

(c) Notwithstanding anything contained in this Adjustable Rate Rider, in the event that (i) the existing interest rate was reduced on a Change Date, and (ii) Mortgage failed to give the Adjustment Notice when required, and (iii) Mortgage, consequently, has made any monthly installment payments in excess of the amount which would have been set forth in such Adjustment Notice ("Excess Payments"), then Mortgage, at Mortgage's sole option, may either (1) demand the return from Mortgage (who for the purposes of this sentence will be deemed to be the mortgagee, or mortgagees, who received such Excess Payments, whether or not any such mortgagee subsequently assigned the Mortgage) of all or any portion of such Excess Payments, with interest thereon at a rate equal to the Index on the Change Date when the existing interest rate was so reduced, from the date each such Excess Payment was made by Mortgage to repayment, or (2) request

(b) Mortgage agrees to pay the adjusted monthly installment amount beginning on the first payment date which occurs at least thirty (30) days after Mortgage has given the Adjustment Notice to Mortgage. Notwithstanding anything to the contrary contained in this Adjustable Rate Rider or the Mortgage, Mortgage will be relieved of any obligation to pay, and Mortgage will have forfeited its right to collect, any increase in the monthly installment amount (caused by the recalculation of such amount under Subparagraph 4(a)) for any payment date occurring less than thirty (30) days after Mortgage has given the applicable Adjustment Notice to Mortgage.

any change in the existing interest rate and of the revised amount of the monthly installment payments of principal and interest, calculated as provided above. Each Adjustment Notice will set forth (i) the date the Adjustment Notice is given, (ii) the Change Date, (iii) the new existing interest rate as adjusted on the Change Date, (iv) the amount of the adjusted monthly installment payments, calculated as provided above, (v) the current Index, (vi) the method of calculating the adjustment to the monthly installment payments, and (vii) any other information which may be required by law from time to time.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

11/11/11

UNOFFICIAL COPY

Property of Cook County Clerk's Office

UNOFFICIAL COPY

3491797

Karen Ryan
Notary Public

GIVEN under my hand and Notarial Seal this 20th day of January, A.D. 19 86.

I, Karen Ryan, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that A.C. Baldermann, Vice President of Heritage Standard Bank and Trust Company, and Pamela L. Bergman, Assistant Secretary of said Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President and Assistant Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of said Bank, for the uses and purposes therein set forth; and the said Assistant Secretary did also affix the said corporate seal of said Bank to said instrument as her own free and voluntary act, and as the free and voluntary act of said Bank for the uses and purposes therein set forth.

STATE OF ILLINOIS)
COUNTY OF COOK)
SS)

ATTEST: Pamela L. Bergman
Assistant Secretary

BY A.C. Baldermann
Vice President
HERITAGE STANDARD BANK AND TRUST COMPANY
as Trustee under its Trust No. 10126
and not individually.

IN WITNESS WHEREOF, said party of the first part has caused its corporate seal to be hereto affixed, and has caused its name to be signed to these presents by its Vice President and attested by its Assistant Secretary this 20th day of January, A.D. 19 86.

So as to comply with 77:18b of the Illinois Revised Statutes: In the event that this instrument contains a waiver of right of redemption clause, said clause shall become a nullity if the instrument covers any land which is improved with a dwelling for not more than four families, or is to secure a loan to be used to finance construction of a dwelling of not more than four families, or if the document covers land used for agricultural purposes.

THIS MORTGAGE is executed by Heritage Standard Bank and Trust Company, not individually, but as Trustee under its Trust Number 10126, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said Heritage Standard Bank and Trust Company hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on Heritage Standard Bank and Trust Company, individually, to pay the said principal note or any indebtedness accruing hereunder, or to perform any covenants, either express or implied, herein contained, all such liability, if any being expressly waived by the holder hereof, its successors and assigns, and by every person now or hereafter claiming any right or security hereunder, and that so far as Heritage Standard Bank and Trust Company, individually, its successors and assigns, are concerned, the legal holder or holders of said principal note and any persons to whom any indebtedness may be due hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien created, in the manner herein and in said principal note provided; provided, however, this waiver shall in no way affect the personal liability of any co-makers, co-signers or endorsers.

UNOFFICIAL COPY

Property of Cook County Clerk's Office

00000000

UNOFFICIAL COPY

3491797 5206103

131:4119086 203 B

This instrument is for use in the home mortgage insurance programs under sections 203 (b), 203 (l), 203 (n), and 245. (Reference Mortgage Letter 83-21)

This form is used in connection with mortgages insured under the one- to four-family provisions of the National Housing Act.

MORTGAGE

THIS INDENTURE, Made this 20TH day of JANUARY, 1986, between HERITAGE STANDARD BANK AND TRUST COMPANY AS TRUSTEE UNDER TRUST AGREEMENT DATED JANUARY 14, 1986 AND KNOWN AS TRUST NUMBER 10126 SW, Mortgagor, and MNC MORTGAGE CO THE STATE OF MICHIGAN a corporation organized and existing under the laws of Mortgagee.

WITNESSETH: That whereas the Mortgagor is justly indebted to the Mortgagee, as is evidenced by a certain promissory note bearing even date herewith, in the principal sum of THIRTY SIX THOUSAND FOUR HUNDRED FIFTY DOLLARS AND NO/100 Dollars (\$ 36,450.00 **

payable with interest at the rate of NINE AND ONE HALF per centum (9.50 **** %) per annum on the unpaid balance until paid, and made payable to the order of the Mortgagee at its office in SOUTHFIELD, MICHIGAN or at such other place as the holder may designate in writing, and delivered; the said principal and interest being payable in monthly installments of THREE HUNDRED AND SIX DOLLARS AND 49/100 **SEE ADJUSTABLE RATE RIDER Dollars (\$ 306.49 *****) on the first day of MARCH, 19 86, and a like sum on the first day of each and every month thereafter until the note is fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of FEBRUARY, 2016

**SEE ADJUSTABLE RATE RIDER

NOW, THEREFORE, the said Mortgagor, for the better securing of the payment of the said principal sum of money and interest and the performance of the covenants and agreements herein contained, does by these presents MORTGAGE and WARRANT unto the Mortgagee, its successors or assigns, the following described Real Estate situate, lying, and being in the county of COOK and the State of Illinois, to wit:

LOT 94 IN BLOCK 1, IN CANTERBURY GARDENS UNIT NO. 3, A RESUBDIVISION OF PART OF CANTERBURY GARDENS UNIT NO. 2, A SUBDIVISION OF THE WEST 1/2 OF THE EAST 1/2 AND PART OF THE NORTHWEST 1/4 OF SECTION 24, TOWNSHIP 36 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO PLAT THEREOF REGISTERED IN THE OFFICE OF THE REGISTRAR OF TITLES OF COOK COUNTY, ILLINOIS, ON JULY 9, 1957, AS DOCUMENT NUMBER 1747357, IN COOK COUNTY, ILLINOIS.

3491797

THIS DOCUMENT PREPARED BY: PHYLLIS MANOR 2725 OXFORD DRIVE 861 MAPLE MNC MORTGAGE CO MARKHAM, ILLINOIS 60426 HOMEWOOD, ILLINOIS 60430 TAX INDEX #: 28-24-422-007

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents, issues, and profits thereof; and all apparatus and fixtures of every kind for the purpose of supplying or distributing heat, light, water, or power, and all plumbing and other fixtures in or that may be placed in, any building now or hereafter standing on said land, and also all the estate, right, title, and interest of the said Mortgagor in and to said premises.

TO HAVE AND TO HOLD the above-described premises, with the appurtenances and fixtures, unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the said Mortgagor does hereby expressly release and waive.

AND SAID MORTGAGOR covenants and agrees:

To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument; not to suffer any lien of mechanics men or material men to attach to said premises; to pay to the Mortgagee, as hereinafter provided, until said note is fully paid, (1) a sum sufficient to pay all taxes and assessments on said premises, or any tax or assessment that may be levied by authority of the State of Illinois, or of the county, town, village, or city in which the said land is situate, upon the Mortgagor on account of the ownership thereof; (2) a sum sufficient to keep all buildings that may at any time be on said premises, during the continuance of said indebtedness, insured for the benefit of the Mortgagee in such forms of insurance, and in such amounts, as may be required by the Mortgagee.

In case of the refusal or neglect of the Mortgagor to make such payments, or to satisfy any prior lien or incumbrance other than that for taxes or assessments on said premises, or to keep said premises in good repair, the Mortgagee may pay such taxes, assessments, and insurance premiums, when due, and may make such repairs to the property herein mortgaged as in its discretion it may deem necessary for the proper preservation thereof, and any moneys so paid or expended shall become so much additional indebtedness, secured by this mortgage, to be paid out of proceeds of the sale of the mortgaged premises, if not otherwise paid by the Mortgagor.

It is expressly provided, however (all other provisions of this mortgage to the contrary notwithstanding), that the Mortgagee shall not be required nor shall it have the right to pay, discharge, or remove any tax, assessment, or tax lien upon or against the premises described herein or any part thereof or the improvements situated thereon, so long as the Mortgagor shall, in good faith, contest the same or the validity thereof by appropriate legal proceedings brought in a court of competent jurisdiction, which shall operate to prevent the collection of the tax, assessment, or lien so contested and the sale or forfeiture of the said premises or any part thereof to satisfy the same.

This instrument is for use in the home mortgage insurance programs under sections 203 (b), 203 (l), 203 (n) and 245. (Reference Mortgage Letter 83-21) (9/83)

STATE OF ILLINOIS HUD-92116M (5-80) Revised (10/83)

VMP-4A (IL)

CONSOLIDATED BUSINESS FORMS, INC. - MT. CLEMENS, MI 48063 - 313/798-4700

1/17/86 18:17:00 NOTE IDENTIFIED. Subject to Homestead Exemption of Cook County, Illinois

UNOFFICIAL COPY

Property of Cook County Clerk's Office

3491797
3491797

REGISTRAR OF TITLES

JAN 23 3 49 PM '86

1388148
DUPLICATE

Submitted by _____
 Address _____
 promised _____
 Deliver certif. to _____
 Address _____

 Deed to _____
 Address _____
 Notified *Atch* Safeco

SAFECO TITLE INSURANCE CO.
2 N. LA SALLE ST.
SUITE 1700
CHICAGO, IL. 60602

MT 188174/Handlyn

UNOFFICIAL COPY

3491797

Whenever the said Mortgagee shall be placed in possession of the above described premises under an order of a court in which an action is pending to foreclose this mortgage or a subsequent mortgage, the said Mortgagee, in its discretion, may: keep the said premises in good repair; pay such current or back taxes and assessments as may be due on the said premises; pay for and maintain such insurance in such amounts as shall have been required by the Mortgagee; lease the said premises to the Mortgagor or others upon such terms and conditions, either within or beyond any period of redemption, as are approved by the court; collect and receive the rents, issues, and profits for the use of the premises hereinabove described; and employ other persons and expend itself such amounts as are reasonably necessary to carry out the provisions of this paragraph.

AND IN CASE OF FORECLOSURE of this mortgage by said Mortgagee in any court of law or equity, a reasonable sum shall be allowed for the solicitor's fees, and stenographers' fees of the complainant in such proceeding, and also for all outlays for documentary evidence and the cost of a complete abstract of title for the purpose of such foreclosure; and in case of any other suit, or legal proceeding, wherein the Mortgagee shall be made a party thereto by reason of this mortgage, its costs and expenses, and the reasonable fees and charges of the attorneys or solicitors of the Mortgagee, so made parties, for services in such suit or proceedings, shall be a further lien and charge upon the said premises under this mortgage, and all such expenses shall become so much additional indebtedness secured hereby and be allowed in any decree foreclosing this mortgage.

AND THERE SHALL BE INCLUDED in any decree foreclosing this mortgage and be paid out of the proceeds of any sale made in pursuance of any such decree: (1) All the costs of such suit or suits, advertising, sale, and conveyance, including attorneys', solicitors', and stenographers' fees, outlays for documentary evidence and cost of said abstract and examination of title; (2) all the moneys advanced by the Mortgagee, if any, for the purpose authorized in the mortgage with interest on such advances at the rate set forth in the note secured hereby, from the time such advances are made; (3) all the accrued interest remaining unpaid on the indebtedness hereby secured; (4) all the said principal money remaining unpaid. The overplus of the proceeds of sale, if any, shall then be paid to the Mortgagor.

If Mortgagor shall pay said note at the time and in the manner aforesaid and shall abide by, comply with, and duly perform all the covenants and agreements herein, then this conveyance shall be null and void and Mortgagee will, within thirty (30) days after written demand therefor by Mortgagor, execute a release or satisfaction of this mortgage, and Mortgagor hereby waives the benefits of all statutes or laws which require the earlier execution or delivery of such release or satisfaction by Mortgagee.

IT IS EXPRESSLY AGREED that no extension of the time for payment of the debt hereby secured given by the Mortgagee to any successor in interest of the Mortgagor shall operate to release, in any manner, the original liability of the Mortgagor.

THE COVENANTS HEREIN CONTAINED shall bind, and the benefits and advantages shall inure, to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Wherever used, the singular number shall include the plural, the plural the singular, and the masculine gender shall include the feminine. SEE ADJUSTABLE RATE RIDER ATTACHED HERETO AND MADE A PART HEREOF FOR ADDITIONAL

WITNESS the hand and seal of the Mortgagor, the day and year first written. TERMS, COVENANTS AND CONDITIONS OF THIS MORTGAGE

EXCULPATORY CLAUSE ATTACHED HERETO AND MADE A PART HEREOF.

Heritage Standard Bank and Trust Co.

[SEAL] signatures, exculpatory and notary [SEAL]

HERITAGE STANDARD BANK AND TRUST COMPANY AS TRUSTEE

UNDER TRUST AGREEMENT DATED JANUARY [SEAL] [SEAL]

14, 1986 AND KNOWN AS TRUST NUMBER 10116

STATE OF ILLINOIS

COUNTY OF

I, _____, a notary public, in and for the county and State aforesaid, Do Hereby Certify That _____ and _____, his wife, personally known to me to be the same person whose name _____ subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that _____ signed, sealed, and delivered the said instrument as free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

GIVEN under my hand and Notarial Seal this _____ day _____, A. D. 19 _____

Notary Public

DOC. NO.

Filed for Record in the Recorder's Office of

County, Illinois, on the _____ day of _____ A.D. 19 _____

at _____ o'clock _____ m., and duly recorded in Book _____ of _____ Page _____

3491797

AND IN THE EVENT That the whole of said debt is declared to be due, the Mortgagee shall have the right immediately to foreclose this mortgage, and upon the filing of any bill for that purpose, the court in which such bill is filed may at any time thereafter, either before or after sale, and without notice to the said Mortgagee, or any party claiming under said Mortgagee, and without regard to the solvency or insolvency at the time of such applications for appointment of a receiver, or for an order to place Mortgagee in possession of the premises or the person or persons liable for the payment of the indebtedness secured hereby, and without regard to the value of said premises or whether the same shall then be occupied by the owner of the equity of redemption, as a homestead, enter an order placing the Mortgagee in possession of the premises, and profits of the said premises during the benefit of the Mortgagee with power to collect the rents, issues, and profits of the said premises during the pendency of such foreclosure suit and to cause sale and a deficiency, during the statutory period of redemption, and such rents, issues, and profits when collected may be applied to the payment of the indebtedness, costs, taxes, insurance and other charges necessary for the protection and preservation of the property.

IN THE EVENT of default in making any monthly payment provided for herein and in the note secured here- by for a period of thirty (30) days after the due date thereof, or in case of a breach of any other covenant or agreement herein stipulated, then the whole of said principal sum remaining unpaid together with accrued in- terest thereon, shall, at the election of the Mortgagee, without notice, become immediately due and payable.

THE MORTGAGOR FURTHER AGREES that should this mortgage and the note secured hereby not be eli- gible for insurance under the National Housing Act within 60 DAYS from the date hereof (written state- ment of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the 60 DAYS time from the date of this mortgage, declining to insure said note and this mortgage, being deemed conclusive proof of such ineligibility), the Mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and payable. This option may not be exercised by the mortgagee when the ineligibility for insurance under the National Housing Act is due to the mortgagee's failure to remit the mortgagee insurance premium to the Department of Housing and Urban Development.

THE MORTGAGOR FURTHER AGREES that should this mortgage and the note secured hereby not be eli- gible for insurance under the National Housing Act within 60 DAYS from the date hereof (written state- ment of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the 60 DAYS time from the date of this mortgage, declining to insure said note and this mortgage, being deemed conclusive proof of such ineligibility), the Mortgagee or the holder of the note may, at its option, declare all sums secured hereby immediately due and payable. This option may not be exercised by the mortgagee when the ineligibility for insurance under the National Housing Act is due to the mortgagee's failure to remit the mortgagee insurance premium to the Department of Housing and Urban Development.

THAT if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this Mortgage, and the Note secured hereby remaining unpaid, are hereby assigned by the Mort- gagee to the Mortgagee, whether due or not.

All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss Mortgagee will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagee, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagee and the Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagee in and to any insurance policies then in force shall pass to the purchaser or grantee.

THAT HE WILL KEEP the improvements now existing or hereafter erected on the mortgaged property, in- sured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Mortgagee and will pay prompt- ly, when due, any premiums on such insurance provision for payment of which has not been made hereinbefore.

AND AS ADDITIONAL SECURITY for the payment of the indebtedness aforesaid the Mortgagee does hereby assign to the Mortgagee all the rents, issues, and profits now due or which may hereafter become due for the use of the premises hereinabove described.

If the total of the payments made by the Mortgagee under subsection (a) of the preceding paragraph shall exceed the amount of the payments actually made by the Mortgagee for ground rents, taxes, and assessments, or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Mortgagee, shall be credited on subsequent payments to be made by the Mortgagee, or returned to the Mortgagee. If, however, the monthly payments made by the Mortgagee under subsection (a) of the preceding paragraph shall not be sufficient to pay ground rents, taxes, and assessments, or insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagee shall pay to the Mortgagee any amount necessary to make up the deficiency, on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due. If at any time the Mortgagee shall tender to the Mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagee any balance remaining in the funds accumulated under the provisions of subsection (a) of the preceding paragraph. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby, or if the Mortgagee acquires the property otherwise after default, the Mortgagee shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under subsection (a) of the preceding paragraph as a credit against the amount of principal then remaining unpaid under said note.

(a) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and as- sessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes and special assessments; and (b) All payments mentioned in the preceding subsection of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Mortgagee each month in a single payment to be applied by the Mortgagee to the following items in the order set forth: (i) ground rents, if any, taxes, special assessments, fire, and other hazard insurance premiums; (ii) interest on the note secured hereby; and (iii) amortization of the principal of the said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagee prior to the date of the next such payment, constitute an event of default under this mortgage. The Mortgagee may col- lect a "late charge" not to exceed four cents (4¢) for each dollar (\$1) for each payment more than fifteen (15) days in arrears, to cover the extra expense involved in handling delinquent payments.

That, together with, and in addition to, the monthly payments of principal and interest payable under the terms of the note secured hereby, the Mortgagee will pay to the Mortgagee, on the first day of each month until the said note is fully paid, the following sums:

That privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, on the first day of any month prior to maturity, provided, however, that written notice of an intention to exercise such privilege is given at least thirty (30) days prior to the pay- ment. PRIVILEGE IS RESERVED TO PAY THE DEBT IN WHOLE OR IN PART ON ANY INSTALLMENT DUE DATE.

AND the said Mortgagee further covenants and agrees as follows:

3491797