THIS ADJUSTABLE RATE RIDEI incorporated into and shall be deemed to "Security Instrument") of the same date Rate Note (the "Note") to	amend and supplement the Mort given by the undersigned (the "B ERAL SAYINGS AND LOAN ASS	gage, Deed of Trust or Solorrower") to secure Born OCIATION OF BARRING	ecurity Deed (the ower's Adjustable IQN
132 Palm Drive	Barrington	Illinois	60010

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BOR-ROWER MUST PAY.

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

#### A. INTEREST KATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of .......8,50.%. The Note provides for changes in the interest rate and the monthly payments, as rollows:

### INTEREST RATE AND MONTHLY PAYMENT CHANGES

#### (A) Change Dates

every 12th month thereafter. Euch date on which my interest rate could change is called a "Change Date."

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

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

#### (C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding ........thr.ee............ result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate artil the next Change Date.

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

#### (D) Limits on Interest Rate Changes

#### (E) Effective Date of Changes

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

#### (F) Notice of Changes

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

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

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

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

tion. The notice shall provide a period of not less than 30 days from the date the notice is delivered or malled within If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of accelera-Instrument. Borrower will continue to be obligated under the Mote and this Security Instrument unless Lender releases Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security

the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to

or demand on Borrower. expiration of this period, Lender may invoke any remedics permitted by this Security Instrument without further notice which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the

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

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## UNOFFICIAL GOPY 3 5 2

3518352

Th	[Space Above Tris Line For Recording Data]
a.	MORTGAGE
- Possible U.S. Federal fax Lies	THIS 1.01 TGAGE ("Security Instrument") is given on
	Lot 2 in Block 3 in East Hillside Pines, a part of the Northeast quarter of Section 5, Township 42 North, Range 10, East of the Third Principal Meridian, according to plat thereof registered in the Office of the Registrar of Titles of Cook County, Illinois, on June 14, 1963, as Document No. 2096140, in Cook County, Illinois***
	PIN: 02-05-205-005 MI THIS MORTCHAE IS A SECOND MIRRICAGE.

TOOETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

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

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.

MON-DuifoRM COVENAUTS. Bottower and Lender further covenant and agree as follows:

Rarrington, III. 6001

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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 insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. 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.

9. 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. unless Borrower and Lender otherwise agree in writing, the sums secured by this 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.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or nettle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is aut) orized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or

to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Borrower of Released; Forbearance By Lender Not a Walver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not characte to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amore Lation of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy

shall not be a waiver of or preclude the expresse of any right or remedy.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) i cc-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without

that Borrower's consent.

12. Loan Charges. If the loan secured by this Se writy Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (\*) ray such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any same already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund raduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Las' rument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the stars specified in the second paragraph of

paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Porrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

15. Governing Law; Severability. This Security Instrument shall be governed by federal is and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security I as rument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Institution and the

Note are declared to be severable.

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

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

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the 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 unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

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enty instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear inserted by time date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower nesting payment. Any amounts disbursed by Lender this paragraph 7 shall become additional debt of Borrower secured by this a Instrument. Unless Borrower and Lender agree to other terms of mayment, these amounts shall bear interest from

saturment, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although sinder may take action under this reasonable. I ender does not have to do so. the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security intermedial any animal and an intermedial on the Property to make renains. Although contents and agreements contained in this security trainfulnent, or mere is a regar procedung man man of the property (such as a proceeding in bankruptey, probate, for condemnation or to enforce laws or gaulations), 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 naving any sums secured by a lien which has priority over this Security. covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect and are in the property fation as a property fation as a property fation as a property fation or to enforce laws or If Borrower fails to perform the

fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property: Morigage Insurance, borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leaseholu, fee title shall not merae unless Lender agrees in the meraer in writing. change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a lesschold, Rorrower shall commit with the oravisions of the lesses, and if Borrower acquires fee title to the Property, the lesseshold and 6. Proservation and Maistenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold.

from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sum secured by this Security Uniess Lender and borrower otherwise agree in writing, any application of proceeds to principal snall For externation designs free monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If from damage to the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property price acquisition shall pass to Lender to the extent of the sums secured by this Security Unices Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall lot extend or at the due date of the monthly navments referred to in casearants 1 and 2 or chance the mount of the navments. If

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 offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to restore the Property or to may sums secured by this Security Instrument, whether or not then due. The 30-day settled will begin Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the na ranner centrer has a notice from Lender that the na ranner centrer has not settle a claim. Then Lender may collect the incurance proceeds. I ender may are settles claim, then Lender may collect the incurance proceds. applied to the sums secured by this Security instrument, whether or not then due, with any excess provered. If Borrower ahandons the Property or does not an analysis of not then from Landau that the Property or does not an analysis of the form Landau that the property or does not an analysis and the from Landau that the native natries has seatoration or repair is not economically feasible or Lender's security would be lessened, the incorporation and selected the lessened the content of the lessened the security feasible or Lender's security would be lessened, the incorporation of the lessened the security of the securit of the Property damaged, if the restoration or repair is economically feasible and Lender's solvity is not leasened. If the restoration or repair is not economically feasible or Lender's security avouid be lessened, the insurance proceeds shall be under Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair.

Drainerty damagaed, if the restoration or remain is economically feasible and Lender's aboutly is not lessened. If the

all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall since prompt of the insurance and 1 and 2 an Carrier and Lender. Lender may make proof of joss if not made promptly by Borrower. Linless Lender and Rorrower otherwise surse in mention in mention in the lender and some national surse assessed and surse assessed and surse mentions in mentions in the surse assessed and surse mentions in the surse assessed and surse assessed and surse mentions in the surse assessed and surse assessed assessed as a surse assessed and surse assessed and surse assessed as a surse as a An insurance poncies and renewsis again of acceptance to Lender snu ansu motione a seamant mortgage crause. If Lender requires, Jotrower shall promptly give to Lender all receipts of naid arramiums and renewal antices. In the event of loss, Borrower shall all promptly give to Lender requires, Jorrower shall promptly give to Lender and renewal antices. In the event of loss, Borrower shall also motive to the insurance. Others with the indices and renewals shall be acceptable to Lender and shell include a standard mortgage clause. All insurance policies and renewale. If Lender requires, introduce a standard mortgage clause, shall have the right to hold the rollines and renewale. If Lender requires, introduce that it is hold the rollines and renewale.

requires insurance. This insurance shall be maintained in the amounts and for the periods that Leman requires, the insurance shall be chosen by Borrower smolecular periods approval which shall not be unreasonably withheld. requires insurance. This insurance shall be maintained in the amount, and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the neriods that Lender requires. The Hazard Insurance. Borrower shall keep the imprevent ants now existing or hereafter erected on the Property paints fore hy fire, hazards included within the term "extended coverage" and any other hazards for which Lender

the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien of the giving of notice. agreement satisfactory to Lender subordinating the first Othis Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument. Lender may sive Porrower a name one not on accounts against emorcement of 8.19 part of the Property; or (c) accures from the holder of the lien an account talialacture to Lender subordinating the new that it is account the lien of the lien or forting the new to Lender subordinating the new to Lender determines that any part of faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to mitter enforcement of the lien or forfeiture of a the property: or (c) secures from the holder of the lien and the property or (c) secures from the holder of the lien and the property or (c) secures from the holder of the lien and the li to be paid under this paragraph. It solves wer makes these payments ourcetly, solvest analy promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) faith the lien by, or defends against enforcement of the lien in, least proceedings which in the Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, least proceedings which in the Lender; (b) contests in good

so to be paid under this paragraph. It Dorso wer makes these payments directly, Borrower shall promptly furnish to Lender aliant receipts evidencing the payments. Borrower shall pay these obligator in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall be them on time directly to the means nevment. Borrower shall oromoriv furnish to I ender all notices of amounts Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any, Borrower shall bay these obligations in the manner provided in paragraph 2, or if not naid in that manner. Borrower shall be these obligations in the manner provided in reasonable or if not naid in that manner. Borrower shall be the provided in the manner former and the provided in the manner. 4. Charges, Likes. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the ly which may attain paleinty over this Security Instrument, and leasehold navments or ground rents, if any.

paragraphs I and 2 vial be applied; first, to late charges due under the Note; second, to prepayment charges due under the Note; third, to amount charges due under the interest due; and last, to mincinal due. supplication as a credit against the sums secured by this Security Instrument.

3. Application to the sums secured by this Security Instrument.

Inless applicable law provides otherwise, all payments received by Lender under same as a sum of the sum of

Opon payment in tun of an auma secured by this occurry maintainer, beinger annu promptry returns to northwer than immediately prior to the sale of the Property is sold or acquired by Lender, Lender shall apply, no later application as a credit against the sums secured by this Security Instrument. Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower and held by Lender If under management of the Property is sold or acquired by Lender Lender shall apply no later

amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender. at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds had been than a to read the Borrower and the Funds is not sufficient to ray the section items when due, Borrower and the Lands and Lands a the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, as Porrower's option, either promothy repaid to Borrower or credited to Borrower on monthly payments of Funds. If the If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to dates of the escrow items, shall exceed the amount required to new the recrow items when due, the exceed shall be.

tequires interest to be pain, being shan not be required to pay morrower any interest or carmings on the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument. requires interest to be paid. Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall aive to Borrower, without charge, an annual accounting of the Funds showing eventies and child to the Funds and the Funds showing except the Funds and the Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be naid. Lender shall not be required to nav Rorrower any interest to be maid. Lender shall not be required to nav Rorrower any interest or earnings on the Funds. Lender shall not be required to nav Rorrower any interest or earnings on the Funds. Lender state agency (menuting Lender is such an explicable law permits Lender on the Funds analyzing the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be baid on the Funds. Unless an agreement is made or annitable law state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the eserow items.

Lender may not charge for holding and applying the Funds, analyzing the account or verifying the eserow items, unless The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or non-remove findinging I and at it I and a institution in a institution in and a federal or and its insured or successful ins

basis of current data and reasonable estimates of future eacrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future eacrow items." Lender may estimate the Funds due on the one-twelfith of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold navments or semind rents on the Property, if any (c) yearly hazard insurance premiums; and (d) vearly Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfsh of: (a) vearly taxes and assessments which may attain minimity over this Security Instrument: (b) vearly lates and assessments which may attain minimity over this Security Instrument: (b) vearly 2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay der on the day monthly navments are due under the Mote in hole is paid in full, a sum ("Funds") coust to

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

2. Funda for Taxas and Insurance. Subject to amplicable law or to a written waiver by Lender, Borrower shall on It. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall prompily pay when due interest on the debt evidenced by the blots and any prepayment and environment and late charges due under the blots. UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows: