(Fixed Rate Conversion Option)

	THIS ADDENDUM TO ADJUSTABLE RATE RIDER i	s made t	his 25TH	day
of	JANUARY , 19 88, and is incorp			all
be de	eemed to amend and supplement the Adjustabl	e Rate R	ider (the	
"Ride	er") to the Mortgage, Deed of Trust or Secu	rity Deed	d (the "Sed	cur-
ity I	Instrument"), each dated the same date as t	his Adde	ndum and g	iven
by th	ne undersigned (the "Borrower") to secure B	orrower':	s Adjustab	le
Rate	Note, with Addendum to Adjustable Rate, to)	en e	
	SHELTER MORTGAGE CORPORATION	(the	"Lender")	and
locat	ed at 100 WATERFORD DRIVE,			
	SCHAUMBURG, IL 60194			
	(Property Address)			

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

FIXED INTEREST RATE OPTION

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

1. Option to Convert to Fixed Rate

I have a Conversion Option which I can exercise unless I am in default, I have been delinquent at any time during the term of this loan, or this Section A-1 will not permit me to do The "Conversion Option" is my option to convert the interest rate I am required to pay by the Note from an adjustable rate to a fixed rate.

The conversion may take place at any time after the first anniversary through the fourth year. I can convert my interest rate only during this period called the "Conversion Period".

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (a) I must give the Note Holder notice that I am doing so during the Conversion Period and at least thirty days before the end of MaxaxX(e) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion; (f) I must be the conversion; be qualified at the rate of interest after conversion using the Note Holder's FHLMC Current Underwriting guidelines for fixed rate mortgages; and (g) I must be the original Borrower under this Note.

Calculation of Fixed Rate 2.

My new fixed rate will be equal to the rate of FHLMC's 60 day net yield for 30 year fixed rate mortgage, plus 50 basis

Page 1 of 2

points in effect as of 10 days prior to the conversion date. If my loan exceeds \$153,100, my new fixed interest rate shall be equal to Residential Funding Corporation's 60 day net price for 30 year fixed rate conventional mortgage, plus 50 basis points in effect as of 10 days prior to conversion date.

3. Determination of New Payment Amount

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

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

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

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its orcion, 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 thirty (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 Instruction without further notice or demand on Borrower. Instrument 1H-

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

INITIALS

GN.

(SEAL) ARLENE V. HEUTER

(SEAL) idelle. Borrower GABRIEL M. MEJIA

Page 2 of 2

RETURN TO: SHELTER MORTGAGE CORP., 1375 E. Schaumburg Rd., Schaumburg, IL



This Condominium Rider is made this and is incorporated into and shall be deemed to an "Security Instrument") of the same date given by the SHELTER MORTGAGE CORPORATION.	tend and supp te undersigned	olement the Model of the 'Borrow	ortgage, Deed of Trust er") to secure Borrow	or Security Deed (the
of the same date and covering the Property describe 100 WATERFORD DRIVE, SCHAUMBU	JRG, IL	60194	······································	
The Property includes a unit in, together with an DONBAR LAKES	undivided in	terest in the co		condominium project
(the "Condominium Project"). If the owners assi "Owners Association") holds title to property for includes Borrower's interest in the Owners Association	r the benefit	ther entity wh or use of its r	nembers or sharehold	ers, the Property also
CONDOMINIUM COVENANTS. In addition Borrower and Leveler further covenant and agree as A. Condomnium Obligations. Borrower Project's Constituer Documents. The "Constitue creates the Condomidum Project; (ii) by-laws; (iii) promptly pay, when dw	to the covers follows: shall performent Document code of regulations of regulations and project which aimst the hazardiform Coverage is provided in the project of any lapse in the project of any lapse in the project of any process of a Security chall take sue olicy accept the ard or carrier for all or at yunation, are here Security Install not, except the of the Condition by fire or of the Constitution of the Constitutions of	n all of Borrets" are the: (i) ations; and (iv) ant to the Con on maintains, vich is satisfacted and Lender retards Lender retards Lender retards Lender retards to maintain vided by the Ovrequired hazarceds in lieu of the English payable to the actions as more damages, directly assigned strument, and or damages, directly assigned strument as protected and the Proceeding of the Proceeding	wer's obligations under the open content of Declaration or any content of Declaration or any content Documents. The property of Lender and where the property of Lender and to Lender are hereby with any excess paid to lay be reasonable to it out, and extent of coverect or consequential, property, whether of the and shall be paid to Lender and with the layer of	ler the Condominium other document which iments. Borrower shall ed insurance carrier, a ich provides insurance and hazards included ender of one-twelfth of werage on the Property cy. following a loss to the y assigned and shall be Borrower. Insure that the Owners werage to Lender, payable to Borrower in unit or of the common Lender. Such proceeds wenant 9. Lender's prior written onment or termination or the express benefit of or the express benefit of the common or the express benefit of
(iii) termination of professional many or (iv) any action which would have the the Owners Association unacceptable to Lender. F. Remedies, If Borrower does not pay cot Any amounts disbursed by Lender under this parag Instrument. Unless Borrower and Lender agree to compare the content of t	e effect of rend adominium di graph F shall t other terms of	dering the publues and assess recome addition payment, thes	ic liability insurar 20 o nents when due, then nal debt of Borrower s c amounts shall bear in	overage maintained by cender may pay them. coired by the Security ne es from the date of
disbursement at the Note rate and shall be payable,	with interest,	upon notice fr	om Lender to Borrowe	er two esting payment.
BY SIGNING BELOW, Borrower accepts and agrees t	to the terms a	nd provisions c	ontained in this Condo	ominium Rider.
		arlene v	e V Kulu HEUTER	(Seal)
		Johnil e	M. MEJIA	(Seal) Borrower

UNOFFICIAL COPY

Property of Coot County Clert's Office

(1 Year Treasury Index—Rate Cups)

	THIS ADJUSTA	BLE RATE	RIDER is made th	is 25.1	CH. day ofJANUARY	19 <mark>8.8,</mark> and is
incor	porated into and	shall be dee	med to amend and	supplen	nent the Mortgage, Deed of Ti	ust or Security Deed (the
"Seci	rity Instrument") of the san	ne date given by the	unders	igned (the "Borrower") to sec	ure Borrower's Adjustable
					RPORATION ") of the same date and coverin	
	ecurity Instrume			i.ender) of the same date and covern	g the property described in
100	WATERFORD	DRIVE,	SCHAUMBURG,	IL	60194	
•••••	***********************		1 Pri	operty A	ddress l	

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 RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of7...7.50.%. The Note provides for changes in the interest rate and the monthly payments, rs follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

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

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

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

(C) Calculation of Changes

4(D) below, this rounded amount will be my new interest rate until the next Change Date.

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

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be g cater than 9...7.50 or less than than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 1.3...7.50....%.

(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 ny monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to e given me and also the title and telephone number of a person who will answer any question R 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 the Transfer of the Property of 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 belo submitted to Lender information required by Lender to evaluate the intended transferce as if a new loan were being made to the transferce; 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.

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The state of the second section of the second

Property of Cook County Clark's Office ARLENE V. HEUTER Gottomer Bortower Rider.

1375 East Schaumburg Road, Schaumburg, ILL 60194 SHELTER MORTGAGE AFTER RECORDING RETURN TO:

UNOFFICIAL COPY

0 23 mgara - 5.1

By Signing Below, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate

expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice

or demand on Borrower.

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 Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Lender and that obligates the transferce to keep all the promises and agreements made in the Note and in this Security the loan assumption. Lender may also require the transferce 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

which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the

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LEGAL DESCRIPTION RIDER

UNIT 125F AS DESCRIBED IN SURVEY DELINEATED ON AND ATTACHED TO AND A PART OF DECLARATION OF CONDOMINIUM OWNERSHIP REGISTERED ON THE 21ST DAY OF MAY, 1975 AS DOCUMENT NUMBER 2808762 TOGETHER WITH AN UNDIVIDED 2.596 PERCENT INTEREST (EXCEPT THE UNITS DELINEATED AND DESCRIBED IN SAID SURVEY) IN AND TO THE FOLLOWING DESCRIBED PREMISES: THAT PART OF LOT 4 IN DUNBAR LAKES BEING A SUBDIVISION IN THE NROTH 1/2 OF SECTION 23, TOWNSHIP 41 NORTH, PANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, BEGINNING AT A POINT IN THE EAST LINE OF LOT 4 AFORESAID, 704.32 FEET, SOUTH 00 DEGREES 41 MINUTES 18 SECONDS WEST FROM THE NORTHEAST CORNER THEREOF; THENCE SOUTH OU DIGREES 41 MINUTES 18 SECONDS WEST ALONG SAID EAST LINE 270.00 FEET TO THE FOUTHEAST CORNER THEREOF; THENCE NORTH 86 DEGREES 18 MINUTES 42 SECONDS WEST ALONG THE SOUTHERLY LINE OF LOT 4 AFORESAID 319.93 FEET TO A POINT OF CURVATURE IN SAID SOUTHERLY LINE: THENCE CONTINUE WESTERLY ALONG SAID SOUTHFRLY LINE AND ITS EXTENSION THEREOF (BEING AN ARC CONVEX SOUTHERLY AND HAVING A RADIUS OF 907.41 FEET) FOR A DISTANCE OF 316.75 FEET TO A POINT OF TANGENCY (SAID POINT HEREINAFTER REFERRED TO AS POINT "A") THENCE NORTH 55 DEGREES 18 MINUTES 42 SECONDS WEST ALONG THE TANGENT OF LAST DESCRIBED ARC FOR A DISTANCE OF 89.01 FEET TO A POINT OF CURAVTURE; THENCE NORTHWESTERLY ALONG AN ARC CONVEX SOUTHWESTERLY AND HAVING A RADIUS OF 200.00 FEET FOR A DISTANCE OF 233.83 FEET TO A POINT OF TANGENCY: THENCE NORTH OO DEGREES 40 MINUTES 28 SECONDS EAST ALONG THE TANGENT TO LAST DESCRIBED ARC FOR A DISTANCE OF 188.09 FEET TO A POINT OF CURVATURE; THENCE NORTHERLY ALONG AN ARC COLVEX EASTERLY AND HAVING A RADIUS OF 300.00 FEET FOR A DISTANCE OF 51.16 FEET TO A POINT OF TANGENCY; THENCE NORTH 09 DEGREES 05 MINUTES 50 SECONDS WEST ALONG THE TANGENT TO LAST DESCRIBED ARC FOR A DISTANCE OF 101.80 FEET TO A POINT IN THE NORTHERLY LINE OF LOT 4 AFORESAID (BEING ALSO THE SOUTHERLY LINE OF LAKELAND DRIVE); THENCE EASTERLY ALONG SAID NORTHERLY LINE BEING AN ARC CONVEX SOUTHEASTERLY AND HAVING A RADIUS OF 1040.00 FEET FOR A DISTANCE OF 281.08 FEET TO A POINT (HEREINAFTER REFERRED TO AS POINT 'b"); THENCE CONTINUE ALONG SAID ARC AND NORTHERLY LINE FOR A DISTANCE OF 311.00 FEET TO A POINT OF TANGENCY THEREIN: THENCE NORTH 50 DEGREES 40 MINUTES 57 SECONDS EAST ALONG THE TANGENT TO LAST DESCRIBED ARC FOR A DISTANCE OF 42.16 FEET TO A POINT OF CURVATURE; THENCE EASTERLY ALONG AN ARC CONVEX NORTHERLY AND HAVING A RADIUS OF 285.00 FEET FOR A DISTANCE OF 199.00 FEET TO A PO INT OF TANGENCY; THENCE SOUTH 89 DEGREES 18 MINUTES 42 SECONDS EAST ALONG THE TANGENT TO LAST DESCRIBED ARC FOR A DISTANCE OF 101.69 FEET TO THE NORTHEAST CORNER OF LOT 4 AFORESAID; THENCE SOUTH OO DEGREES 41 MINUTES 18 SECONDS WEST ALONG THE EAST LINE OF LOT 4 AFROESAID, 704.32 FEET TO THE POINT OF BEGINNING, EXCEPTING THEREFRON THAT PART LYING EASTERLY OF A LINE DESCRIBED AS FOLLOWS: BEGINNING AT A POINT "A" HEREINFORE DESCRIBED; THENCE NORTH 38 DEGREES 44 MINUTES 58 SECONDS EAST 149.61 FEET; THENCE NORTH OO DEGREES 40 MINUTES 28 SECONDS EAST 240.00 FEET; THENCE NORTH 09 DEGREES 05 MINUTES 50 SECONDS WEST 277.52 FEET TO POINT "B" HEREINBEFORE DESCRIBED.

UNOFFICIAL COPY &

3686893

(Space Above This Line For Recording Data)

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on JANUARY 25.

19...88. The mortgager is ARLENE V. HEUTER DIVORCED, NOT SINCE REMARRIED, GABRIEL M. MEJIA

SINCIPAL MALE MARRIED ("Borrower"). This Security Instrument is given to which is organized and existing under the laws of 0.0 State of Wisconsin and whose address is under the laws of 0.0 State of Wisconsin and whose address is 137.5 East Schaum under the principal sum of SEVENTY-EIGHT THOUSAND THREE HUNDRED AND NO Dollars (U.S. S. 7.8300.00). 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 FERRUARY 01...2018. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (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 vereby mortgage, grant and convey to Lender the following described property located in County, Illinois:

SEE ATTACHED (Such property having been purchased in whole or in part with the sums secured hereby.)
TAX KEY NO: 07-23-101-007-1044

nnt i to

TOGETHER 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. For over 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.

	UNOFFICIAL COPY
	3586898 Selection of the property of the prop
	RETURN TO: Shelter Mortgage Corporation 1375 East Schaumburg #220
	This instrument drafted by: LISA D. FLECK
	HOW TIEDON
	My commission expires:
S	personally known to me to be the same person(r) whose name(s) are subscribed to the foregoing instrument, appeared the said instruments as their free and voluntary act, for the uses and purposes therein set for their free and voluntary act, for the uses and purposes therein set for their free and voluntary act, for the uses and purposes therein set for their free and voluntary act, for the uses and purposes therein set for their free my hand and official seal, this S5TH day of January, 1988
state, GABRIE	I, the watered , a notary funding in and for said county and do hereby certify that ARLENE V. HEUTER DIVORCED, NOT SINCE REMARRIED, MEJIA, SINGLE MALE, NŒVER MARRIED,
	STATE OF ILLINOIS, Margares county ss:
	GABRIEL M, MEJIA —Borrower [Space Below Th' Line For Actineviadement]
	ARLENE V. HEUTER —Borrower
	BY SIGNING BELOW, D. frower 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.
	XQther(s) [specify] Addendum to Rider
	Graduater Payment Rider Planned Unit Development Rider
	this Security in strument, the covernants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument as if the rider(s) were a part of this Security Instrument as if the rider(s) were a part of this Security Instrument [Chaol applicable box(es)] [X]XAdjusteyie Rate Rider [X]XCondominium Rider [] 2-4 Family Rider
	22. Waiver of Homestead, Borrower waives all right of homestead exemption in the Property. 23. Riders to this Security Instrument, If one or more riders are executed by Borrower and recorded together with
CONTRACTOR	Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence. 20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the receiver's fost, premiums on receiver's bonds and reasonable attorneys' fees, and then to the aums secured by this Security Instrument. 21. Release. Upon payment of all sums secured by this Security Instrument. Instrument without charge to Borrower. Borrower shall pay any recordation costs.
	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 suttisfed to collect all averages insured in nursuing the remarked to this passence incurred in nursuing the remarked.

19. 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 following Borrower's unless applicable law provides otherwise). The notice shall give notice shall give notice shall give notice shall give for the default; (a) the action required to cure the default on or before the date specified in the notice may result in acceleration of the sums accured 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 essent in the foreclosure proceeding the non-before the default or any other defense of Borrower to acceleration and inteclosure. If the default is not cured non-before the default or any other defense of Borrower to acceleration and inteclosure. If the default is not cured on or before the default or any other defense after many require inmediate payment in full of all sums secured by this Security Instrument without further demand and may require inmediate payment by judicial proceeding. Lender shall be entitled to collect all expenses incurred in nursuing the remediate provided in this nararranh 19, including. Lender shall be entitled to collect all expenses incurred in nursuing the remediate provided in this nararranh 19, including.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

UNOFFICIAL CORY, "

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 o's title a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is a visorized 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 as d 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 10. Peleased: 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 operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify and ruzation of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower', successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the erecuse 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 bene it the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the 'erins of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (i) 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 Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interes or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any such loan charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall be reduced by the amount necessary to reduce the charge shall 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, ecuces 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 in imment and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the s ext specified in the second paragraph of

paragraph 17.

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

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

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 fien 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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requesting payment.

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

Lender may take action under this paragraph 7, Lender does not have to do so.

Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation 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 coverants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the

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

Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall not destroy, damage or substantially 6. Preservation and Maintenance of Property; Leaseholds.

instrument immediately prior to the acquisition.

Unless Londer and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or prostate and Borrower otherwise agree in writing, any application of proceeds to principal shall payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and or seeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Isom damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Isom damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Isom damage.

when the notice is given.

offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the process to restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender alall promptly give to Lender alall promptly give to the insurance all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender may make 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 is economically feasible on Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Scourity Instrument, whether or not then due, with any excess paid to Borrower. If the Borrower abandons the Property, or does not answer within 30 days a notice from Lender, that insurance carrier has borrower abandons the Property, or does not answer within 30 days a notice from Lender, that insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to restore

All insurance policies and renewals shall be acceptable to Lenore and shall include a standard mortgage clause.

unreasonably withheld.

requires insurance. This insurance shall be maintained in the an. June and for the periods that Lender requires. The insurance shall be chosen by Borrowei subject to Lender's approval which shall not be 5. Hazard Insurance. Borrower shall keep the in prote ements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "exten led coverage" and any other hazards for which Lender

of the giving of notice.

the Property is subject to a lien which may attain prior to over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or; ake one or more of the actions set forth above within 10 days faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property, or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the i'or to this Security Instrument. If Lender determines that any part of agreement satisfactory to Lender subordinating the i'or to this Security Instrument. If Lender determines that any part of Borrower shall promptly dischaige any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation ceuted by the lien in a manner acceptable to Lender; (b) contests in good

receipts evidencing the payments.

Borrower shall pay these obligator as in the manner provided in paragraph 2, or if not paid in that manner. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If bover makes these payments directly, Borrower shall promptly furnish to Lender at Lender and under this paragraph. If bover makes these payments directly, Borrower shall promptly furnish to Lender. Property which may attain prio by over this Security Instrument, and leaschold payments or ground rents, if any.

Note; third, to amounts payard under paragraph 2; fourth, to interest due; and last, to principal due.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the paragraphs I and 2 shall be applied: first, to late charges due under the Mote; second, to prepayment charges due under the

any Funds heid by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately and to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a creat, the same secured by this Security Instrument. Upor hyment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower

amount necessary to make up the deficiency in one or more payments as required by Lender.

amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the the due dates of the eserow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to

this Security Instrument.

purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law terms agreement is made or the Funds. Indeed to applicable law the funds to a such interest or applicable law to the funds to the funds. Unless an agreement is made or applicable law to the funds to the state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or

basis of current data and reasonable estimates of future escrow items.

one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the 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") equal to

UNIFORM COVENAUTS. Borrower and Lender coverant and say 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.