

UNOFFICIAL COPY

ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 11TH day of JUNE, 1988, and is incorporated into and shall be deemed to amend and supplement a mortgage (the "Mortgage") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note to DOUGLAS SAVINGS AND LOAN ASSOCIATION (the "Lender") of the same date (the "Note") and covering the property described in the Mortgage and located at:

1200 WILLIAMSBURG DRIVE, STREAMWOOD, ILLINOIS 60107  
(Property Address)

The Note contains provisions allowing for changes in the interest rate every month. If the interest rate increases, the Borrower's monthly payments may be higher. If the interest rate decreases, the Borrower's monthly payments may be lower.

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

**A INTEREST RATE AND MONTHLY PAYMENT CHANGES**

The Note provides for an initial interest rate of 8.50%. Section 4 of the Note provides for changes in the interest rate and the monthly payments as follows:

**4. INTEREST RATE CHANGES**

**(A) Change Dates**

The interest rate I will pay may change on ~~any date~~ JUNE 21, 1988, and on that day of the month every month thereafter. Each date on which my interest rate could change is called a "Change Date."

**(B) The Index**

Beginning with the first Change Date, my interest rate will be based on an index. The "index" is the index of prime rates published in the "Monthly Rates" section of the Wall Street Journal. The index figure published on the first business day of the second month preceding each Change Date is called the "Current Index." If the index is no longer available, the Note 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 0.25 percentage points to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). This rounded amount will be my new interest rate until the next Change Date.

**(D) Change Limitations**

There will be no limitation on the amount by which the interest rate may increase or decrease other than the limitations set forth in this Note, provided that at no time shall the interest rate on this Note be adjusted to a rate GREATER THAN 17 1/2% PER YEAR.

**(E) Effective Date of Changes**

My new interest rate will become effective on each Change Date.

**(F) Notice of Changes**

The Note Holder will notify me of any changes in the amount of my interest rate on the Monthly Statement that I will receive 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. CHARGES; LIENS**

Uniform Covenant 4 of the Mortgage is amended to read as follows:

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower: (a) shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender; (b) shall in good faith contest such lien, by, or defend against enforcement of such lien in, legal proceedings which in the opinion of Lender operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof; or (c) shall secure from the holder of such lien an agreement in a form satisfactory to Lender subordinating such lien to this Mortgage.

If Lender determines that all or any part of the Property is subject to a lien which may attain a priority over this Mortgage, Lender shall send Borrower notice identifying such lien. Borrower shall satisfy such lien or take one or more of the actions set forth above within ten days of the giving of notice.

**C. NOTICE**

Uniform Covenant 14 of the Mortgage is amended to read as follows:

**14. Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail addressed to Borrower at the Property address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by first class mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

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## D UNIFORM SECURITY INSTRUMENT; GOVERNING LAW; SEVERABILITY

Uniform Covenant 15 of the Mortgage is amended to read as follows:

15 **Uniform Mortgage; Governing Law; Severability.** This form of mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage 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 Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable.

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

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

17. **Transfer of the Property; Assumption.** If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant (d) the grant of any leasehold interest of three years or less not containing an option to purchase, (e) a transfer to a relative resulting from the death of a borrower, (f) a transfer where the spouse or children of the Borrower become an owner of the property, (g) a transfer resulting from a decree of a dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which the spouse of the borrower becomes an owner of the property, or (h) a transfer into an inter vivos trust in which the Borrower is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the property, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

## F COVENANT DELETED

Non-Uniform Covenant 21 of the Mortgage ("Future Advances") is deleted.

## G LOAN CHARGES

If the loan secured by the Mortgage 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 permitted limits, then: (1) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (2) any sums 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 reduces principal, the reduction will be treated as a partial prepayment under the Note.

## H LEGISLATION

If, after the date hereof, enactment or expiration of applicable laws have the effect of rendering the provisions of the Note, the Mortgage or this Adjustable Rate Rider (other than this paragraph H) unenforceable according to their terms, or all or any part of the sums secured hereby uncollectable, as otherwise provided in the Mortgage and this Adjustable Rate Rider, or of diminishing the value of Lender's security, then Lender, at Lender's option, may declare all sums secured by the Mortgage to be immediately due and payable.

IN WITNESS WHEREOF, Borrower has executed this Adjustable Rate Rider.

R. Jerome Monica (Seal)  
R. JEROME MONICA Borrower

Nancy S. Monica (Seal)  
NANCY S. MONICA Borrower

(Seal)  
Borrower

State of Illinois, COOK County ss:

I, THE UNDERSIGNED, a Notary Public in and for said county and state, do hereby certify that

R. JEROME MONICA AND NANCY S. MONICA, MARRIED TO EACH OTHER, IN JOINT TENANCY

personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that The signed and delivered the said instrument as THEIR free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this

**"OFFICIAL SEAL"**

JUNE

19 88

My Commission expires:

EDWARD R. GRAF

Notary Public, State of Illinois

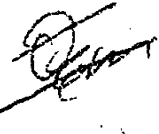
My Commission Expires Dec. 19, 1991

Notary Public

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This instrument was prepared by:  
LYNNE ZAEBLER  
(Name)  
14 N. DRYDEN, ARLINGTON HTS., IL 60004  
(Address)

**MORTGAGE**



THIS MORTGAGE is made this 11TH day of JUNE 1988, between the Mortgagor R. JEROME MONICA AND NANCY S. MONICA, MARRIED TO EACH OTHER, IN JOINT TENANCY (herein "Borrower"), and the Mortgagee, DOUGLAS SAVINGS AND LOAN ASSOCIATION, a corporation organized and existing under the laws of THE STATE OF ILLINOIS whose address is 14 North Dryden Avenue, Arlington Heights, Illinois 60004 (herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S. \$ 5,000.00, which indebtedness is evidenced by Borrower's note dated JUNE 11, 1988 and extensions and renewals thereof (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not sooner paid, due and payable on JUNE 1, 1998.

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of COOK, State of Illinois:

LOT 49 IN BLOCK 6 IN NEW ENGLAND VILLAGE UNIT 2, A SUBDIVISION OF PART OF THE FRACTIONAL SOUTHWEST 1/4 OF SECTION 18, TOWNSHIP 41 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 APRIL 7, 1977 AS DOCUMENT NUMBER LR 2,930,491 IN COOK COUNTY, ILLINOIS. ✓

PERMENENT TAX NUMBER: 07-18-301-049 ✓

THIS MORTGAGE SECURED A REVOLVING LINE OF CREDIT EQUITY LOAN

which has the address of 1900 WILLIAMSBURG DRIVE STREAMWOOD Illinois 60107 (herein "Property Address");

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage is on a leasehold) are hereinafter referred to as the "Property."

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

NOTE IDENTIFIED

PK-336-U

REI Title Services #

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IN DUPLICATE

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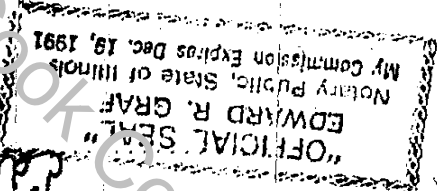
1. J. HERGENROTHER GROUP  
1. J. HERGENROTHER AVENUE  
EASTON, IL 60201  
Order # RT-6-336

DOUGLAS SAVINGS & LOAN ASSOCIATION  
14 W. BRADEN  
ARLINGTON HTS., IL 60004  
ATTN: K. CERICOLA

MAIL TO\*

(Space Below This Line Reserved for Lender and Recorder)

Property of Cook County Clerk's Office



My Commission expires:

Given under my hand and official seal, this 11TH day of JUNE 19 88.

Edward R. Graf  
Notary Public

I, THE UNDERSIGNED, a Notary Public in and for said county and state, do hereby certify that R. JEROME MONICA AND NANCY S. MONICA, MARRIED TO EACH OTHER, IN JOINT TENANTS, personally known to me to be the same person(s) whose names) ARE subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that I, the undersigned, signed and delivered the said instrument as THEIR free voluntary act, for the uses and purposes therein set forth.

STATE OF ILLINOIS, COOK County ss:

R. JEROME MONICA  
NANCY S. MONICA  
Borrower  
-Borrower-

IN WITNESS WHEREOF, Borrower has executed this Mortgage

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR MORTGAGES OR DEEDS OF TRUST

Upon acceleration under paragraph 17 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fee, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.  
20. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.  
21. Waiver of Homestead. Borrower hereby waives all right of homestead exemption in the Property.

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**10. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 15 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage as only a mortgagee, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and all other Borrowers hereunder may agree to extend, modify, forbear or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

**12. Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

**13. Governing Law; Severability.** The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein, "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

**14. Borrower's Copy.** Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

**15. Rehabilitation Loan Agreement.** Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.

**16. Transfer of the Property.** If Borrower sells or transfers all or any part of the Property or an interest therein, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) a transfer by devise, descent, or by operation of law upon the death of a joint tenant, or let the grant of any leasehold interest of three years or less not containing an option to purchase, Borrower shall cause to be submitted information required by Lender to evaluate the transferee as if a new loan were being made to the transferee. Borrower will continue to be obligated under the Note and this Mortgage unless Lender releases Borrower in writing.

If Lender, on the basis of any information obtained regarding the transferee, reasonably determines that Lender's security may be impaired, or that there is an unacceptable likelihood of a breach of any covenant or agreement in this Mortgage, or if the required information is not submitted, Lender may declare all of the sums secured by this Mortgage to be immediately due and payable. If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with paragraph 12 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed or delivered within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 17 hereof.

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

**17. Acceleration; Remedies.** Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 12 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to contest after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.

**18. Borrower's Right to Reinstate.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage, and in enforcing Lender's remedies as provided in paragraph 17 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

**19. Assignment of Rents; Appointment of Receiver.** As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

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UNIFORM COVENANTS, Borrower and Lender covenant and agree as follows:

1. **Payment of Principal and Interest.** Borrower shall promptly pay when due the principal and interest... Lender on the basis of assessments and bills and reasonable estimates thereof...

2. **Funds for Taxes and Insurance.** Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest... Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents...

3. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof...

4. **Prior Mortgage and Heeds of Trust; Taxes; Liens.** Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage... Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage"...

5. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and such other hazards as Lender may require... Lender shall have the right to hold the policies and renewals hereof, subject to the terms of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage...

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold... Lender may make such repairs as appear necessary to protect Lender's interest in the Property...

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which may affect Lender's interest in the Property... Lender may make or cause to be made reasonable entries upon and inspect one of the Property... 8. **Inspection.** Lender may make or cause to be made reasonable entries upon and inspect one of the Property... 9. **Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender...