

ADJUSTABLE RATE RIDER (1 Year Treasury Index - Rate Caps - Fixed Rate Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this 5th day of May, 19 80, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to HOUSEHOLD BANK, S.B.
258 E. LAKE STREET BLOOMINGDALE, IL 60108
 (the "Lender") of the same date and covering the property described in the Security Instrument and located at:
1920 W. 25TH STREET, UNIT 1A2
MICKOBY HILLS, IL 60497
 (Property Address)

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 BORROWER MUST PAY. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE ADJUSTABLE RATE TO A FIXED RATE.

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

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 8.500%. The Note provides for changes in the adjustable interest rate and the monthly payment, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The adjustable interest rate I will pay may change on the first day of June, 19 80, and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date".

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on the 1 Year Treasury Index. The "Index" is the weekly average yield on United States Treasury 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 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 Two and Three quarters percentage points (2.750%) 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%). Subject to the limits stated in Section 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 full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 10.500%, or less than 8.500%. Therefore, my interest rate will never be increased or decreased at any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 10.500%, which is called the "Maximum Rate".

(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 monthly payment changes again.

(F) Notice of Changes

The Note Holder will advise or mail to me a notice of any changes in my adjustable 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.

5. FIXED INTEREST RATE OPTION

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

5. FIXED INTEREST RATE CONVERSION OPTION

(A) Option to Convert to Fixed Rate

I have a Conversion Option which I can exercise unless I am in default of this Section 5(A); will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by this note from an adjustable rate with interest rate limits to the fixed rate calculated under Section 5(B) below.

The conversion can only take place on a date specified by the Note Holder during the period beginning on the first Change Date and ending on the fifth Change Date. Each date on which my adjustable interest rate can convert to the new fixed rate is called the "Conversion Date".

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (i) I must give the Note Holder notice that I want to do so; (ii) on the Conversion Date, I must not be in default under the Note or the Security Instrument, and (iii) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion.

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(B) Calculation of Fixed Rate

My new fixed interest rate will be equal to the Federal Reserve's 90-day Treasury bill rate as of a date and time of my option by the note holder for (i) if the original term of this note is greater than 15 years, 30-year fixed rate mortgages covered by the applicable 90-day mandatory delivery commitments, plus 5/8 of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%), or (ii) if the original term of this note is 15 years or less, 15-year fixed rate mortgages covered by applicable 90-day mandatory delivery commitments, plus 5/8 of one percentage point (0.625%), rounded to the nearest one-eighth of one percentage point (0.125%). If this calculated net yield cannot be determined because the applicable commitments are not available, the Note Holder will determine my interest rate by using comparable information. My new rate calculated under Section 4(B) will not be greater than the Maximum Rate stated in Section 4(D) above.

(C) New Payment Amount and Effective Date

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

1. If Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, 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 effect of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

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

2. If Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in Section C1 above shall then 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 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.

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

James W. DeGroot (Seal) Borrower

Beverly A. DeGroot (Seal) Borrower

(Seal) Borrower

(Seal) Borrower

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CONDOMINIUM RIDER

Form 1022 10/85

THIS CONDOMINIUM RIDER is made this 22nd day of May, 1988, and is incorporated in and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure the Borrower's Note to HOUSEHOLD BANK, F.S.B. (the "Lender") of the same date and covering the Property described in the Security Instrument and included in:

6628 W. 13TH STREET, UNIT 1A2 NICKOHY HILLS, FL 33067
(Previous Address)

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

LICKOPF HEIGHTS
(Name of Condominium Project)

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to the property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the vote, proceeds and benefits of Borrower's interest.

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

A. Condominium Obligations. Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) rules of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "fire" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amount, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage", then:

- (i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of twelfth of the yearly premium installments for hazard insurance on the property; and
- (ii) Borrower's obligation under Uniform Covenant 2 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 9.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

- (i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of taking by condemnation or eminent domain;
- (ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;
- (iii) termination of professional management and assumption of self-management of the Owners Association; or
- (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to the Lender.

F. Remedies. If Borrower does not pay or condominium dues and assessments when due, then Lender may pay them. Any amount disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, those amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in the Condominium Rider.

James W. DeGroot (Seal)
JAMES W. DeGROOT Borrower

(Seal)
Borrower

Beverly A. DeGroot (Seal)
BEVERLY A. DeGROOT Borrower

(Seal)
Borrower

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PARCEL 1: UNIT 1/2 AS DESCRIBED IN SURVEY DELINEATED ON AND ATTACHED TO AND A PART OF A DECLARATION TO CONDOMINIUM OWNERSHIP REGISTERED ON THE 28TH DAY OF DECEMBER 1973 AS DOCUMENT NUMBER 2733639 TOGETHER WITH AN UNDIVIDED 12.5 PERCENT INTEREST (EXCEPT THE UNITS DELINEATED AND DESCRIBED IN SAID SURVEY) IN ADD TO THE FOLLOWING DESCRIBED PREMISES: THAT PART OF LOT 1 AND 2 (TAKEN AS A TRACT) IN HICKORY HILLS APARTMENTS, A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 2, TOWNSHIP 37 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO PLAT REGISTERED IN THE OFFICE OF REGISTER OF TITLES OF COOK COUNTY, ILLINOIS, ON AUGUST 2, 1965, AS DOCUMENT NUMBER 2222954, DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT 2, 35.00 FEET WEST OF THE SOUTHEAST CORNER OF SAID LOT, THENCE NORTH ALONG A LINE PARALLEL TO THE EAST LINE OF SAID LOT 2, 55.50 FEET; THENCE WEST ALONG A LINE PARALLEL TO THE SOUTH LINE OF SAID LOT 2, 33.53 FEET; THENCE NORTH ALONG A LINE PARALLEL TO THE EAST LINE OF SAID LOT 2, 8.50 FEET; THENCE WEST ALONG A LINE PARALLEL WITH THE SOUTH LINE OF LOT 2, 2.00 FEET; THENCE NORTH ALONG A LINE PARALLEL WITH THE EAST LINE OF SAID LOT 2, 13.00 FEET; THENCE WEST ALONG A LINE PARALLEL WITH THE SOUTH LINE OF SAID LOTS 1 AND 2, 111.00 FEET; THENCE SOUTH ALONG A LINE PARALLEL WITH THE EAST LINE OF SAID LOT 1, 42.00 FEET; THENCE WEST ALONG A LINE PARALLEL WITH THE SOUTH LINE OF SAID LOT 1, 5.00 FEET; THENCE NORTH ALONG A LINE PARALLEL WITH THE EAST LINE OF SAID LOT 1, 2.00 FEET; THENCE WEST TO A POINT ON THE WEST LINE OF SAID LOT 1, 47.00 FEET NORTH OF THE SOUTHWEST CORNER OF SAID LOT 1; THENCE SOUTH ALONG THE WEST LINE 1, 47.00 FEET; THENCE EAST ALONG THE SOUTH LINES OF LOTS 1 AND 2 TO THE PLACE OF BEGINNING.

PARCEL 2: EASEMENT FOR EXCLUSIVE USE OF THE GARAGE SPACE 61A2 FOR THE BENEFIT OF PARCEL 1 AS DEFINED AND SET FORTH IN DOCUMENT FILED AS DOCUMENT NUMBER LR2733639.

Permanent Index Number: 20-02-303-090-1002

3792345

MORTGAGE ISSUED IN DUPLICATE (Borrower pays with Line for Recording) Total Loan 50882605

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on May 5 19 89 The mortgagor's JAMES W. DeGROOT and BEVERLY A. DeGROOT, his wife

("Borrower"). This security instrument is given to HOUSEHOLD BANK f.s.b., A FEDERAL SAVINGS BANK

which is organized and existing under the laws of the United States of America and whose address is 255 East Lake Street, Bloomingdale, Illinois 60108 ("Lender").

Borrower owes Lender the principal sum of FIFTY ONE THOUSAND TWO HUNDRED AND NO/100

Dollars (U.S. \$ 51,200.00)

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 June 1, 2019. 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 hereby mortgage, grant and convey to Lender the following described property

located in Cook County, Illinois:

See Addendum "A" attached and made a part thereof

Permanent Index Number: 23-02-303-090-1002

which has the address of 8626 W. 95th Street, Unit LA2 Hickory Hills Illinois 60457 ("Property Address")

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 interests 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 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 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.

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note
chaseobis

3792345

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ROUSSEAU BANK, A FEDERAL SAVINGS BANK
255 East Street
Albion, Illinois 60108

This Document prepared by: CAROL NISBET
ALBERTA O. DAHIGREN

My Commission expires: 0303 MAY 1989

Given under my hand and official seal, this

set forth:

signed and delivered the said instrument as the true and voluntary act, for the uses and purposes therein

subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they

personally known to me to be the same persons (whose names) are

do hereby certify that JAMES W. NEGROTT and BEVERLY A. NEGROTT, his wife

a fiduciary public in and for the county and state

the undersigned

STATE OF ILLINOIS

COOK

County of

Space Below This Line For Acknowledgment

(Seal) _____

(Seal) _____

JAMES W. NEGROTT
BEVERLY A. NEGROTT, his wife

JAMES W. NEGROTT
BEVERLY A. NEGROTT, his wife

BY SIGNING BELOW, Borrower, except and agrees to the terms and covenants contained in this security instrument and in any rider(s) executed by Borrower and recorded with it.

- 2-4 Family Rider
- Condominium Rider
- Planned Unit Development Rider
- Graduated Payment Rider
- Adjustable Rate Rider
- Others (specify):

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

19. Acceleration: Borrower shall give notice to Lender prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument. The notice shall specify (a) the default; (b) the date the default was cured; (c) the date the notice was given to Borrower; (d) the date the notice was given to Lender; and (e) the date the notice was given to the court. Lender shall have the right to accelerate after acceleration and the right to foreclose on the property. The notice shall inform Borrower of the right to release after acceleration and the right to foreclose on the property. If the default is not cured on or before the date specified in the notice, Lender 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 proceedings. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorney's fees and costs of this enforce.

20. Lender in Possession: Upon acceleration or of foreclosure 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 appointed receiver) shall be entitled to enter upon, take possession of and manage the property and to collect the rents of the property including those paid for. Any rents collected by Lender or the receiver shall be applied first to payment of the receiver's costs and management of the property and collection of rents, including, but not limited to, receiver's fees, provisions on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

21. Release: Upon payment of all sums secured by this Security Instrument, Lender shall release (in Security Instrument) without charge to Borrower. Borrower shall pay any reconveyance costs.

22. Waiver of Homestead: Borrower waives all right of homestead exemption in the property.

23. Merger to this Security Instrument: If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the riders were a part of this Security Instrument (Check applicable boxes):

- Adjustable Rate Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Others (specify):

5194034

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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 settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized 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 Not Released; Forbearance by Lender Not a Waiver.** 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 amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successor in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise 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) is co-signing this Security Instrument only to mortgage, grant and convey the 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 amend, 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 interest 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 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 without any prepayment charge under the Note.

13. **Legislation Affecting Lender's Rights.** If enactment or operation 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 Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the sums secured as 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 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 Instrument 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 therein 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 Reinstatement.** 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 obligations 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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UNIFORM COVENANTS Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

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 (month, payments are due under the Note, until the Note is paid in full a sum ("Funds") equal to one-twelfth of (a) year) taxes and assessments which may attach primarily over the Security Instrument (b) year) monthly 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 basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items, Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits. A charge assessed by Lender in connection with Borrower's entering into this Security Instrument to pay the cost of an independent tax reporting service shall not be a charge for purposes of the preceding sentence. Borrower and Lender hereby agree to writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to 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.

If the amount of the Funds held by Lender, together with the sums monthly payable in full, are not sufficient to pay the amount of the Funds held by Lender, either promptly repay to Borrower or credited to Borrower or monthly payments of Funds. If the amount necessary to make up the deficiency in one or more payments as required by Lender, Lender shall pay to Lender any 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.

Lender shall pay in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender, if under paragraph 19 the Property is sold or acquired by Lender. Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, payments received by Lender under paragraphs 1 and 2 shall be applied first, to late charges due under the Note, second, to prepayment charges due under the Note, third, to amounts payable under paragraph 2, fourth, to interest due, and last, to principal due.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fees and impositions attributable to the Property which may arise from the Security Instrument, and less than payments or ground rent, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

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

5. Hazard Insurance. Borrower shall keep the improvement now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extent of coverage" and any other hazards for which Lender 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 unreasonably withheld.

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

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments provided for in paragraphs 1 and 2 or change the amount of the payments. If from damage to the Property prior to the acquisition of the Property by Lender, Borrower's right to any insurance proceeds resulting from damage to the Property prior to the acquisition of the Property by Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation and Release of Property; Leases. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If the Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property, then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

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

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