

UNOFFICIAL COPY

88180258

THIS INSTRUMENT WAS PREPARED BY
Edward A. Matuga, Attorney at Law
2121 Mannheim Road
Westchester, Illinois 60158



MAIL TO:
FIRST FEDERAL SAVINGS & LOAN
ASSOCIATION OF WESTCHESTER
2121 S. MANNHEIM RD.
WESTCHESTER, ILL. 60153

[Space Above This Line For Recording Data]

MORTGAGE

Loan No. 2051-29 ban

THIS MORTGAGE ("Security Instrument") is given on March 31, 1988. The mortgagor is Otto E. Volkmann and Ingrid E. Volkmann, his wife ("Borrower"). This Security Instrument is given to FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF WESTCHESTER, which is organized and existing under the laws of the United States of America, and whose address is 2121 South Mannheim Road, Westchester, Illinois 60158 ("Lender"). Borrower owes Lender the principal sum of Fifty Thousand and 00/100 Dollars (U.S. \$50,000.00). 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 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:

Lot 10 in Baltis Resubdivision of Lot A in George F. Nixon and Company's Second Civic Center Addition to Westchester in the West 1/2 of the South West 1/4 of Section 21, Township 39 North, Range 13 East of the Third Principal Meridian, in Cook County, Illinois.

Permanent Index No. 15-21-324-010

88180258

which has the address of 10250 Crestwood Westchester, Illinois 60153 ("Property Address");
(Street) (City) (Zip Code)

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. 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.

UNOFFICIAL COPY

#1600/3

44771

This instrument was prepared by...
121 North...
Notary Public, State of Illinois
My Commission Expires 9/30/91

88180258

Notary Public
Gregg P. Goossens
My Commission Expires: 9/30/91
OFFICIAL SEAL

Witness my hand and official seal this 31st day of March, 1988

I, Gregg P. Goossens, a Notary Public in and for said county and state, do hereby certify that Otto E. Volkmann, his wife, personally appeared before me and is (are) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, have executed same, and acknowledged said instrument to be their free and voluntary act and deed and that they executed said instrument for the purposes and uses therein set forth.

50 : 6 88 APR 62

STATE OF Illinois
COUNTY OF Cook
SS: }

APR-29-88 1 8 2 3 4 88180258 - A - Rec 16.00

Property of Cook County Clerk's Office

[Space Below This Line For Acknowledgment]

Ingild K. Volkmann (Seal)
Borrower
Otto E. Volkmann (Seal)
Borrower

BY SIGNING BELOW, Borrower 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.

- Other(s) [specify] Line of Credit Rider
 - Graduate Payment Rider
 - Adjustable Rate Rider
 - Condominium Rider
 - 2-4 Family Rider
 - Planned Unit Development Rider
23. Riders 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 rider(s) were a part of this Security Instrument. [Check applicable box(es)]
22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.
21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument with no further obligation to Borrower. Borrower shall pay any recordation costs.
20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time but not limited to, reasonable attorneys' fees and costs of title evidence.
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 under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured 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 assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or 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 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.
18. 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 under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured 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 assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or 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 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.

88180258

UNOFFICIAL COPY

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 of 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 monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to 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 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 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 requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. 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 future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the 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.

Upon payment 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, all 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, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, 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) contests in good 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 lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may 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 improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the 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 policies and renewals. If Lender requires, 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 referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and 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 (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 in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' 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 Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

85180258

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 successors 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 covenant 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 terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. **Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or such loan charges collected or to be collected in connection with the loan exceed the 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 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 Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to 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 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 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 would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

85208198

UNOFFICIAL COPY

Ingild K. Volkmann - Borrower (Seal)
 Otto E. Volkmann - Borrower (Seal)

By signing this, the Borrower(s) agree(s) to all of the above.

Time is of the essence in this Mortgage and the Note and Agreement.

Without further notice to Borrower.

All of the terms, conditions and provisions of the Agreement and Note are by these references incorporated herein as if set forth in full. Any Event of Default under the Note or the Agreement shall constitute an Event of Default hereunder,

and payable.

Upon default, the Note Holder at its option may refuse to allow additional borrowings and declare all amounts owing to the Note Holder to be immediately due

personal financial information upon request of the Note Holder from time to time. obtain a writ of attachment against the Property; (K) Borrower fails to furnish

hereof or any other creditor of Borrower attempts to (or actually does) seize or Credit Documents or whose Lien has or appears to have any priority over the Lien

any credit instrument or deed of trust evidencing or securing a loan to Borrower which loan has priority in right of payment over the line of credit described in the

line of credit described in the Note and Agreement; (J) Borrower defaults under encumbrance in Lender's reasonable judgment jeopardizes Lender's security for the

suffers a Lien of or encumbrance to be filed against the Property, which Lien or generally as they become due; (I) the Borrower further encumbers the Property or

creditors, becomes insolvent or becomes unable to meet his or her obligations of filling; (H) the Borrower makes an assignment for the benefit of his or her

under any provisions of any state or federal bankruptcy law in effect at the time instituted against the Borrower and not dismissed within sixty (60) calendar days

for the Note; (G) Borrower files for bankruptcy, or bankruptcy proceedings are transfer, in the Note Holder's reasonable judgment materially impairs the security

signer of all Credit Documents or is a signer of the Credit Documents if such holder interest in the Property securing the Note to someone who either is not a

in value; (F) the Borrower changes his or her marital status and transfers his or reasonably believes that the Property held as collateral has declined substantially

is found to be materially false; (D) the Borrower dies; (E) the Note Holder which secures the Note; (C) any application or statement furnished by the Borrower

payment; (B) Borrower fails to comply with the terms of the Note or this Mortgage will constitute Events of Default. The events are: (A) Borrower fails to make any

covered in paragraph 17 of the mortgage, set forth below is a list of events which any part of the Property, or any interest therein, which event is specifically

In addition to the Event of Default caused by the sale or transfer of all or in addition to the Event of Default caused by the sale or transfer of all or

EVENTS OF DEFAULT

the date principal repayment is due". Note Holder will still have the right in accordance with and at the time specified in this Note, to give me a subsequent notice terminating it entirely, thus advancing

to repay my outstanding principal balance until the Due Date, provided, however, that that Note Holder is freezing my line, rather than terminating it, I am not obligated

and twenty (120) calendar days after the notice is given. If the notice specifies interest and other charges imposed on my credit line, no later than one hundred

I will be obligated to repay my outstanding principal balance, and all accrued specifies that Note Holder is terminating my line, rather than merely freezing it,

15, my right to future advances will expire at 12:01 a.m. on May 26. If the notice calendar day after the notice is given. For example, if the notice is given on May

my line of credit will expire as of 12:01 a.m. Central time, on the eleventh (11th) If Note Holder gives me such a notice my right to any future advances under

I actually receive it. deemed to have been given on the date it is deposited in the mail regardless of when

notice must be sent registered or certified mail, addressed to me at the Property's address (or such other address as I have given Note Holder). The notice will be

or any subsequent anniversary date up until the tenth anniversary date. The election to do so. To be effective, the notice must be given within three (3)

Note Holder may do either of these things by giving me written notice of its business days before or after either the fifth anniversary of my signing this Note

861818258

UNOFFICIAL COPY

Paragraph 6 of the Note entitled "Call Option" provides in its entirety as follows:

"Without cause, Note Holder can either (a) cancel my right to any future advances under my line of credit without requiring prompt repayment of my outstanding principal balance (that is, "freeze" the line), or (b) cancel my right to any future advances and also require prompt repayments of my outstanding principal balance plus accrued interest and other charges imposed on my credit line (that is, "terminate" the line).

For the monthly billing period which began on March 01, 1988, the daily periodic rate was .02603% (which corresponds to an annual interest rate of 9.50%). The daily loan balance shall be computed by taking the principal balance of all borrowings at the beginning of each day, adding any borrowings posted to the Account that day and subtracting any principal payments posted to the Account as of that date. The interest begins to accrue on the date that a borrowing is posted to the Account.

If the Prime Rate decreases and that may reduce the monthly interest payment. Conversely, if the Prime Rate increases so will the annual interest rate and that decreases in the annual interest rate are mandatory as the Prime Rate declines. There is no maximum limit on increases in the annual interest rate, and

to that monthly billing period (carried to five decimal places). The daily period rate is 1/365th of the annual interest rate, applicable to that monthly billing period. The daily period rate is set at the beginning of each month, change from month to month; it is set at the beginning of each month, by billing period rate to each day's ending loan balance. The daily period rate may be determined for each monthly billing period by applying a daily interest is payable monthly and is due by the 20th day after the statement day. The Prime Rate in determining the annual interest rate. The Journal reports two different Prime Rates, the Lender will select the higher of the two Prime Rates as the Prime Rate and notify you of the change. If The Wall Street Journal reports the Prime Rate, the Lender will select a comparable index as a section of The Wall Street Journal. In the event that The Wall Street Journal stops reporting the Prime Rate, the Lender will select a comparable index as a point. The Prime Rate is defined as the Prime Rate as reported in the Money Rate Note is calculated daily and is equal to the Prime Rate plus one (1) percentage. The annual interest rate applied to the outstanding principal balance on this section of The Wall Street Journal. In the event that The Wall Street Journal stops reporting the Prime Rate, the Lender will select a comparable index as a point. The Prime Rate is defined as the Prime Rate as reported in the Money Rate Note is calculated daily and is equal to the Prime Rate plus one (1) percentage.

The first three paragraphs of paragraph 3 of the Note entitled "Interest (Variable Rate)" provide as follows:

The annual interest rate applied to the outstanding principal balance on this section of The Wall Street Journal. In the event that The Wall Street Journal stops reporting the Prime Rate, the Lender will select a comparable index as a point. The Prime Rate is defined as the Prime Rate as reported in the Money Rate Note is calculated daily and is equal to the Prime Rate plus one (1) percentage.

Borrower acknowledges that the Note calls for a Variable Interest Rate, and that the Lender may, prior to the expiration of the term of the Note cancel future advances thereunder and/or require repayment of the outstanding balance under the Note. In this regard, the Note provisions set forth herein below relate to the variable interest rate and the Lender's option to require repayment prior to expiration of the term of the Note or to cancel future advances for reasons other than default by the Borrower.

The first three paragraphs of paragraph 3 of the Note entitled "Interest (Variable Rate)" provide as follows:

The annual interest rate applied to the outstanding principal balance on this section of The Wall Street Journal. In the event that The Wall Street Journal stops reporting the Prime Rate, the Lender will select a comparable index as a point. The Prime Rate is defined as the Prime Rate as reported in the Money Rate Note is calculated daily and is equal to the Prime Rate plus one (1) percentage.

This Mortgage is to secure to Lender on consolidation of the repayment of the Revolving Line of Credit indebtedness evidenced by a Line of Credit Agreement and Disclosure Statement (Agreement) of even date herewith and by Borrower's Variable Interest Rate Promissory Note ("Note") of even date herewith, in the principal sum of U.S. \$ 50,000.00 or so much thereof as may be advanced and outstanding with interest thereon, providing for monthly installments of interest with the principal balance of the indebtedness, if not sooner paid or required to be paid, due and payable (10) years from the date hereof; the payment of all other sums, with interest hereon advanced in accordance herewith to protect the security of this mortgage; any future advances must have the same priority of the original loan amount; and the performance of the covenants and agreements of Borrower contained herein and in the Agreement and the Note. The Agreement, Note and this Mortgage are collectively referred to as the "Credit Documents". The Credit Documents contemplate, and this Mortgage permits and secures future advances.

In addition to covenants and agreements in the Security Instrument, Borrower and Lender further agree as follows:

Any provision of said Mortgage, or other such instruments executed in connection with said indebtedness, which are inconsistent with the provisions of this Rider, including but not limited to the interest rate, monthly payment, notice to Borrower and prepayment are hereby amended or negated to the extent necessary to conform such instruments to the provisions of this Rider.

This Rider is made this 31st day of March, 1988, and is incorporated into and should be deemed to amend and supplement the Mortgage (the Security Instrument) of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to First Federal Savings and Loan Association of Westchester (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at 10250 Crestwood Westchester, IL, 60153

Loan No. 2051-29 ban

LINE OF CREDIT RIDER

88180258