

This instrument prepared by:
Linda Heyden
2 Crossroads of Commerce, Ste 740
Rolling Meadows, IL. 60008

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88252878



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MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on May 31 19 88. The mortgagor is Irvin M. Michaels and Margaret M. Michaels, his wife

("Borrower") This Security Instrument is given to AmeriMac Savings Bank, F.S.B.

which is organized and existing under the laws of The State of Illinois, and whose address is 2 Crossroads of Commerce, Ste 740, Rolling Meadows, IL. 60008

Borrower owes Lender the principal sum of One Hundred Ninety Five Thousand and 00/100's

----- Dollars (U.S. \$ 195,000.00) 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 July 1, 2018. This Security Instrument secures to Lender (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications, (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument, and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois

LOT 17 IN BLOCK 6 IN MCDANIEL'S ADDITION TO WILMETTE, BEING A SUBDIVISION OF LOTS 1 TO 9 INCLUSIVE IN BAXTER'S SUBDIVISION OF THE SOUTH SECTION OF QUILMETTE RESERVATION, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

-88-252878

PIN: 05-34-305-019

which has the address of 1230 Gregory Ave. Wilmette Illinois 60091 ("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 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 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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Handwritten notes in the left margin, including "2772" and "13/17/88".

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Rolling Meadows, IL. 60008
2 Crossroads of Commerce, Ste 740
America Savings Bank, F.S.B.

Please return to:

4-3-89

My Commission expires:

Given under my hand and official seal, this

31ST day of MAY

1988

set forth

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

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

personally known to me to be the same person(s) whose name(s) are

do hereby certify that IRVIN M. MICHAELS and MARGARET M. MICHAELS, his wife

a Notary Public in and for said county and state,

KATHLEEN KOLESKA

COOK County, Ill.

STATE OF ILLINOIS

[Space Below This Line for Action Comment]

Borrower
(Seal)

Borrower
(Seal)

Borrower
(Seal)

Borrower
(Seal)

By SIGNING 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

X Exhibit 1-Addendum to Adjustable rate Note, Rider, and Security Agreement

X Occupancy Rider

(Graduated Payment Rider

X Adjustable Rate Rider

Condominium Rider

2-4 Family Rider

Instrument (check applicable boxes) supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security

23. Rider(s) 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 this Security Instrument shall be incorporated into and shall amend and

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

Instrument without charge to Borrower. Borrower shall pay any recordation costs.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument, and then to the sum secured by this Security Instrument, Lender shall release this Security Instrument

without charge to Borrower. Lender shall pay any recordation costs. 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 title evidence.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially 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 past due. Any rents collected by Lender or 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 fees, premiums on

reverse bonds and reasonable attorney's fees, and then to the sum secured by this Security Instrument. Lender shall release this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding.

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 attorney's fees and costs of title evidence.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially 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 past due. Any rents collected by Lender or 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 fees, premiums on

reverse bonds and reasonable attorney's fees, and then to the sum secured by this Security Instrument. Lender shall release 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 attorney's fees and costs of title evidence.

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UNIFORM COVENANTS, CONDITIONS AND LENDER AGREEMENT 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.

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ADJUSTABLE RATE RIDER

(1 Year Treasury Index—Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 31st day of May, 1988, 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 AmeriMac Savings Bank, F.S.B.,

(the "Lender") of the same date and covering the property described in the Security Instrument and located at

1230 Gregory Avenue Wilmette, IL 60091

[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.

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

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 7.125%. The Note provides for changes in the interest rate and the monthly payments, as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of October, 1989, and on that day every 12th 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 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 his 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 or the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 9.125% or less than 5.125%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding twelve months. My interest rate will never be greater than 13.125%.

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

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

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

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

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.


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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.

C. Also refer to Exhibit "1" which becomes a part of this rider.

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



Irvin M. Michaels (Seal)
-Borrower



Margaret M. Michaels (Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower

PIN#: 05-34-305-019

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Property of Cook County Clerk's Office

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OCCUPANCY RIDER
TO MORTGAGE

LOAN NO. 55-101144
DATE: May 31, 1988

THIS AGREEMENT REGARDING OCCUPATION CONSTITUTES A CONDITIONAL MODIFICATION OF A PROMISSORY NOTE (SAID NOTE) AND MORTGAGE (SAID MORTGAGE) OF THE SAME DATE HEREWITH, EXECUTED BY

Irvin M. Michaels and Margaret M. Michaels, his wife

AmeriMac Savings Bank, F.S.B.
REGARDING CERTAIN REAL PROPERTY KNOWN AS
1230 Gregory Ave., Wilmette, IL. 60091

(BORROWER) IN FAVOR OF
(LENDER)

(SAID REAL PROPERTY).

RECITAL

BORROWER HAS MADE AN APPLICATION TO LENDER FOR A LOAN IN THE SUM OF \$ 195,000.00 (SAID LOAN) TO BE SECURED BY SAID MORTGAGE AND, WITH RESPECT TO SUCH APPLICATION, HAS REPRESENTED TO LENDER THAT BORROWER WILL OCCUPY SAID REAL PROPERTY AS BORROWER'S PRINCIPAL RESIDENCE. SUBJECT TO SAID REPRESENTATION LENDER HAS APPROVED SUCH LOAN.

THIS AGREEMENT CONFIRMS THE REPRESENTATIONS OF BORROWER REGARDING OCCUPANCY OF SAID REAL PROPERTY AND SETS FORTH THE TERMS OF THE MODIFICATION OF SAID NOTE IN THE EVENT, FOR ANY REASON, BORROWER FAILS TO OCCUPY SAID REAL PROPERTY.

AGREEMENT

1. REPRESENTATIONS OF BORROWER. IN CONSIDERATION OF THE MAKING OF SAID LOAN TO BORROWER BY LENDER, BORROWER DOES HEREBY AGREE TO (1) OCCUPY THE SAID REAL PROPERTY AS BORROWER'S PRIMARY RESIDENCE WITHIN (30) DAYS OF THE DATE SAID MORTGAGE IS RECORDED AND (2) CONTINUE TO OCCUPY SAID REAL PROPERTY THROUGH THE ONE-YEAR ANNIVERSARY DATE OF THE RECORDATION OF THE MORTGAGE.

2. MODIFICATION OF SAID NOTE. IN THE EVENT BORROWER FAILS TO OCCUPY SAID REAL PROPERTY AS DESCRIBED ABOVE, SAID NOTE SHALL BE DEEMED AUTOMATICALLY AMENDED AS FOLLOWS WITHOUT FURTHER ACT OF LENDER:

(A) THE INTEREST RATE SET FORTH IN SAID NOTE SHALL BE INCREASED FROM 7.125 % TO 8.125 % EFFECTIVE AS OF THE DATE SAID MORTGAGE WAS RECORDED, AND ALL SUBSEQUENT PAYMENTS SHALL BE ADJUSTED ACCORDINGLY IN COMPLIANCE WITH THE PROVISIONS OF SAID NOTE;

(B) A LATE CHARGE OF FIVE PERCENT (5%) SHALL APPLY TO ANY INSTALLMENT PAYMENTS NOT MADE WITHIN FIFTEEN (15) DAYS OF ITS DUE DATE;

3. COMPLIANCE WITH LAW. IN NO EVENT SHALL ANY OF THE PROVISIONS STATED IN ARTICLE 2 ABOVE BE APPLICABLE TO THE EXTENT THEY RESULT IN AN INTEREST RATE, LATE CHARGE, OR PREPAYMENT CHARGE IN EXCESS OF THE MAXIMUM PERMITTED BY LAW.

4. ASSIGNMENT. THIS AGREEMENT MAY BE ASSIGNED BY LENDER AT ANY TIME.

5. WAIVER OF OBLIGATION TO OCCUPANCY. NOTWITHSTANDING THE PROVISIONS OF ARTICLE 2 ABOVE, IF BORROWER FAILS TO OCCUPY SAID REAL PROPERTY AND DEMONSTRATES TO LENDER'S REASONABLE SATISFACTION THAT SUCH FAILURE WAS DUE TO CAUSES BEYOND BORROWER'S CONTROL, THE PROVISION OF SAID ARTICLE 2 SHALL NOT APPLY.

Irvin M. Michaels
BORROWER DATE

Margaret M. Michaels
BORROWER DATE

Irvin M. Michaels
BORROWER DATE

Margaret M. Michaels
BORROWER DATE

SUBSCRIBED AND SWORN BEFORE ME THIS 31ST DAY OF MAY, 19 88.

[Signature]
NOTARY PUBLIC

MY COMMISSION EXPIRES: 4-3-89

NO 252878

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ADDENDUM TO ADJUSTABLE RATE NOTE, RIDER AND SECURITY AGREEMENT

This Agreement made on May 31, 1988 between Irvin M. Michaels and Margaret M. Michaels, his wife hereinafter referred to as BORROWER and AMERIMAC SAVINGS BANK, F.S.B., hereinafter referred to as LENDER

WHEREAS, LENDER has approved a mortgage loan in the amount of One hundred ninety five thousand and 00/100's Dollar U.S. \$ 195,000.00 to BORROWER to purchase property located at 1230 Gregory Avenue Wilmette, IL 60091 and

WHEREAS, LENDER currently holds the first mortgage on said property;

NOW THEREFORE, it is agreed that the Note of even date herewith evidencing the above described loan shall be amended in the following respects and as to those respects only:

1. The rate of interest shall be 7.125 per annum until October 1, 1989 on which date the interest rate shall be changed according to the change date stated in the Note with changes made in accordance to paragraph 4 of the Note.

2. Should the borrowers elect to convert this loan into a fixed rate loan, they will be able to do so subject to the following terms and conditions:

A. OPTION TO CONVERT TO FIXED RATE, CONDITIONS TO OPTION

1. Except as provided in Section A 2 below and notwithstanding anything to the contrary in the Note or the Rider, I may choose to convert my adjustable rate interest payments to a fixed rate. The first date I may exercise this option is June 7, 1988.

If I choose to make this conversion, I must give the Lender notice that I am doing so at least 45 days before the next scheduled monthly payment due date. I also must sign and give to the Lender a document, in any form that the Lender may require, changing the terms of the Note as necessary to give effect to the conversion. Beginning with the Effective Conversion Date, if such conversion has been chosen, my interest rate will be equal to the Federal Home Loan Mortgage Corporation's 60 day mandatory delivery rate for 30 year, fixed rate mortgages that was in effect as of the date that notification is given to the Lender, plus 1/2 of one percent (0.375%). If such required Net Yield is not available, the Lender will determine my new, fixed interest rate by using a comparable figure. Borrower must execute and deliver to Lender the documents required by Lender evidencing conversion to fixed rate. ** The interest rate will never be greater than 14.000% upon conversion to a fixed rate. **

2. If the unpaid principal balance of my loan on the Effective Conversion Date will be greater than the original principal amount of my loan, Lender may require that a qualified real estate appraiser, chosen by the Lender, prepare an appraisal report on the value of the secured property. If the unpaid principal balance of my loan on the Effective Conversion Date will be an amount greater than 95% of the value of the property securing my loan, as established by the appraisal report, I will not have the option to convert my adjustable rate interest payments described in Section A above unless I pay the Lender an amount sufficient to pay the unpaid principal balance to that amount. If a new appraisal is required, the Borrower will be responsible for the appraisal expense in addition to the conversion fee.

B. DETERMINATION OF NEW PAYMENT AMOUNT

If I choose to convert to a fixed rate of interest as provided in Section A, the Lender will then determine the amount of my monthly payment that would be sufficient to repay the unpaid principal balance of my loan I am expected to owe on the Effective Conversion 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 (the "New Payment Amount").

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C. PAYMENT OF NEW PAYMENT AMOUNTS DETERMINED BY FIXED RATE

Beginning with my first monthly payment that becomes due after the Effective Conversion Date, I will, if I have chosen the foregoing option, pay the New Payment Amount as my monthly payment, and the interest rate I pay will not change from the fixed rate established as of the Effective Conversion Date.

D. PAYMENT OF CONVERSION FEE

For choosing to convert my adjustable interest rate payments to fixed rate payments as provided above, I will pay the Lender a conversion fee equal to \$400.00 at the time I submit my notification to elect conversion to a fixed rate loan.

E. NOTICE TO LENDER

Before the date of my first monthly payment that becomes due after the Effective Conversion Date, the Lender will deliver to me a notice of my new interest rate as of the Effective Conversion Date and the amount of my New Monthly Payment.

F. DELINQUENCY

THE MORTGAGOR MAY NOT EXERCISE THIS OPTION IF THE LOAN IS DELINQUENT OR IF THE LOAN HAS BEEN DELINQUENT ONE TIME OR MORE IN THE PREVIOUS TWELVE MONTHS.

G. OWNER OCCUPIED

The subject property must be owner occupied at the time of conversion.

H. FEDERAL HOME LOAN MORTGAGE CORPORATION ELIGIBILITY REQUIREMENTS

It is understood and agreed that conversion option is subject to approval by the Federal Home Loan Mortgage Corporation and agreement to purchase the Loan by same. Upon conversion, Loan must meet all eligibility requirements of the Federal Home Loan Mortgage Corporation included, but not limited to, maximum loan amount, loan to value ratios, debt to income ratio, condominium requirements and FUD requirements.

IN WITNESS WHEREOF, BORROWER HAS EXECUTED THIS AFFIDAVIT

May 31, 1988

DATE

Irvin M. Michaels

Irvin M. Michaels BORROWER

May 31, 1988

DATE

Margaret M. Michaels
Margaret M. Michaels BORROWER

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Property of Cook County Clerk's Office

