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THIS INSTRUMENT WAS PREPARED BY: **CHERYL WILLIAMS**
ONE SOUTH DEARBORN STREET
CHICAGO, ILLINOIS 60603

ADJUSTABLE RATE

Mortgage

CITICORP
SAVINGS

Corporate Office
One South Dearborn Street
Chicago, Illinois 60603
Telephone (1 312) 977-5000

89293790

COOK COUNTY, ILLINOIS
FICEL

LOAN NUMBER: 010020101

1989 JUN 26 (1:4)

89293790

\$16.00

THIS MORTGAGE ("Security Instrument") is given on **JUNE 16**
19 **89**. The mortgagor is (

RICHARD J. LANGENDERFER AND KELLY J. LANGENDERFER, HIS WIFE

("Borrower"). This Security Instrument is given to Citicorp Savings of Illinois, A Federal Savings and Loan Association, which is organized and existing under the laws of the United States, and whose address is One South Dearborn Street, Chicago, Illinois 60603 ("Lender"). Borrower owes Lender the principal sum of **SIXTY SEVEN THOUSAND EIGHT HUNDRED AND NO/100** Dollars (U.S. \$ **67,800.00**). 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, 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:

PARCEL 1: THE EAST 22.34 FEET OF THE WEST 139.68 FEET OF THE NORTH 64.00 FEET OF THE SOUTH 94.60 FEET OF LOT 5 IN ASHFORD MANOR RESUBDIVISION, A PLANNED UNIT DEVELOPMENT OF LOT 3 IN MAC INTOSH SUBDIVISION OF PART OF THE NORTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 24, TOWNSHIP 36 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: EASEMENT, FOR INGRESS AND EGRESS APPURTENANT TO AND FOR THE BENEFIT OF PARCEL 1, AS SET FORTH IN DECLARATION OF COVENANTS AND RESTRICTIONS OF ASHFORD MANOR RECORDED OCTOBER 3, 1988 AS DOCUMENT 88457310 AS AMENDED AND AS CREATED BY DEED FROM STATE BANK OF COUNTRYSIDE AS TRUSTEE UNDER TRUST NUMBER 87-322 TO ~~89293790~~, RECORDED ~~89293790~~, 1989 AS DOCUMENT ~~89293790~~.

27-24-111-006

which has the address of **7801 WEST 160TH STREET-UNIT 5, TINLEY PARK**
60477 (Street) (City)
Illinois ("Property Address")

(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 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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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.

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, or foreclosure) 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, appointing in court, 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.

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.

5. Hazard Insurance. Borrower shall keep the improvements on the Property insured against fire, theft, and other perils. Hazard insurance shall be maintained in the amount and for the period specified in the hazard insurance policy. Borrower shall keep the improvements on the Property insured against fire, theft, and other perils. Hazard insurance shall be maintained in the amount and for the period specified in the hazard insurance policy.

4. Charges; Taxes. Borrower shall pay all taxes, assessments, charges, fines and other obligations attributable to the Property which may accrue prior to the date of this Security Instrument. Borrower shall pay all taxes, assessments, charges, fines and other obligations attributable to the Property which may accrue prior to the date of this Security Instrument.

3. Application of Payment. Unless applicable law provides otherwise, all payments received by Lender under paragraph 2 and 3 shall be applied: first, to the charges due under the Note; second, to prepayment charges due under the Note; third, to amounts payable under paragraph 4, fourth, to interest due; and fifth, to principal due.

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 the sum of (a) the monthly payments due under the Note, plus (b) the monthly payments due under the Note, plus (c) the monthly payments due under the Note, plus (d) the monthly payments due under the Note.

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.

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UPON PAYMENT OF ALL OF THE SUMS SECURED BY THIS SECURITY INSTRUMENT, LENDER SHALL PROMPTLY RETURN TO BORROWER ANY FUNDS HELD BY LENDER UNDER PARAGRAPH 2 OF THE NOTE AND ANY FUNDS HELD BY LENDER UNDER PARAGRAPH 3 OF THE NOTE. UNLESS APPLICABLE LAW PROVIDES OTHERWISE, ALL PAYMENTS RECEIVED BY LENDER UNDER PARAGRAPHS 2 AND 3 SHALL BE APPLIED: FIRST, TO THE CHARGES DUE UNDER THE NOTE; SECOND, TO PREPAYMENT CHARGES DUE UNDER THE NOTE; THIRD, TO AMOUNTS PAYABLE UNDER PARAGRAPH 4, FOURTH, TO INTEREST DUE; AND FIFTH, TO PRINCIPAL DUE.

IF THE AMOUNT OF THE FUNDS HELD BY LENDER, TOGETHER WITH THE FUTURE MONTHLY PAYMENTS OF FUNDS PAYABLE PRIOR TO THE DATE OF THE CLOSING, SHALL EXCEED THE AMOUNT REQUIRED TO PAY THE CLOSING ITEMS WHEN DUE, THE EXCESS SHALL BE AT BORROWER'S OPTION, EITHER COMPLETELY REPAYED TO BORROWER OR CREDITED TO BORROWER TO PAY THE AMOUNT OF FUNDS HELD BY LENDER AT THE TIME OF THE CLOSING. BORROWER SHALL PAY TO LENDER ANY AMOUNT NECESSARY TO MAKE UP THE DEFICIENCY OF ONE OR MORE PAYMENTS AS REQUIRED BY LENDER.

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 CLOSING 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.

IF THE AMOUNT OF THE FUNDS HELD BY LENDER, TOGETHER WITH THE FUTURE MONTHLY PAYMENTS OF FUNDS PAYABLE PRIOR TO THE DATE OF THE CLOSING, SHALL EXCEED THE AMOUNT REQUIRED TO PAY THE CLOSING ITEMS WHEN DUE, THE EXCESS SHALL BE AT BORROWER'S OPTION, EITHER COMPLETELY REPAYED TO BORROWER OR CREDITED TO BORROWER TO PAY THE AMOUNT OF FUNDS HELD BY LENDER AT THE TIME OF THE CLOSING. BORROWER SHALL PAY TO LENDER ANY AMOUNT NECESSARY TO MAKE UP THE DEFICIENCY OF ONE OR MORE PAYMENTS AS REQUIRED BY LENDER.

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

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 (9), including, but not limited to, reasonable attorneys' fees and costs of title evidence.

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially 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 receiver's bonds and reasonable attorneys' 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 this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.

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

23. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with 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 boxes)

- Adjustable Rate Rider
- Condominium Rider
- 2-4 Family Rider
- Graduated Payment Rider
- Planned Unit Development Rider
- Adjustable Rate Mortgage Conversion Rider
- Other(s) (specify):

SEE RIDERS ATTACHED HERETO AND MADE A PART HEREOF

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.

Richard J. Langenderfer
 RICHARD J. LANGENDERFER --Borrower

Kelly J. Langenderfer
 KELLY J. LANGENDERFER --Borrower

 --Borrower

 --Borrower

State of Illinois, Cook County ss

I, THE UNDERSIGNED, a Notary Public in and for said county and state, do hereby certify that RICHARD J. LANGENDERFER AND KELLY J. LANGENDERFER, HIS WIFE

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

Given under my hand and official seal, this 16th day of June, 19 89

My Commission Expires: _____

OFFICIAL SEAL
 Eileen Lamparski
 Notary Public, State of Illinois
 My Commission Expires 4/1/92

Eileen Lamparski
 Notary Public

(Space Below This Line Reserved For Lender and Recorder)

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BOX #165

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 exercised by federal law as of the date of this Security Instrument.

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) 60 days (or such other period as applicable law may specify for reinstatement) before and 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 an 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 attorney's fees; and (d) takes such action as Lender may reasonably require to ensure 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 remain fully unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully of force and effect as if no acceleration had occurred. However, this right to reinstatement shall not apply in the case of acceleration under paragraph 13 or 17.

19. **Notice:** 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.

20. **Government 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 and 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.

21. **Borrower's Copy:** Borrower shall be given one conformed copy of the Note and of this Security Instrument.

22. **Legislation Affecting Lender's Rights:** If enactment or application of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to the 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 this second paragraph of paragraph 19.

23. **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 the permitted limit; and (c) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

24. **Successors and Assigns; 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 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 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.

25. **Borrower Not Released; Forbearance by Lender Not a Waiver:** Extension of the time for payment or modification or 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.

26. **Borrower Not Released; Forbearance by Lender Not a Waiver:** Extension of the time for payment or modification or 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.

27. **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.

28. **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.

29. **Amortization:** 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.

30. **Insurance:** Lender shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance is terminated in accordance with Borrower's and Lender's written agreement or applicable law.

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Adjustable Rate Mortgage Rider



Citicorp Savings of Illinois
A Federal Savings and Loan Association

Loan Number: 010020101

NOTICE: The Security Instrument secures a Note which contains a provision allowing for changes in the interest rate. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

This Rider is made this **16TH** day of **JUNE**, 19 **89**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust, or Deed to secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to Citicorp Savings of Illinois, A Federal Savings and Loan Association, (the "Lender") of the same date (the "Note") and covering the property described in the Security Instrument and located at

7801 WEST 160TH STREET-UNIT 5, TINLEY PARK, ILLINOIS 60477

Property Address

MODIFICATIONS. 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 has an "Initial Interest Rate" of **9.375** %. The Note interest rate may be increased or decreased on the day of the month beginning on **JULY 1**, 19 **90**, and on that day of the month every **12** month(s) thereafter.

Changes in the interest rate are governed by changes in an interest rate index called the "Index". The Index is the: (Check one box to indicate Index.)

- (1) The weekly average yield on United States Treasury securities adjusted to a constant maturity of **1** year(s), as made available by the Federal Reserve Board.
- (2) The weekly auction average (or treatment) yield on six month United States Treasury Bills.
- (3) Other:

In no event over the full term of the Note will the interest rate be increased more than **5.375** percentage points (**5.375** %) from the Initial Rate of Interest.

Before each Change Date the Note Holder will calculate the new interest rate by adding **3.000** percentage points (**3.000** %) to the Current Index. However, the rate of interest that is required to be paid shall never be increased or decreased on any single Change Date by more than **TWO** percentage points (**2.000** %) from the rate of interest currently being paid.

If the interest rate changes, the amount of Borrower's monthly payments will change as provided in the Note. Increases in the interest rate will result in higher payments. Decreases in the interest rate will result in lower payments.

B. Loan Charges. It could be that the loan secured by the Security Instrument is subject to a law which sets maximum loan charges and that law is interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (i) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (ii) any sums already collected from me which exceeded permitted limits will be refunded to me. The Lender may choose to make this refund by reducing the principal I owe under the Note or by making a direct payment to me. If a refund reduces principal, the reduction will be treated as a partial prepayment.

C. Prior Liens. If Lender determines that all or any part of the sums secured by this Security Instrument are subject to a lien which has priority over this Security Instrument, Lender may send Borrower notice identifying that lien. Borrower shall promptly act with regard to that lien as provided in paragraph 4 of the Security Instrument or shall promptly secure an agreement in a form satisfactory to Lender subordinating that lien to this Security Instrument.

D. Transfer of the Property. If there is a transfer of the Property subject to paragraph 17 of the Security Instrument, Lender may require (1) an increase in the current Note interest rate, or (2) an increase in (or removal of) the limit on the amount of any one interest rate change (if there is a limit), or (3) an increase in the limit on the amount of interest rate change over the full term of the Note, or all of these, as a condition of Lender's waiving the option to accelerate provided in paragraph 17.

By signing this, Borrower agrees to all of the above.

Richard J. Langenderfer (Seal)
RICHARD J. LANGENDERFER —Borrower

Kelly J. Langenderfer (Seal)
KELLY J. LANGENDERFER —Borrower

_____ (Seal)
 _____ —Borrower

_____ (Seal)
 _____ —Borrower

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*If more than one box is checked, and Lender and Borrower do not otherwise agree in writing, the first Index named will apply to Notes with Change Date one year or more apart and the Second Index will apply to Notes with Change Dates less than one year apart.

MAIL TO:
CITICORP SAVINGS
ONE SOUTH DEARBORN STREET
CHICAGO, ILLINOIS 60603

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Citicorp Savings of Illinois
A Federal Savings and Loan Association

Adjustable Rate Mortgage Conversion Rider

Loan Number: ~~010020101~~
010020101

THIS ADJUSTABLE RATE MORTGAGE CONVERSION RIDER is made this 16TH day of JUNE, 1989, and is incorporated into and shall 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 Adjustable Rate Note (the "Note") to Citicorp Savings of Illinois, A Federal Savings and Loan Association (the "Lender"). Borrower is referred to herein as "I", "me", "my" and "mine". Lender or any one who takes the Adjustable Rate Note by transfer and who is entitled to receive payments under the Note is referred to herein as "Note Holder". This covers the property described in the Security Instrument located at: 7801 W. 160TH ST., TINLEY PARK, ILL 60477

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

The Adjustable Rate Note Conversion Rider to Borrower's Note contains provisions that allow the Borrower to convert the Adjustable Rate Note to a Fixed Rate Note. That Rider provides as follows:

A. Fixed Interest Rate Option.

1. **Option to Convert to Fixed Rate.** I have an option (the "Conversion Option"), which I can exercise to convert the interest rate I am required to pay by the Note from an Adjustable Rate to a Fixed Rate calculated under Section A(4) below for the remaining term of my loan unless Sections A(1) or A(3) of this Rider will not permit me to do so.

The conversion can only take place on a date specified by the Note Holder during the period of time (the "Conversion Period") beginning on the 2ND Change Date and ending on the 10TH Change Date of my Note. Each date on which my adjustable interest rate can convert to a new fixed rate is called a "Conversion Date". I can convert my interest rate only on one of these Conversion Dates.

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (a) I am not in default or foreclosure under the Note or the Security Instrument on the date I give the Note Holder notice that I want to exercise the Conversion Option, or on the date the Note Holder receives my signed Notice of Conversion; (b) I am not in default or foreclosure under the Note or the Security Instrument on the date on which my interest rate converts from an adjustable rate to a fixed rate (the "Conversion Date"); (c) I have not been assessed for more than one (1) late charge in the twelve (12) months immediately preceding the date I give the Note Holder notice that I want to exercise the Conversion Option, and I am not assessed a late charge from the time I give such notice to the Conversion Date; (d) within the time described below in Section A(2) I (i) give Note Holder notice of my desire to exercise the Conversion Option; (ii) pay a non-refundable fee (the "Conversion Fee") equal to \$ 250.00; (iii) properly complete and return to the Note Holder the Notice of Conversion after I obtain from the Note Holder the information necessary to complete it; and (iv) I give Note Holder any additional documents and meet any additional requirements that may be necessary for exercise of the Conversion Option; and (v) no assumption of my loan has occurred. (If my loan is assumed, as may be permitted under certain conditions specified in an Assumption Certificate that may have been delivered to me by the Lender, my loan will no longer be convertible to a fixed rate loan). My rights under this Rider are not assignable.

2. **Exercise of Conversion Option.** I may not begin the conversion process earlier than the month immediately preceding the SECOND Change Date. My last opportunity to begin the conversion process is the month immediately preceding the Final Change Date to occur during the Conversion Period. I may begin the conversion process during any month between these months.

To begin the conversion process in a particular month, I must telephone Note Holder during regular business hours some time from the opening of business on the first business day of that month through the close of business on the fourth business day of that month at Note Holder's Customer Service Department (977-5770) or at such other number as Note Holder may advise me. Note Holder will advise me of the fixed rate then available to me and give me instructions on completing my Notice of Conversion.

If I decide to exercise my Conversion Option, I must complete my Notice of Conversion and return it to Note Holder together with the Conversion Fee. The properly completed and signed Notice of Conversion and the Conversion Fee MUST be received by Note Holder no later than the seventh business day of that month. The Notice of Conversion and Conversion Fee must be received by Note Holder at its office specified during my telephone conversation required above. Delivery to one of Note Holder's other offices does not satisfy this delivery requirement, and may result in a delay that will render my attempted exercise of my Conversion Option null and void.

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3. **Effective Date of Fixed Interest Rate.** If I satisfy all of the conditions for exercising the Conversion Option described in Section A(2) above, the new fixed interest rate will go into effect on the first day of the month following Note Holder's receipt of the Notice of Conversion and Conversion Fee. This date is called the "Conversion Date". If I do not satisfy all of these conditions for exercising my Conversion Option, or I improperly complete or sign my Notice of Conversion, any attempted exercise of my Conversion Option will be of no effect. If I have timely satisfied all of these conditions for exercising my Conversion Option, I may cancel my exercise of my Conversion Option by notice signed by all Borrowers and received by Note Holder before the Conversion Date. If I do cancel however, my Conversion Option will become null and void, and my Note will remain an adjustable rate note until maturity.

4. **Calculation of Fixed Rate.** My new fixed interest rate will be determined as of the close of the Federal National Mortgage Association's last business day of the month immediately preceding the month in which I deliver my Notice of Conversion and Conversion Fee to Note Holder, and will be equal to the Federal National Mortgage Association's 30 year A/A 90 day delivery required net yield for fixed rate mortgages as quoted with no commitment fee (the "FNMA 90-Day Rate") plus 1.000 percentage points (the "margin").

If the FNMA 90-Day Rate is not available when I exercise my Conversion Option, Note Holder will choose a substitute rate which is based on comparable information. If I exercise my Conversion Option, any limitation on interest rate changes on my Change Date or over the full term of my note will not apply when the fixed rate is established. However, the fixed interest rate will not exceed a maximum rate of 11.750%.

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

6. **Transfer of the property or a Beneficial Interest in Borrower.** If the adjustable interest rate of my Note is converted to a fixed rate under this Conversion Option, all of the assumption rights available under the terms of any Assumption Certificate provided to me supplementing the Note and Security Instrument will terminate on the Conversion Date, and the terms under which I may be required to pay in full all amounts I owe under the Note which are described in the section of the Note captioned "Uniform Secured Note" shall continue to be in full force and effect without exception.

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

Richard J. Lutzendy
Borrower

Borrower

Yella J. Lutzendy
Borrower

Borrower

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