

Lender shall annually analyze the Escrow Account to determine the adequacy of the monthly Funds being collected for each Escrow item at its option Lender may analyze the Escrow Account more frequently. Lender shall estimate the amount of Funds needed in the Escrow Account to pay future Escrow items when due on the basis of: (i) current data, including the anticipated disbursement dates for each Escrow item, (ii) reasonable estimates of expenditures of future Escrow items, (iii) the amount of Funds needed in the Escrow Account for each Escrow item, and (iv) the amount of Funds in the Escrow Account at the time Lender analyzes the Escrow Account. Lender and Borrower agree that Lender's estimate of the amount of Funds needed in the Escrow Account for each Escrow item will not be sufficient to pay each Escrow item when due. Lender may require Borrower to pay the amount of Funds needed in the Escrow Account for each Escrow item in no more than 12 monthly payments. If Lender's Escrow Account analysis indicates that the Funds in the Escrow Account for each Escrow item exceed the amount Lender estimates is needed to pay each future Escrow item when due, Lender shall retain any such excess to Borrower within 30 days of the Escrow Account analysis. In addition to the Funds estimated as described above, and to ensure that the Funds in the Escrow Account will be sufficient to pay Escrow items when due, Lender may require Borrower to maintain an additional balance of Funds not to exceed 2 monthly escrow payments.

Lender shall apply the Funds to pay the Escrow items when due. Lender shall give to Borrower an annual accounting of the Escrow Account showing credits and debits to the escrow Account and the purpose for which each debit from the Escrow Account was made. The Funds in the Escrow Account are pledged to Lender as additional security for all sums secured by this Security Instrument. Upon payment in full of all sums secured by this Security Instrument, Lender shall return to Borrower any Funds held by Lender. Such return shall be made within 30 days of Borrower's payment of all sums secured by this Security Instrument. If under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sum secured by this Security Instrument.

2. Funds for Taxes and Insurance. Borrower shall promptly pay to Lender on the day monthly payments are due under the Note, and the Note is paid in full, a sum ("Funds") equal Lender's estimate as described below, one-twelfth of: (a) yearly taxes and assessments which may attach to the Property, (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums, and (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; any similar items which are commonly paid by borrowers to lenders, whether now or in the future in connection with a secured debt. These items described in (a)-(d) are called "Escrow Items". The Funds shall be placed in an account ("Escrow Account") at an institution where deposits are insured by a federal or state agency, institutionally or entity (including Lender if Lender is such an institution) or at any Federal Home Loan Bank. Lender may charge Borrower for holding and applying the Funds, analyzing the Escrow Account and verifying the Escrow items, and Lender may require Borrower to pay a one-time charge to establish a real estate tax reporting service used or provided by the Lender in connection with this loan. Lender shall not be required to pay borrower any interest or earnings on the Funds.

3. 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.

UNIFORM COVENANTS. Borrower and Lender severally and agree as follows:

THIS SECURITY INSTRUMENT contains uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located.

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. TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and 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 are referred to in this Security Instrument as the "Property".

which has the address of 1106 South Pine Avenue, Arlington Heights, IL 60005, (herein "Property Address");

PLN. No. 1: 08-10-1924-027
PLN. No. 2:

358

LOT 3 IN BLOCK 5 IN FLETCHER AND KIDDES ARLINGTON MANOR, BEING A SUBDIVISION OF PART OF THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 10 AND PART OF THE NORTHEAST 1/4 OF SECTION 7, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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, 2022. This Security Instrument secures to Lender (a) the repayment of 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:

SIXTY EIGHT THOUSAND SIX HUNDRED AND 00/100 Dollars (U.S. \$68,600.00).

THIS MORTGAGE ("Security Instrument") is given on June 19, 1992. The mortgagee is Myron F. Kowalski, and Elizabeth Kowalski, His Wife ("Borrower"). This Security Instrument is given to Citibank, Federal Savings Bank, which is organized and existing under the laws of the United States, with a location at One South Dearborn Street, Chicago, Illinois (Borrower). Borrower owes Lender the principal sum of

3 Year ARM (Non-Convertible) 1992 JUN 30 PM 1:03 92475809
REG. No.: 010079938



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MORTGAGE

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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 permitted by this Security Instrument) without further notice or demand on Borrower.

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.

17. Transfer of the Property of a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred for it 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.

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

15. 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.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by personal delivery or by sending it by: (i) first class mail postage prepaid, or (ii) prepaid overnight delivery service, or (iii) any similar common or private carrier or delivery method generally accepted in the locality where the property is located, 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 postage prepaid to Lender, unless 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.

13. 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 prepayment charge under the Note.

12. 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 12. 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 any other Borrower may agree to extend, modify, foreclose or make any accommodations with regard to the terms of this Security Instrument of the Note without that Borrower's consent.

11. Borrower Not Released; Release 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 the original Borrower or by the original Borrower or by the original Borrower's successors in interest. Any third party by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

Modifications of any of Borrower's or Lender's covenants or agreements under this Security Instrument or the Note shall not: (i) act as a satisfaction, release or novation; (ii) change or impair Lender's security interest or lien priority in the Property; (iii) affect Lender's rights to prohibit or restrict future modification requested by Borrower; or (iv) affect Lender's rights or remedies under this Security Instrument of the Note.

10. 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.

9. 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.

8. Insurance. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve shall pay the premiums required to maintain mortgage insurance in effect or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

7. Insurance. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve shall pay the premiums required to maintain mortgage insurance in effect or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

6. Insurance. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve shall pay the premiums required to maintain mortgage insurance in effect or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

5. Insurance. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve shall pay the premiums required to maintain mortgage insurance in effect or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

4. Insurance. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve shall pay the premiums required to maintain mortgage insurance in effect or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

3. Insurance. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve shall pay the premiums required to maintain mortgage insurance in effect or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

2. Insurance. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve shall pay the premiums required to maintain mortgage insurance in effect or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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21. 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 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

22. Release: Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument, subject to applicable law. Borrower shall pay a reasonable fee for the preparation of the release document and shall pay any recordation costs.

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

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

19. Sale of Note: Change of Loan Servicer: The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to the sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances: Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential use and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action or any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower fears, or is notified by any governmental or regulatory authority, that any removal of or remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in the paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

21. 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 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

22. Release: Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument, subject to applicable law. Borrower shall pay a reasonable fee for the preparation of the release document and shall pay any recordation costs.

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

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Property of Cook County Clerk's Office

[Space Below This Line For Acknowledgment]

ILLINOIS - Single Family - FNMA/FHLMC UNIFORM INSTRUMENT (Form 3014 12/83)

OFFICIAL NOTARY PUBLIC, STATE OF ILLINOIS
PAULA POGVIN
MY COMMISSION EXPIRES 2/5/94

Commission Expires: 2/5/94

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Myron F. Kowalski, and Elizabeth Kowalski, His Wife personally known to me to be the same person whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed, sealed and delivered the said instrument of their free and voluntary act, for the uses and purposes therein set forth.

State of Illinois }
County of Cook } SS

Myron F. Kowalski
Elizabeth Kowalski
Borrower

Myron F. Kowalski
Elizabeth Kowalski
Borrower

BY SIGNING BELOW, Borrower, accepts and agrees to the terms and covenants in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- Adjustable Rate Assumption Rider
- Graduated Payment Rider
- Adjustable Rate Rider
- Condominium Rider
- Planned Unit Development Rider
- Second Home Rider
- 1-4 Family Rider
- Fixed Rate Assumption Rider
- Other(s) [specify]

[Check applicable box(es)]

24. 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.

The Note Holder will deliver or mail to me a notice of any changes in 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 questions I may have regarding the notice.

(F) Notice 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.

(E) Effective Date of Changes

My interest rate will never be greater than 14.7500 %.

The rate of interest I am required to pay shall never be increased or decreased on any single Change Date by more than TWO percentage points (2.0000 %) from the rate of interest I have been paying for the preceding 36 months.

(D) Limits on Interest Rate Changes

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal balance that I am expected to owe on the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation is called the "Full Payment Amount", and it will be the new amount of my monthly payment, subject to subsection (E) below.

(C) Calculation of Changes

Beginning on 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 three years, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index". If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(B) The Index

The interest rate I will pay may change, on July 1, 1995, and on that day every thirty-sixth (36th) month thereafter. Each date on which my interest rate could change is called a "Change Date".

(A) Change Dates

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 7.7500%. Section 4 of the Note provides for changes in the interest rate and the monthly payments as follows:

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

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

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN MY INTEREST RATE. IF MY INTEREST RATE INCREASES, MY MONTHLY PAYMENTS WILL BE HIGHER. IF MY INTEREST RATE DECREASES, MY MONTHLY PAYMENTS WILL BE LOWER.

(Property Address)

1106 South Pine Avenue, Arlington Heights, IL 60005

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

Citibank, Federal Savings Bank

THIS ADJUSTABLE RATE RIDER is made on June 19, 1992, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Secure Debt (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note to

3 Year ARM (Non-Convertible)

Ref No: 010079938

ADJUSTABLE RATE RIDER

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Property of Cook County Clerk's Office

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

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 transfer 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.

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 thirty (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.

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

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

ADJUSTABLE RATE ASSUMPTION RIDER

3 Year ARM (Non-Convertible)

Ref. No.: 010079938

THIS ASSUMPTION RIDER is made on June 19, 1992, 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 person whether one or more, (the "Borrower") to secure Borrower's Note to

Citibank, Federal Savings Bank

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

1106 South Pine Avenue, Arlington Heights, IL 60005

(Property Address)

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

A. ASSUMPTION. Any person purchasing the Property from Borrower may assume full liability to repay Borrower's Note to Lender under the terms and conditions set out in this Assumption Rider.

B. AGREEMENT. Lender may require the Purchaser to sign an assumption agreement, in the form required by Lender, which obligates the Purchaser to keep all the promises and agreements made in the Note and Security Instrument unless Lender releases Borrower in writing.

C. APPLICABILITY. Lender is bound by these conditions and terms, as follows:

1. This Assumption Rider applies only to the first transfer of the Property by Borrower and not to a foreclosure sale;

2. Purchaser must be an individual, not a partnership, corporation or other entity;

3. Purchaser must meet Lender's credit and underwriting standards for the type of loan being assumed as if Lender were making a new loan to Purchaser;

4. Purchaser shall assume only the balance due on the Note at the time of assumption for the term remaining on the Note;

5. If applicable, Borrower's private mortgage insurance coverage must be transferred to the Purchaser in writing, unless waived by Lender;

6. If Borrower's Note has a conversion feature and Borrower has exercised the right of conversion of this loan to a fixed rate loan from Lender, this Assumption Rider is void and Lender has no obligation to allow assumption by a Purchaser from Borrower and

7. Lender must reasonably determine that Lender's security will not be impaired by the loan assumption.

D. ASSUMPTION RATE. Lender will allow assumption by Purchaser at Borrower's Note interest rate in effect at the time of assumption.

E. ADDITIONAL CHARGES. In addition, Lender may charge an amount up to one percent (1%) of the current Note balance and its normal loan closing costs, except the cost of a real estate appraisal.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants of this Assumption Rider.

Borrower Myron F. Kowalski

Myron F. Kowalski

Borrower Elizabeth Kowalski

Elizabeth Kowalski

Elizabeth Kowalski

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