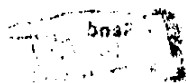


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PIN Number: 05-21-403-007

057689 / or by 30

LOT 3 (EXCEPT THE SOUTH 50 FEET THEREOF) AND THE WEST 10 FEET OF LOT 2 (EXCEPT THE SOUTH 50 FEET THEREOF) IN BLOCK 12 IN LAKE SHORE SUBDIVISION IN THE VILLAGE OF WINNETKA, BEING A SUBDIVISION OF LOT 1 IN A SUBDIVISION BY NICHOLAS SIMON AND OTHERS OF PART OF FRACTIONAL SOUTH EAST QUARTER OF SECTION 21 AND OF FRACTIONAL SOUTH WEST QUARTER OF SECTION 22, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND THE FIVE ACRES LYING NORTH OF AN ADJOINING SAID LOT 1, IN COOK COUNTY, ILLINOIS.

Description of Property

Exhibit A to the Mortgage given on January 8, 1993, by Richard Field Beam and Marlon C. Beam, husband and wife ("Borrower") to Senior Income Reverse Mortgage Corporation ("Lender"). The Property is located in the county of Cook, state of Illinois, described as follows:

EXHIBIT A

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11. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full. This right applies even after foreclosure proceedings are initiated. To reinstate the Security Instrument, Borrower shall correct the condition which resulted in the requirement for immediate payment in full. Foreclosure costs and reasonable and customary attorney's fees and expenses properly associated with the foreclosure proceeding shall be added to the principal balance. Upon reinstatement by Borrower, the Security Instrument shall be reissued in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two (2) years immediately preceding the commencement of a current foreclosure proceeding, (ii) reinstatement will prejudice foreclosure on different grounds in the future, or (iii) reinstatement will adversely affect the priority of the

10. No Deficiency Judgment. Borrower shall have no personal liability for payment of the debt. Lender may enforce the debt only through sale of the Property. Lender shall not be permitted to obtain a deficiency judgment against Borrower if the Property is encumbered. If the Security Instrument is assigned to the Secretary, Borrower shall not be liable for any difference between the mortgage insurance benefits paid to Lender and the outstanding indebtedness, including accrued interest, owed by Borrower at the time of the assignment.

- (iv) Provide the Lender with a deed in lieu of foreclosure.
- (iii) Sell the Property for at least ninety-five percent (95%) of the appraised value and apply the net proceeds of the sale toward the balance; or
- (ii) Pay the balance in full; or
- (i) Correct the matter which resulted in the Security Instrument coming due and payable; or

(d) Notice to Secretary and Borrower. Lender shall notify the Secretary and Borrower within the next business day and pay the balance under the Paragraph 9. Lender shall not have the right to foreclose until Borrower has had thirty (30) days after notice is given.

(e) Notice to Lender. Borrower shall notify Lender whenever any of the events stated in subparagraphs (a) and (b) of this Paragraph occur.

"Principal residence" shall have the same meaning as in the Loan Agreement.

- (iii) An obligation of the Borrower under the Security Instrument is not performed.
 - (ii) For a period of longer than twelve (12) consecutive months, a Borrower fails to occupy the Property because of physical or mental illness and the Property is not the principal residence of at least one other Borrower; or
 - (i) The Property ceases to be the principal residence of a Borrower for reasons other than death and the Property is not the principal residence of at least one other Borrower; or
- (b) Due and Payable with Secretary Approval. Borrower may require immediate payment in full of all sums accrued by the Security Instrument, upon approval of the Secretary, if:
- (ii) A Borrower conveys all of his or her title in the Property and no other Borrower retains title to the Property in fee simple or retains a leasehold under a lease for less than ninety-nine years which is renewable or a lease having a remaining period of not less than 50 years beyond the date of the 100th birthday of the youngest Borrower.
 - (i) A Borrower dies and the Property is not the principal residence of at least one surviving Borrower; or

(a) Due and Payable. Lender may require immediate payment in full of all sums accrued by the Security Instrument if:

c. Grounds for Acceleration of Debt.

B. Fees Lender may collect and charges authorized by the Secretary.

7. 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 place of condemnation shall be paid to Lender and Borrower jointly. The proceeds shall be applied first to the reduction of any indebtedness under a Second Note and Second Security Instrument held by the Secretary to the Property, and then to the reduction of the indebtedness under the Note and the Security Instrument. Any excess proceeds of any award or claim shall be paid to the entity legally entitled thereto.

8. Inspection. Lender or its agent may enter on, inspect or make appraisals of the Property in a reasonable manner and at reasonable times provided that Lender shall give the Borrower notice prior to any inspection or appraisal specifying a purpose for the inspection or appraisal which must be related to Lender's interest in the Property.

To protect Lender's security in the Property, Lender shall advance and charge to Borrower all amounts due to the Secretary for the Mortgage Insurance Premium as defined in the Loan Agreement as well as all sums due to the loan servicer for servicing activities as defined in the Loan Agreement.

Any amounts disbursed by Lender under the Paragraph shall become an additional debt of Borrower as provided for in the Loan Agreement and shall be secured by the Security Instrument.

If Borrower fails to make these payments or the property charges required by Paragraph 2, or fails to perform any other covenants and agreements contained in the Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

charges, fines and expenses that are not included in Paragraph 2. Borrower shall pay these obligations on time strictly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments. Borrower shall promptly discharge any lien which has priority over the Security Instrument in the manner provided in Paragraph 12(c).

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mortgage lien.

12. First Lien Status.

(a) **Modification.** If state law limits the first lien status of this Security Instrument as originally executed and recorded, to a maximum amount of debt or a maximum number of years, or if state law otherwise prevents the Lender from making Loan Advances secured by the first lien, Borrower agrees to execute any additional documents required by the Lender and approved by the Secretary to extend the first lien status to an additional amount of debt and an additional number of years and to cause any other liens to be removed or subordinated as provided in the Loan Agreement. If state law does not permit extension of the first lien status, whether or not due to any action of the Borrower, then for purposes of Paragraph 9 Borrower will be deemed to have failed to have performed an obligation under this Security Instrument.

(b) **Tax Deferral Program.** Borrower shall not participate in a real estate tax deferral program, if any liens created by the tax deferral are not subordinate to this Security Instrument.

(c) **Prior Liens.** 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 all amounts secured by this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may retain 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 ten (10) days of the giving of notice.

13. Relationship to Second Security Instrument.

(a) **Second Security Instrument.** In order to secure payments which the Secretary may make to or on behalf of Borrower pursuant to Section 203(d)(1)(A) of the National Housing Act and the Loan Agreement, the Secretary has required Borrower to grant a Second Security Instrument on the Property to the Secretary.

(b) **Relationship of First and Second Security Instruments.** Payments made by the Secretary shall not be included in the debt under the Note secured by this Security Instrument unless:

- (i) This Security Instrument is assigned to the Secretary; or
- (ii) The Secretary accepts reimbursement by the Lender for all payments made by the Secretary.

If the circumstances described in (i) or (ii) occur, then all payments by the Secretary, including interest on the payments but excluding late charges paid by the Secretary, shall be included in the debt.

(c) **Effect on Borrower.** Where there is no assignment or reimbursement as described in (b)(i) or (ii) and the Secretary makes payments to Borrower, then Borrower shall not:

- (i) Be required to pay amounts owed under the Note, or pay any rents and revenues of the Property under Paragraph 19 to Lender or a receiver of the Property, until the Secretary has required payment in full of all outstanding principal and accrued interest under the Second Note held by Secretary and secured by the Second Security Instrument; or
- (ii) Be obligated to pay interest or shared appreciation under the Note at any time, whether accrued before or after the payments by the Secretary, and whether or not accrued interest has been included in the principal balance under the Note.

(d) **No Duty of the Secretary.** The Secretary has no duty to Lender to enforce covenants of the Second Security Instrument or to take actions to preserve the value of the Property, even though Lender may be unable to collect amounts owed under the Note because of restrictions in this Paragraph 13.

14. **Forbearance by Lender Not a Waiver.** 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.

15. **Successors and Assigns Bound; Joint and Several Liability.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender. An assignment made in accordance with the regulations of the Secretary shall fully relieve the Lender of its obligations under this Security Instrument. Borrower may not assign any rights or obligations under this Security Instrument or under the Note. Borrower's covenants and agreements shall be joint and several.

16. **Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address all Borrowers jointly designate. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any 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.

17. **Governing Law; Severability.** This Security Instrument shall be governed by Federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

18. **Borrower's Copy.** Borrower shall be given one conformed copy of this Security Instrument.

19. **Assignment of Rents.** Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's Notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by this Security Instrument; (b) Lender shall be entitled to collect and receive all of

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ADJUSTABLE RATE RIDER (Home Equity Conversion Mortgage)

FHA Case Number : 131: 8897602

THIS ADJUSTABLE RATE RIDER is made on January 8, 1983, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note ("Note") to Senior Income Reverse Mortgage Corporation, 120 South Wacker Drive, Suite 300, Chicago, Illinois 60606 ("Lender") of the same date and to secure the Loan Agreement of the same date and covering the property described in the Security Instrument and located at:

420 Elder Lane, Winnetka, Illinois 60093, Cook County

THIS RIDER CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE.

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

1. Under the Note, the initial stated interest rate of Five and twenty-two hundredths per centum (5.22%) per annum ("Initial Interest Rate") on the unpaid principal balance is subject to change, as hereinafter described. When the interest rate changes, the new adjusted interest rate will be applied to the total outstanding principal balance. An increase or decrease in the interest rate may result in a change in the amount due to Lender at maturity.
2. Each adjustment to the interest rate will be based upon the weekly average yield on United States Treasury Securities adjusted to a constant maturity of one year ("Index"; the Index is published in the Federal Reserve Bulletin and made available by the United States Treasury Department in Statistical Release H-15 (819)). If the Index is no longer available, Lender will be required to use any Index prescribed by the Department of Housing and Urban Development. Lender will notify Borrower in writing of any such substitute Index, (providing all necessary information for Borrower to obtain such Index) and after the date of such notice the substitute Index will be deemed to be the Index hereunder.
3. Lender will perform the calculations under Paragraphs 4 or 5 to determine the new adjusted interest rate. The amount of the new adjusted interest rate, if any, will be based on the Borrower's election to have a cap on both the annual and lifetime rate adjustments, or to have a maximum interest rate only for the life of the loan.

(Check appropriate election)

maximum interest rate for life of loan (Paragraph 5 applies).

a cap on both the annual and lifetime rate adjustments (Paragraph 4 applies).

4. Annual and Lifetime Caps.

- (a) The first adjustment to the interest rate (if any adjustment is required) will be effective on the first day of February, 1984, (which date will not be less than twelve (12) months nor more than eighteen (18) months from the date of closing), and thereafter each adjustment to the interest rate will be made effective on that day of each succeeding year ("Change Date") until the loan is repaid in full.
- (b) The amount of the Index will be determined, using the most recently available figure, thirty (30) days before the Change Date ("Current Index").
- (c) One and six-tenths percentage points (1.6%; the "Margin") will be added to the Current Index. The sum of the Margin plus the Current Index will be called the "Calculated Interest Rate" for each Change Date.
- (d) The Calculated Interest Rate will be compared to the interest rate being earned immediately prior to the current Change Date (such interest rate being called the "Existing Interest Rate"). Then, the new adjusted interest rate, if any, will be determined as follows:
 - (i) If the Calculated Interest Rate is the same as the Existing Interest Rate, the interest rate will not change.
 - (ii) If the difference between the Calculated Interest Rate and the Existing Interest Rate is more than or equal to two percentage points, the new adjusted interest rate will be equal to the Calculated Interest Rate (subject to the "5% Cap" provided for in Paragraph 4(e)).
 - (iii) If the Calculated Interest Rate exceeds the Existing Interest Rate by more than two percentage points, the new adjusted interest rate will be equal to two percentage points higher than the Existing Interest Rate (subject to the 5% Cap).
 - (iv) If the Calculated Interest Rate is less than the Existing Interest Rate by more than two percentage points, the new adjusted interest rate will be equal to two percentage points less than the Existing Interest Rate (subject to the 5% Cap).
- (e) Notwithstanding anything contained in this Adjustable Rate Rider, in no event will any new adjusted interest rate be more than five percentage (5%) points higher or lower than the Initial Interest Rate over the term of the Security Instrument.
- (f) Any new adjusted rate will become effective on the Change Date and thereafter will be deemed to be the Existing Interest Rate. The new Existing Interest Rate will remain in effect until the next Change Date on which the interest rate is adjusted.

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5. Lifetime Maximum Interest Rate.

- (a) The first adjustment to the Interest rate (if any adjustment is required) will be effective on March, 1994 (which date will be the first day of the second full calendar month after closing), and thereafter each adjustment to the Interest rate will be made effective on that day of each succeeding month ("Change Date") until the loan is repaid in full.
 - (b) The amount of the Index will be determined, using the most recently available figure, thirty (30) days before the Change Date ("Current Index").
 - (c) One and six-tenths percentage points (1.6%; the "Margin") will be added to the Current Index. The sum of the Margin plus the Current Index will be called the "Calculated Interest Rate" for each Change Date.
 - (d) The lesser of 10.22% (the lifetime maximum interest rate) or the Calculated Interest Rate will be the new adjusted rate. The new adjusted rate will become effective on the Change Date and thereafter will be deemed to be the Existing Interest Rate. The new Existing Interest Rate will remain in effect until the next Change Date on which the interest rate is adjusted.
6. (a) If the Existing Interest Rate changes on any Change Date, Lender will apply the new Existing Interest Rate to the total outstanding principal balance. At least twenty-five (25) days before the accrued interest is added to the mortgage balance, Lender will give Borrower written notice ("Adjustment Notice") of any change in the Existing Interest Rate. Each Adjustment Notice will set forth (i) the date the Adjustment Notice is given, (ii) the Change Date, (iii) the new Existing Interest Rate as adjusted on the Change Date, (iv) the Current Index and the date it was published, (v) the method of calculating the adjusted interest rate, and (vi) any other information which may be required by law from time to time.
- (b) Borrower agrees to pay the interest rate by having it applied to the outstanding principal balance beginning twenty-five (25) days after Lender has given the Adjustment Notice to Borrower. Borrower will continue to pay the adjusted interest rate amount set forth in the last Adjustment Notice given by Lender to Borrower until twenty-five (25) days after Lender has given a further Adjustment Notice to Borrower. Notwithstanding anything to the contrary contained in this Adjustable Rate Rider or the Security Instrument, Borrower will be relieved of any obligation to pay, and Lender will have forfeited its right to collect, any increase in the interest including interest added to the principal (caused by the recalculation of such amount under Paragraphs 4 and 5) before twenty-five (25) days after Lender has given the applicable Adjustment Notice to Borrower.
- (c) Notwithstanding anything contained in this Adjustable Rate Rider, in the event that (i) the Existing Interest Rate was reduced on a Change Date, and (ii) Lender failed to give the Adjustment Notice when required, and (iii) Borrower, consequently, paid any interest in excess of the amount which would have been set forth in such Adjustment Notice ("Excess Payments"), then Lender must subtract from the unpaid principal balance all Excess Payments, with interest thereon at a rate equal to the sum of the Margin and the Index on the Change Date when the Existing interest rate was so reduced, from the date each such Excess Payment was made by Borrower thereby increasing the available funds under the mortgage by the Excess Payment and the interest thereon.

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

Richard Field Beam
Richard Field Beam (Borrower)

Marion C. Beam
Marion C. Beam (Borrower)

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the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this Paragraph 19.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by this Security Instrument is paid in full.

20. Foreclosure Procedure. If Lender requires immediate payment in full under Paragraph 9, Lender 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 20, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

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 all riders that are applicable].

Condominium Rider Planned Unit Development Rider

Adjustable Rate Rider Shared Appreciation Rider

Other(s) -

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.

Witnesses:

Signature

Richard Field Beam
Richard Field Beam (Borrower)

Marion C. Beam
Marion C. Beam (Borrower)

Notary Acknowledgement

State of Illinois

County of Cook

I, the Notary undersigned Notary Public in and for said county and state do hereby certify that Richard Field Beam and Marion C. Beam, personally known to me (or proved to me on the basis of satisfactory evidence) to be the persons 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.

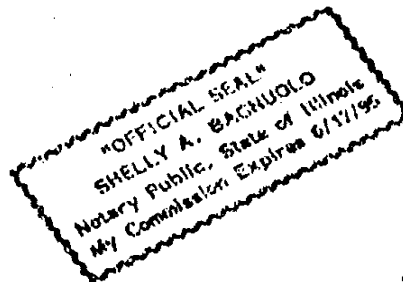
Given under my hand and official seal, on January 8, 1993.

Signature

[Signature]

(SEAL)

My commission expires:



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