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RECORD AND RETURN TO:
OHIO SAVINGS BANK, F.S.B. ITS SUCCESSORS AND/OR ASSIGNS
1801 EAST NINTH STREET
CLEVELAND, OHIO 44114

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5917/0012 04 001 Page 1 of 10
1999-06-24 09:41:58
Cook County Recorder 39.00

Prepared by:
BARB QUAYAT
55 W. 22ND STREET
LOMBARD, IL 60148

4734988

CTI 78148109102
CS99047579M

MORTGAGE

KG
6/24/99

THIS MORTGAGE ("Security Instrument") is given on JUNE 17, 1999
STEPHEN J. SZUMSKI AND
DEBORAH K. SZUMSKI, HUSBAND AND WIFE

. The mortgagor is

("Borrower"). This Security Instrument is given to
PINNACLE HOME MORTGAGE COMPANY

which is organized and existing under the laws of THE STATE OF ILLINOIS
address is 55 WEST 22ND STREET-STE. 220
LOMBARD, ILLINOIS 60148
FIVE HUNDRED SEVENTY TWO THOUSAND AND 00/100

, and whose

("Lender"). Borrower owes Lender the principal sum of

Dollars (U.S. \$ 572,000.00).

This debt is evidenced by Borrower's note dated the same date as this Security instrument ("Note"), which provides for
monthly payments, with the full debt, if not paid earlier, due and payable on JULY 1, 2029

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals,
extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to
protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this
Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following
described property located in COOK County, Illinois:

LOT 8 IN BLOCK 2 IN THE RESUBDIVISION OF BLOCKS 1 AND 2 IN FIELD PARK
A SUBDIVISION OF THE WEST 5/8 OF THE WEST 1/2 OF SECTION 5, TOWNSHIP
38 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN AND PART OF THE
SOUTHWEST 1/4 OF SECTION 32, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE
THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Parcel ID #: 15-32-306-007
which has the address of 3841 HOWARD AVENUE, WESTERN SPRINGS
Illinois 60558

[Street, City],

[Zip Code] ("Property Address");

ILLINOIS Single Family-FNMA/FHLMC UNIFORM
Initials: *[Signature]* INSTRUMENT Form 3014 9/90
Amended 8/96
VMP - 6R(ILL) (9608)

BOX 333-CTI

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[Handwritten initials]

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 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.

UNIFORM COVENANTS, Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 *et seq.* ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. 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. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If an amount of the Funds held by Lender at any time is not sufficient to pay the Escrow Items when due, Lender may so notify Borrower in writing, and, in such case Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 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 sums secured by this Security Instrument.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2;

third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph.

If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over

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this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. Hazard or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

8. Mortgage Insurance. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to

Initials: 

Initials
[Handwritten initials]

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to

prepayment charge under the Note. Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any loan exceed the permitted limits; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to the permitted limit; and (c) any such loan charge shall be reduced by the amount necessary to reduce the charge and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent. 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 any other Borrower may agree to extend, modify, forbear or 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 Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of

12. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this exercise of any right or remedy. successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's commence proceedings against any successor in interest or refuse to extend an e for payment or otherwise modify amortization not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall

11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or

secured by this Security Instrument, whether or not then due. Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an

be applied to the sums secured by this Security Instrument whether or not the sums are then due. taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the 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. In the event of a partial taking of the Property in which the fair this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total Security Instrument immediately before the taking, unless Borrower and Lender otherwise agree in writing, the sums secured by this market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, shall be paid to Lender.

shall be paid to Lender. condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and 10. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give insurance ends in accordance with any written agreement between Borrower and Lender or applicable law. the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the

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Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

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

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

17. Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.

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 a 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.

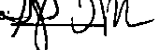
20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding 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 uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by 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 learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

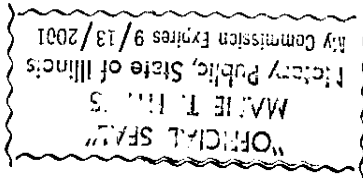
As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing 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.

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

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 paragraph 17 unless

Initials: 

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9-15-2001

My Commission Expires:

Given under my hand and official seal, this signed and delivered the said instrument as THEIR subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they personally known to me to be the same person(s) whose name(s) free and voluntary act, for the uses and purposes therein set forth. day of June 17th 1999

STATE OF ILLINOIS, COOK County ss. I, the undersigned, a Notary Public in and for said county and state do hereby certify that STEPHEN J. SZUMSKI AND DEBORAH K. SZUMSKI, HUSBAND AND WIFE

(Seal) Borrower (Seal) Borrower

(Seal) Borrower DEBORAH K. SZUMSKI

(Seal) Borrower STEPHEN J. SZUMSKI

Witnesses:

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.

- Adjustable Rate Rider [X]
Balloon Rider
Graduated Payment Rider
VA Rider
Condominium Rider
Planned Unit Development Rider
Rate Improvement Rider
Other(s) [specify]
1-4 Family Rider
Biweekly Payment Rider
Second Home Rider

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.

22. 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.

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 without charge to Borrower. Borrower shall pay any recordation costs. 23. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property. 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.

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ADJUSTABLE RATE MORTGAGE RIDER

1-2-3 TO ONE CONVERTIBLE ARMS

THIS ADJUSTABLE RATE RIDER is made this 17TH day of JUNE, 1999, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to
PINNACLE HOME MORTGAGE COMPANY
(the "Lender") of the same date and covering the property described in the Security Instrument and located at:
3841 HOWARD AVENUE
WESTERN SPRINGS, ILLINOIS 60558
(Property Address)

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE ADJUSTABLE RATE TO A FIXED 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. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 6.8750 %. The Note provides for changes in the adjustable interest rate and the monthly payments as follows:

2. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

A) Change Dates

The adjustable interest rate I will pay may change on the first day of JULY, 2004 and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date".

B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on the United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index".

If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding THREE percentage point(s) (3.0000 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage points (0.125%). Subject to the limits stated in Section 2(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of monthly payment.

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the unpaid balance to that amount.

interest rate as described in Section A above unless I pay the Lender an amount sufficient to reduce established by the original appraisal report, I will not have the option to convert my adjustable that may then be purchased by FHLMC) of the original value of the Property securing my loan, as 90% (or such lesser percentage as is at that time the maximum loan-to-value ratio for similar loans If the unpaid principal balance of my loan on the Conversion Date will be an amount greater than Rider; and

7) Borrower shall have delivered to Lender a written notice of Election to Convert in the form required by Lender and shall have otherwise complied with all of the terms, provisions and conditions of this after the Conversion Date (those requirements may change from time to time).

8) The loan, loan documents, Borrower and Property must comply with the requirements of the Federal Home Loan Mortgage Corporation (FHLMC) and must be eligible for purchase by FHLMC upon and requirements may change from time to time);

9) The loan, loan documents, Borrower, and Property must comply with the requirements of the issuer of any mortgage insurance policy that was in effect for the loan prior to the Conversion Date (those or on behalf of Lender, or at the first time occupied by Borrower thereafter;

10) The Property must be in at least as good condition as described in the original appraisal conducted by preceding the Conversion Date;

11) My loan shall not be or have been delinquent or in default at any time during the 12 months I continue to occupy the Property as my principal residence;

12) I continue to occupy the Property as my principal residence;

the effective Conversion Date (as defined in Section C).

interest is subject to the full satisfaction (in the Lender's judgment) of each, and all of the following conditions at My ability to convert my loan to a fixed contract interest rate and fixed monthly payments of principal and

B) CONDITIONS TO CONVERSION

Conversion Date (hereinafter defined). In no event will the term be extended beyond the original maturity date. the balance of the original term of my loan or I may shorten the term until (15) years after the effective contract interest rate, I may also, if my original term was for 20 years or more, elect to continue payments over longer have the right to elect to convert this loan to a fixed interest rate loan. If I elect to convert to a fixed rate and do the other things that I must do as set forth below, within the times specified, I will thereafter no Note, I do not give notice to the Lender that I choose to convert my adjustable interest rate to a fixed interest payment schedule, by giving written notice to the Lender and otherwise complying with the provisions of this Rider. If, before the first day of the last calendar month beginning within five (5) years after the date of the choose to convert my adjustable contract interest rate and payments to a fixed contract interest rate and fixed may, at any time (but only once) during the first five (5) years after the date of the Note, but not thereafter, Notwithstanding anything to the contrary in the Note, but subject to all of the conditions in this Rider, I

A) OPTION TO CONVERT TO FIXED RATE; CONDITIONS TO OPTION

The Note provides for the Borrower's option to convert from an adjustable interest rate with interest rate limits to a fixed interest rate, as follows:

3. FIXED INTEREST RATE OPTION

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

F) Notice of Changes

monthly payment changes again.

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

E) Effective Date of Changes

months. My interest rate will never be greater than 12.8750%, which is called the "Maximum Rate".

percentage point(s) (2.0000%) from the rate of interest I have been paying for the preceding 12 any single Change Date by more than TWO

less than 3.0000%. Thereafter, my adjustable interest rate will never be increased or decreased on

The interest rate I am required to pay at the first Change Date will not be greater than 12.8750% or

D) Limits on Interest Rate Changes

Upon receipt of Borrower's Notice of Election to Convert, Lender is authorized to inspect the Property, obtain such credit reports for Borrower as it deems desirable, verify the employment and income of Borrower, and take such other action as Lender deems desirable to enable it to determine whether the conditions set forth above have been or will be satisfied.

C) NOTICE BY BORROWER OF ELECTION TO CONVERT

If I choose to convert my adjustable rate loan to a fixed rate loan, I must give the Lender written notice that I am doing so, and, if my original term was 20 years or more, I must also notify the Lender whether I elect to continue the original maturity date or whether I elect to shorten the maturity date to fifteen (15) years after the Conversion Date, all in form prescribed by the Lender (the "Notice") and the Lender must receive such written notice prior to the Conversion Date. I have received a form of Notice prepared by the Lender for the purpose of enabling me to exercise my option to convert to fixed rate. If my original loan term was for 20 years or more, and I do not specify the maturity date in my Notice, the maturity date and original term of the loan will not be changed. I shall also specify in the Notice an Election Date for the purpose of determining the new fixed contract interest rate to which my loan will be converted. If no Election Date is specified in the Notice, the Election Date shall be the date on which my Notice is actually received by the Lender. If I have specified a Saturday, Sunday or day on which Lender is not open for business as my Election Date, the Election Date will be the next succeeding day on which Lender is open for business. If the Notice is not received by Lender on or before seven (7) calendar days after the Election Date specified by me, the Notice shall, at Lender's option, be null and void and of no effect. MY NOTICE AND OPTION TO CONVERT ARE IRREVOCABLE, AND MAY NOT BE WITHDRAWN, NOR MAY IT BE EXERCISED MORE THAN ONCE. The Notice must be accompanied by a copy of my most recent wage statement, paycheck stub or other verification of current income satisfactory to Lender, and contain my certificate that I continue to occupy the Property subject to the Mortgage, that the Property is in at least as good condition as at the time the loan was originally made or at the time it was first occupied by the Borrower thereafter; and that the loan has not been delinquent or in default during the immediately preceding 12 months. I shall also sign, acknowledge and deliver any and all other documents, and take any and all other action, that Lender may reasonably request, but no additional fees or charges will be required to be paid to Lender for me to be able to exercise my option to convert. If the Borrower consists of more than one person then all surviving persons being a Borrower must sign the Notice of Election to Convert. If I comply with the requirements contained in this rider, my loan will be converted to a fixed rate loan as of the first day of the first calendar month after the date on which the Bank receives my Notice of Election to Convert (the "Conversion Date").

D) CONVERSION RATE INDEX

If I have elected to convert and complied with the requirements for such conversion contained in this Rider, then, beginning with the Conversion Date, my new fixed contract interest rate for the remainder of the term of my loan will be equal to the net yield for 30-year (or 15-year, if my remaining term will be 15 years or less) fixed interest rate, single family residential, first mortgage loans covered by 30-day mandatory delivery commitments that is posted by FHLMC as of the Election Date that I select in my Notice or that is determined in accordance with Section C above, plus percentage points (%), rounded up to the next highest one-eighth of one percent (0.125%) per annum. If such required net yield is not available, the Lender will determine my new fixed contract interest rate by using an index that is comparable, in its judgment.

E) DETERMINATION OF NEW PAYMENT AMOUNT

If I choose to convert to a fixed contract interest rate as provided above, the Lender will then determine the amount of my monthly payment of principal and interest that would be sufficient to repay the unpaid principal balance of my loan as of the Conversion Date in full on the maturity date, with interest at my new contract interest rate, in substantially equal monthly payments assuming that such payments would be made when due (the "New Payment Amount"). Beginning with my first monthly payment that becomes due after my Conversion Date, and continuing on the first day of each calendar month thereafter, I will pay the New Payment Amount as my monthly payment of principal and interest. So long as the loan is not in default, neither the contract interest rate nor the New Payment Amount will change from those established as of the Conversion Date.

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(SEAL) - Borrower

(SEAL) - Borrower

(SEAL) - Borrower
DEBORAH K. SZUMSKI

(SEAL) - Borrower
STEPHEN J. SZUMSKI

BY SIGNING BELOW, BORROWER ACCEPTS AND AGREES TO THE TERMS AND COVENANTS CONTAINED IN THIS ADJUSTABLE RATE RIDER.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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 the 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.

Effect as follows:
B) If Borrower exercises the Conversion Option under the conditions stated in Section 3 of this Adjustable Rate Rider, the amendment to uniform Covenant 17 of the Security Instrument contained in 4A above shall then cease to be in effect, and the provision of Uniform Covenant 17 of the Security Instrument shall instead be in effect as follows:

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed 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 the Security Instrument without further notice or demand on Borrower.

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 also may 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.

The extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender also may 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.

Adjustable Rate Rider, Uniform Covenant 17 of the Security Instrument is amended to read as follows:
A) Until Borrower exercises the conversion Option under the conditions stated in Section 3 of the

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