

Cook

UNOFFICIAL COPY

WHEN RECORDED MAIL TO

0020575530

Prepared by:

TWA CORPORATION
5043 WARREN
SKOKIE, IL 60077

COOK COUNTY
RECORDER
EUGENE "GENE" MOORE
SKOKIE OFFICE

8288/0014 97 006 Page 1 of 12
2002-05-21 09:54:29
Cook County Recorder 43.50



Loan Number: 041046068
Servicing Number: 624798-5

CST 020430

[Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on May 10, 2002. The mortgagor is
MADELYN G JAMES AND
CARL JAMES, HUSBAND AND WIFE

("Borrower").

This Security Instrument is given to
TWA CORPORATION, AN ILLINOIS CORPORATION

which is organized and existing under the laws of ILLINOIS, and whose
address is 5043 WARREN, SKOKIE, IL 60077 ("Lender").

Borrower owes Lender the principal sum of

FIFTY SIX THOUSAND

. . . AND NO/100THs Dollars (U.S. \$56,000.00).

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 June 01, 2032. 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:

SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART THEREOF.

Permanent Real Estate Index Number: 26-07-135-084-0000

which has the address of 9836 S HOXIE, CHICAGO (Street, City),
Illinois 60617- ("Property Address");
[Zip Code]

12

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.

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 for 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 the 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 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, or applicable Law otherwise requires, insurance proceeds shall be applied first to reimburse Lender for costs and expenses incurred in connection with obtaining any such insurance proceeds, and then, at Lender's option, in such order and proportion as Lender may determine in its sole and absolute discretion, and regardless of any impairment of security or lack thereof; (i) to the sums secured by this Security Instrument, whether or not then due, and to such components thereof as Lender may determine in its sole and absolute discretion; and/or (ii) to Borrower to pay the costs and expenses of necessary repairs or restoration of the Property to a condition satisfactory to Lender. 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, Lender may collect the insurance proceeds. Lender may, in its sole and absolute discretion, and regardless of any impairment of security or lack thereof, use the proceeds to repair or restore the Property or to pay the 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.

If Borrower obtains earthquake insurance, any other hazard insurance, or any other insurance on the Property and such insurance is not specifically required by Lender, then such insurance shall (i) name Lender as loss payee thereunder, and (ii) be subject to the provisions of this paragraph 5.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower acknowledges that the Lender does not desire to make a loan to Borrower secured by this property on the terms contained in the Note unless the property is to be occupied by Borrower as Borrower's primary/secondary residence. Lender makes non-owner residence loans of different terms. Borrower promises and assures Lender that Borrower intends to occupy this property as Borrower's primary/secondary residence and that Borrower will so occupy this property as its sole primary/secondary residence within sixty (60) days after the date of the Security Instrument. If Borrower breaches this promise to occupy the property as Borrower's primary/secondary residence, then Lender may invoke any of the following remedies, in addition to the remedies provided in the Security Instrument; (1) Declare all sums secured by the Security Instrument due and payable and foreclose the Security Instrument; (2) Decrease the term of the loan and adjust the monthly payments under the Note accordingly, increase the interest rate and adjust the monthly payments under the Note accordingly, or (3) require that the principal balance be reduced to a percentage of either the original purchase price or the appraised value then being offered on non-occupied loans.

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 reinstates, 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 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.

Borrower shall, at Borrower's own expense, appear in and defend any action or proceeding purporting to affect the Property or any portion thereof or Borrower's title thereto, the validity or priority of the lien created by this Security Instrument, or the rights

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

11. **Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

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 such payments.

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

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. Lender may apply, use or release the condemnation proceeds in the same manner as provided in paragraph 5 hereof with respect to insurance proceeds.

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. **Mortgage Insurance.** If Lender acquires 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 obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower 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.

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 in effect from time to time and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

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.

Borrower agrees to execute such further assignments and any other instruments as from time to time may be necessary to effectuate the foregoing provisions and as Lender shall request.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any to maintenance of the Property.

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

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any hereunder.

information required by applicable law. The holder of the Note and this Security Instrument shall be deemed to be the Lender address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and 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 as the "Loan Servicer" that collects monthly payments due under the Note and this Security Instrument. There also may be one 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

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security paragraph 17.

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

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement

by this Security Instrument without further notice or demand on Borrower. 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 If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not Security Instrument.

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

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

16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument. To this end the conflicting provision. In the event that any provision of this Security Instrument or the Note which can be given effect applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which are declared to be severable. in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with

15. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction

Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph. address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing

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

13. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges,

with regard to the terms of this Security Instrument or the Note without that Borrower's consent. Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the

17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does

-Borrower
(Seal)

-Borrower
(Seal)

-Borrower
(Seal)

CARL JAMES

-Borrower
(Seal)

-Borrower
(Seal)

MADELYN G. JAMES

-Borrower
(Seal)

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:

- Adjustable Rate Rider
- No Prepayment Penalty Option Rider
- Other(s) (specify)
- Condominium Rider
- Planned Unit Development Rider
- 1-4 Family Rider
- Occupancy Rider

[Check applicable box(es)]
the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

32. 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.

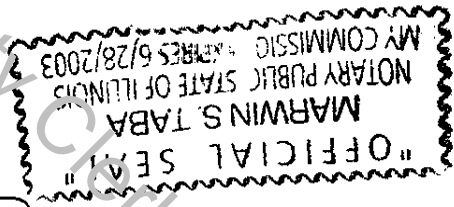
31. Assignment of Rents. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property. Borrower shall have the right to collect and retain the rents of the Property as they become due and payable provided Lender has not exercised its rights to require immediate payment in full of the sums secured by this Security Instrument and Borrower has not abandoned the Property.

Lender a Loan Document in form and content identical to, and to serve as a replacement of, the lost, stolen, destroyed, or mutilated Loan Documents, and may be treated for all purposes as the original copy of such Loan Document.
Borrower's receipt of an indemnification executed in connection with the Security Instrument, Note or notes (collectively, the "Loan Documents"), upon Loan Documents, upon Lender's surrender to Borrower of the mutilated Loan Document, Borrower shall execute and deliver to Lender a Loan Document in form and content identical to, and to serve as a replacement of, the lost, stolen, destroyed, or mutilated Loan Documents, and may be treated for all purposes as the original copy of such Loan Document.

30. Lost, Stolen, Destroyed or Mutilated Security Instrument and Other Documents. In the event of the loss, theft or destruction of the Note, any other note secured by this Security Instrument, the Security Instrument or any other documents or instruments executed in connection with the Security Instrument, Note or notes (collectively, the "Loan Documents"), upon

29. Clerical Error. In the event Lender at any time discovers that the Note, any other note secured by this Security Instrument, the Security Instrument, or any other document or instrument executed in connection with the Security Instrument, Note or notes contains an error that was caused by a clerical mistake, calculation error, computer malfunction, printing error or similar error, Borrower agrees, upon notice from Lender, to reexecute any documents that are necessary to correct any such error(s). Borrower further agrees that Lender will not be liable to Borrower for any damages incurred by Borrower that are directly or indirectly caused by any such error.

Property of Cook County Clerk's Office



Notary Public
[Signature]

My Commission Expires:

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) signed and delivered the said instrument as *them* free and voluntary act, for the uses and purposes herein set forth. 10th day of May, 2002.

I, *the undersigned*, a Notary Public in and for said county and state do hereby certify that *Madelyn James & Carl James - his wife*

Cook County ss:

STATE OF ILLINOIS,

MULTI-RATE ADJUSTABLE RATE RIDER-LIBOR INDEX - Single Family

of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will to the Current Index. The Note Holder will then round the result of this addition to the next higher one-eighth percentage point(s) (6.950%)

Before each Change Date, the Note Holder will calculate my new interest rate by adding SIX AND 95/100

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

business day of the month immediately preceding the month in which the Change Date occurs is called the ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the first average of interbank offered rates for six-month U.S. dollar-denominated deposits in the London market Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the

(B) The Index "Change Date."

and on that day every sixth month thereafter. Each date on which my interest rate could change is called a "Change Date."

(A) Change Dates The interest rate I will pay may change on the first day of _____, 2004

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 9.550%. The Note provides for changes in the interest rate and the monthly payments, as follows:

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 THE INTEREST BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

[Property Address]

9836 S HOXIE, CHICAGO, IL 60617-

at: (the "Lender") of the same date and covering the property described in the Security Instrument and located TWA CORPORATION, AN ILLINOIS CORPORATION

secure Borrower's Adjustable Rate Note (the "Note") to Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or THIS ADJUSTABLE RATE RIDER is made May 10, 2002

ADJUSTABLE RATE RIDER (LIBOR Index - Rate Caps)

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

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.

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.

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

TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

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

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

(F) Notice of Changes

monthly payment changes again.

(G) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 12.550% or less than 9.550%. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than one percentage point (1.0%) from the rate of interest I have been paying for the preceding six months. In no event will my interest rate be greater than 15.550% or less than 9.550%.

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 my monthly payment.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to be my new interest rate until the next Change Date.

Property of Cook County Clerk's Office

(Seal)

(Seal)

(Seal)

(Seal)

(Seal) **CARL JAMES**

(Seal) **MADELYN G. JAMES**

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

Loan Number: 041046068 Servicing Number: 624798-5 Date: 05/10/02

Property of Cook County Clerk's Office

EXHIBIT A

Lot 173 in South Shore Addition to Jeffery Manor, being a resubdivision of parts of Calumet Trust's Subdivision, Calumet Trust's Subdivision No. 3, Arthur Dunas' South Shore Resubdivision and Arthur Dunas' South Shore Subdivision, all in the Northwest 1/4 of fractional Section 7, Township 37 North, Range 15, East of the Third Principal Meridian, North of the Indian Boundary Line, according to the plat thereof recorded in the Recorder's Office of CCI, as Document No. 13292453, and registered in the Office of the Registrar of Titles of said County, as Document No. 1025005, (formerly described as the North 6 feet of Lot 14 and Lot 13 (except the North 5 feet thereof) together with the East 1/2 of the vacated alley lying West of the adjoining said tract, in Block 16, in Arthur Dunas' South Shore Subdivision of part of Block 13, all of Blocks 14, 15 and 16, (together with vacated portions of alleys) in Calumet Trust's Subdivision No. 3, a subdivision in Section 7, Township 37 North, Range 15, East of the Third Principal Meridian, according to the plat thereof recorded in the Recorder's Office of CCI, as Document No. 10331563 and registered in the Office of the Registrar of Titles as Document No. 484685, in Cook County, Illinois.

Office