

WHEN RECORDED MAIL TO:

Prepared by:  
OPTION ONE MORTGAGE CORPORATION  
P.O. BOX 57096  
IRVINE, CA 92619-7096  
  
ATTN: QUALITY CONTROL



Loan Number: 041052039  
Servicing Number: 106063-5

[Space Above This Line For Recording Data]

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on February 26, 2003. The mortgagor is  
SONDRA GUNN AND  
LAWRENCE GUNN, WIFE & HUSBAND  
("Borrower").

This Security Instrument is given to  
Option One Mortgage Corporation, a California Corporation  
which is organized and existing under the laws of CALIFORNIA, and whose  
address is 3 Ada, Irvine, CA 92618 ("Lender").  
Borrower owes Lender the principal sum of

ONE HUNDRED SIXTY FIVE THOUSAND  
. . . AND NO/100THs Dollars (U.S. \$165,000.00).

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 April 01, 2033. 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.



INTEGRITY TITLE  
420 LEE STREET  
DES PLAINES, IL 60016

#36982

Permanent Real Estate Index Number: 03-31-416-013

which has the address of 930 S CHESTNUT AVENUE, ARLINGTON HEIGHTS [Street, City],  
Illinois 60005-2567 ("Property Address");  
[Zip Code]

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 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 3, 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 Fund, 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



Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph

**12. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements of this Security Instrument or remedy.

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

is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured 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

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make hereof with respect to insurance proceeds.

be paid to Lender. Lender may apply, use or release the condemnation proceeds in the same manner as provided in paragraph 5 condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall

**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 any written agreement between Borrower and Lender or applicable law.

mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage Instrument, Borrower shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the mortgage

**8. Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, requesting payment.

disbursement at the Note rate in effect from time to time and shall be payable, with interest, upon notice from Lender to Borrower

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

to do so. fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include

proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations, then Lender may do and pay this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a **7. Protection of Lender's Rights in the Property.** If Borrower fails to perform the covenants and agreements contained in the foregoing provisions and as Lender shall request.

Borrower agrees to execute such further assignments and any other instruments as from time to time may be necessary to effectuate in its own name any action or proceeding to enforce any such cause of action and may make any compromise or settlement thereof. release any monies so received by it or any part thereof, as Lender may elect. Lender may elect, at its option, appear in and prosecute apply such proceeds to the sums secured by this Security Instrument or to any deficiency under this Security Instrument or may thereof shall be paid directly to Lender who, after deducting therefrom all its expenses, including reasonable attorneys' fees, may and causes of action for fraud or concealment of a material fact, are, at Lender's option, assigned to Lender, and the proceeds Lender, or in connection with or affecting the Property or any part thereof, including causes of action arising in tort or contract any transaction financed in whole or in part by the proceeds of the Note or any other note secured by this Security Instrument, by before or after the date of this Security Instrument, for damage or injury to the Property or any part thereof, or in connection with or powers of Lender with respect to this Security Instrument or the Property. All causes of action of Borrower, whether accrued

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 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 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.

**18. Borrower's Right to Reinstatement.** If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as 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.

by this Security Instrument without further notice or demand on Borrower. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted 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 Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not

**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.

**16. Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument without the conflicting provision to this end and the provisions of this Security Instrument and the Note are declared to be severable. applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect 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 in which the Property is located. Lender shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph. Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph. Any notice provided for in this Security Instrument shall be given by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated hereon or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be given 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 it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated hereon or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be given by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or

**13. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated hereon or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be given by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or

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

28. **Reimbursement.** To the extent permitted by applicable law, Borrower shall reimburse Trustee and Lender for any and all costs, fees and expenses which either may incur, expend or sustain in the execution of the trust created hereunder or in the performance of any act required or permitted hereunder or by law or in equity or otherwise arising out of or in connection with this Security Instrument, the Note, any other note secured by this Security Instrument or any other instrument executed by Borrower in connection with the Note or Security Instrument. To the extent permitted by applicable law, Borrower shall pay to Trustee and Lender their fees in connection with Trustee and Lender including, but not limited to assumption application fees; fees for payoff demands and, statements of loan balance; fees for making, transmitting and transporting copies of loan documents, verifications, full or partial lien releases and other documents requested by borrower or necessary for performance of Lender's rights or duties under this Security Instrument; fees arising from a returned or dishonored check; fees to determine whether the Property is occupied, protected, maintained or insured or related purposes; appraisal fees, inspection fees, legal fees, broker fees, insurance mid-term substitutions, repair expenses, foreclosure fees and costs arising from foreclosure of the Property and protection of the security for this Security Instrument; and all other fees and costs of a similar nature not otherwise prohibited by law.

Borrower and Lender.

27. **Modification.** This Security Instrument may be modified or amended only by an agreement in writing signed by applicable law.

26. **Waiver of Statute of Limitations.** The pleading of the statute of limitations as a defense to enforcement of this Security Instrument, or any and all obligations referred to herein or secured hereby, is hereby waived to the fullest extent permitted by applicable law.

25. **Time is of the Essence.** Time is of the essence in the performance of each provision of this Security Instrument.

24. **Misrepresentation and Nondisclosure.** Borrower has made certain written representations and disclosures in order to induce Lender to make the loan evidenced by the Note or notes which this Security Instrument secures, and in the event that Borrower has made any material misrepresentation or failed to disclose any material fact, Lender, at its option and without prior notice or demand, shall have the right to declare the indebtedness secured by this Security Instrument, irrespective of the maturity date specified in the Note or notes secured by this Security Instrument, immediately due and payable.

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

22. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this property without warranty to the person or persons legally entitled to it. Such person or persons shall pay any recordation costs. Lender may charge such person or persons a fee for releasing the Property for services rendered if the charging of the fee is permitted under applicable law.

21. **Acceleration; Remedies.** If any installment under the Note or notes secured hereby is not paid when due, or if Borrower should be in default under any provision of this Security Instrument, or if Borrower is in default under any other mortgage or other instrument secured by the Property, all sums secured by this Security Instrument and accrued interest thereon shall at once become due and payable at the option of Lender without prior notice, except as otherwise required by applicable law, and regardless of any prior forbearance. In such event, Lender, at its option, and subject to applicable law, may then or thereafter invoke the power of sale and/or any other remedies or take any other actions permitted by applicable law. Lender will collect all expenses incurred in pursuing the remedies described in this Paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

**ADDITIONAL COVENANTS.** Borrower and Lender further covenant and agree as follows:

20. "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and hazardous substances defined as those substances defined as toxic or hazardous substances by Environmental Law and the following substances: (a) the use, generation, storage, release, threatened release, disposal, abatement or presence of Hazardous Substances on, under or about the Property, (b) the transport to or from the Property of any Hazardous Substances, (c) the violation of any Hazardous Substances law, and (d) any Hazardous Substances claims.

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.

Borrower shall be solely responsible for, shall indemnify, defend and hold harmless Lender, its directors, officers, employees, attorneys, agents, and their respective successors and assigns, from and against any and all claims, demands, causes of action, loss, damage, cost (including actual attorneys' fees and court costs and costs of any required or necessary repair, cleanup or detoxification of the Property and the preparation and implementation of any closure, abatement, containment, remedial or other required plan), expenses and liability directly or indirectly arising out of or attributable to (a) the use, generation, storage, release, threatened release, disposal, abatement or presence of Hazardous Substances on, under or about the Property, (b) the transport to or from the Property of any Hazardous Substances, (c) the violation of any Hazardous Substances law, and (d) any Hazardous Substances claims.

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.

\_\_\_\_\_  
 -Borrower  
 (Seal)

\_\_\_\_\_  
 -Borrower  
 (Seal)

\_\_\_\_\_  
 -Borrower  
 (Seal)

\_\_\_\_\_  
 -Borrower  
 (Seal)

\_\_\_\_\_  
 LAWRENCE GUNN  
 -Borrower  
 (Seal)  
*Lawrence Gunn*

\_\_\_\_\_  
 SONDRRA GUNN  
 -Borrower  
 (Seal)  
*Sondra Gunn*

Property of Cook County Clerk's Office

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

[Check applicable box(es)]

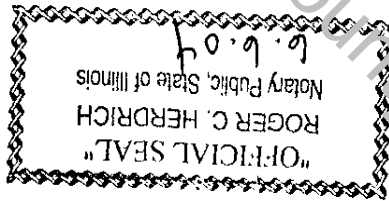
32. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part 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 right to require immediate payment in full of the sums secured by this Security Instrument and Borrower has not abandoned the Property.

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 Borrower's receipt of an indemnification executed in favor of Borrower by Lender, or, in the event of the mutilation of any of the 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.

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 Clerks Office



Notary Public

*[Handwritten Signature]*

My Commission Expires:

*6/6/04*

signed and delivered the said instrument as  
Given under my hand and official seal, this

*26 Feb*  
day of *Feb*

subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that  
, personally known to me to be the same person(s) whose name(s)

that *Roger Herdrich*, a Notary Public in and for said county and state do hereby certify  
*Sandra Gunn + Sandra Gunn, wife + husband*

STATE OF ILLINOIS,

*Cook*

County ss:



Property of Cook County Clerk's Office

THE SOUTH SEVENTY-FIVE (75) FEET OF LOT FIFTY-THREE (53) IN R.A. CEPEK'S ARLINGTON HIGHLANDS, A SUBDIVISION OF PARTS OF SECTIONS 4 AND 9, TOWNSHIP 41 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND PARTS OF SECTIONS 31 AND 32, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXHIBIT "A"  
LEGAL DESCRIPTION

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 be added to the Current Index. The Note Holder will then round the result of this addition to the next higher one-eighth percentage point(s) (5.590%)

Before each Change Date, the Note Holder will calculate my new interest rate by adding FIVE AND 59/100 (5.590%)

(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 average of interbank offered rates for six-month U.S. dollar-denominated deposits in the London market ("LIBOR"), as published in *The Wall Street Journal*. The most recent Index figure available as of the first 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

(A) Change Dates The interest rate I will pay may change on the first day of April 2005, and on that day every sixth month thereafter. Each date on which my interest rate could change is called a

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 8.240%. 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 RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

[Property Address]

930 S CHESTNUT AVENUE, ARLINGTON HEIGHTS, IL 60005-2567

THIS ADJUSTABLE RATE RIDER is made February 26, 2003, 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 Option One Mortgage Corporation, a California Corporation (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

ADJUSTABLE RATE RIDER (LIBOR Index - Rate Caps)

Loan Number: 041052039 Servicing Number: 001060635-8 Date: 02/26/03

**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.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 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**

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.  
 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 new interest rate is 14.240% or less than 8.240% or less than 11.240% or less than 8.240%. 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 11.240% or less than 8.240%.

**(D) Limits on Interest Rate Changes**  
 The interest rate I am required to pay at the first Change Date will not be greater than 11.240% or less than 8.240%. 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 14.240% or less than 8.240%.

**(E) 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 new interest rate is 14.240% or less than 8.240% or less than 11.240% or less than 8.240%. 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 14.240% or less than 8.240%.

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.

Property of Cook County Clerk's Office

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(Seal)

\_\_\_\_\_  
(Seal) LAWRENCE GUNN  
*Lawrence Gunn*

\_\_\_\_\_  
(Seal) SONDRA GUNN  
*Sondra Gunn*

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

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