

PREPARED BY:
THE HOME LOAN CENTER
CHICAGO, IL 60675

RECORD AND RETURN TO:
THE NORTHERN TRUST COMPANY
50 S. LASALLE STREET, FLOOR B-A
CHICAGO IL 60675



LEASE MORTGAGE

THIS LEASE MORTGAGE is made this 1st day of April, 2003 by and between John B Cashman Unmarried and Mary Ann Merikoski, Unmarried, ("Mortgagor") and The NORTHERN TRUST COMPANY ("Mortgagee").

WHEREAS, Mortgagor is the owner of 104 share(s) of stock of the 1350 ASTOR COOPERATIVE APARTMENTS, INC. (the "Company"), which give Mortgagor the right to occupy, and Mortgagor has entered into a Proprietary Lease dated 06/06/2002 (the "Lease") for, 1350 N Astor Street #8A, Chicago, IL 60610 (the "Apartment"); and

WHEREAS, Mortgagor desires to borrow \$252,000.00 from the Mortgagee to be evidenced by a Note of the same date (and any renewals, substitutions, or replacements of the Note for the same, lesser, or greater amount (the "Note") secured by this Lease Mortgage and the Security Agreement of the same date (the Note, the Proprietary Lease, this Lease Mortgage and the Security Agreement being hereafter referred to as the "Agreements").

NOW THEREFORE, the parties agree as follows:

I. CONVEYANCE OF MORTGAGE. In order to secure the payment of the Note and the payment and performance of each and every covenant, obligation, liability or indebtedness of any kind under or in connection with any of the Agreements, including this Mortgage (the "Assumed Obligations"), the Mortgagor grants, bargains, sells, assigns, transfers and sets over unto the Mortgagee the Mortgagor's interest in and to the leasehold estate created by the Proprietary Lease together with all improvements, fixtures now or hereafter affixed to the Apartment, together with all proceeds thereof, including without limitation rents, issues, profits and condemnation and insurance proceeds, regardless of whether such amounts were payable to the Mortgagee (see Sections II G and H) (all of the foregoing property and interest, the "Premises"). The provision concerning improvements and fixtures shall be self-operative, but the Mortgagor will execute and deliver to the Mortgagee on demand, and hereby irrevocably appoints the Mortgagee the attorney-in-fact of the Mortgagor to execute, deliver and file, such financing statements and other instruments as the Mortgagee may require in order to impose the lien hereof, more specifically upon the fixtures.

PROVIDED that if the Mortgagor shall pay to the Mortgagee all the principal and interest due under the Note, and perform all Assumed Obligations that then the estate hereby granted, shall cease, determine and be void.

II. COVENANTS. Mortgagor covenants and agrees as follows:

A. Amendments to Proprietary Lease. Mortgagor shall not, without the written consent of Mortgagee, agree to any changes in the Proprietary Lease not applicable to all Apartments.

B. Payments of Amounts Due. Mortgagor shall payment when due (a) the principal of and interest on the indebtedness evidenced by the Note, and (b) all other Assumed Obligations; and Mortgagor shall duly and punctually perform and observe all of the terms, provisions, conditions, covenants, and agreements on Mortgagor's part to be performed and observed as provided herein or in the Note and other Agreements; and this Mortgage shall secure such payment, performance, and observance.

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- C. Obligations Under Proprietary Lease. Mortgagor shall perform all of its obligations under the Proprietary Lease and all other Assumed Obligations.
- D. Liens. Except as otherwise expressly provided herein, Mortgagor shall not create or suffer to permit any mortgage, lien, charge, or encumbrance to attach to the Premises, whether such lien or encumbrance is inferior, of equal priority, or superior to the lien of this Mortgage, excepting assessments not due or delinquent and excepting mortgages and liens placed against the building by the Company.
- E. Insurance Coverage. Mortgage at its own expense will insure and keep insured, including during any construction and thereafter, all of the buildings and improvements now or hereafter included within the Premises, and each and every part and parcel thereof not included in insurance the Company may carry on the building against such perils and hazards as Mortgagee may from time to time require, and in any event including:
- (i) During construction (if any), an all-risks package of builder's risk insurance, including owner's, contractor's, and employer's liability insurance, workmen's compensation insurance, and physical damage insurance;
 - (ii) Insurance against loss by fire, risks covered by the so-called extended coverage endorsement, and other risks as Mortgagee may reasonably require, in amounts equal to not less than one hundred (100%) percent of the full replacement value of the Premises;
 - (iii) Public liability against bodily injury and property damage with such limits as Mortgagee may require;
- Directors and officers liability insurance shall be suggested to the Company if it does not maintain such insurance at any time Mortgagor holds such an office.
- F. Insurance Policies. All policies of insurance to be maintained and provided as required by Section 5 hereof shall be with companies and in form and amounts satisfactory to Mortgagee, and all policies of casualty insurance shall have attached thereto mortgagee clauses or endorsements in favor of and with loss payable to and in form satisfactory to Mortgagee and shall provide that such insurance may not be canceled or altered as to Mortgagee without at least 30 days prior written notice to Mortgagee. If requested, Mortgagor will deliver all policies and certificates of insurance, including additional and renewal policies, to Mortgagee and, in case of insurance policies about to expire, Mortgagor will deliver renewal policies not less than thirty (30) days before the respective dates of expiration.
- G. Proceeds of Insurance. Mortgagor will give Mortgagee prompt notice of any damage to or destruction of the Premises, and
- (i) In case of loss in an amount of \$25,000 or more covered by policies of insurance Mortgagee (or, after entry of decree of foreclosure, the purchaser at the foreclosure sale or decree creditor, as the case may be) is hereby authorized at its option either: (a) to settle and adjust any claim under such policies without the consent of Mortgagor (and Mortgagor hereby agrees that Mortgagee shall have no liability to Mortgagor related to such adjustment except for Mortgagee's willful misconduct), or (b) to allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss; and provided that in any case Mortgagee shall, and is hereby authorized to, collect and give a receipt for any such insurance proceeds; and the expenses incurred by Mortgagee in the adjustment and collection of insurance proceeds shall be an Assumed Obligation and shall be reimbursed to Mortgagee upon demand.
 - (ii) In the event of insured damage to or destruction of the Premises or any part thereof in an amount of \$25,000 or more (herein called an "Insured Casualty"), and if, (a) in the reasonable judgment of Mortgagee, the Premises can be restored to an economic unit not less valuable than the same was before the occurrence of the Insured Casualty and adequately securing the outstanding balance of the Assumed Obligations, and (b) the Lease has not been terminated, then, if no default, as defined in Article III of this Mortgage, or any event that with notice or passage of time or both would become a default shall have occurred and be then continuing,

then, in any such event, the proceeds of insurance shall be applied to reimburse Mortgagor for the cost of restoring, repairing, replacing, or rebuilding the Premises or part thereof subject to the Insured Casualty; and Mortgagor hereby covenants and agrees forthwith to commence and diligently to prosecute such restoring, repairing, replacing, or rebuilding; provided, always, that Mortgagor shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the net proceeds of insurance made available pursuant to the terms hereof.

(iii) In the event that proceeds of insurance, if any, shall be made available to Mortgagor for the restoring, repairing, replacing, or rebuilding of the Premises, Mortgagor hereby covenants to restore, repair, replace, or rebuild the same, to be of at least equal value and of substantially the same character as prior to such damage or destruction, all to be effected in accordance with plans and specifications to be first submitted to and approved by Mortgagor.

H. **Condemnation.** Mortgagor hereby assigns, transfers, and sets over unto Mortgagee the entire proceeds of any award or claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation, including any payments made in lieu of or in settlement of a claim or threat of condemnation. Mortgagee may elect to apply the proceeds of the award upon or in reduction of the Assumed Obligations then most remotely to be paid, whether due or not, or require Mortgagor to restore or rebuild the Premises, in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagor for the cost of such rebuilding or restoring. If (i) in the reasonable judgment of Mortgagee the Premises can be restored to an economic unit not less valuable than the same was before the condemnation and adequately securing the outstanding balance of the Assumed Obligations, and (ii) the Lease has not been terminated by the Company, the award shall be used to reimburse Mortgagor for the cost of restoration and rebuilding; provided, always, that no default, or event that with notice or passage of time or both would become a default, has occurred and is then continuing. If Mortgagor is required or permitted to rebuild or restore the Premises as aforesaid, such rebuilding or restoration shall be effected solely in accordance with plans and specifications previously submitted to and approved by Mortgagee. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such costs in excess of the award before being entitled to reimbursement out of the award. Any surplus that may remain out of the award after payment of such costs of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the Assumed Obligations then most remotely to be paid, or be paid to any other party entitled thereto. No interest shall be allowed to Mortgagor on account of any award held by Mortgagee.

I. **Mortgagor's Duty to Perform.** The Mortgagor shall have responsibility for the performance of all Assumed Obligations, and the Mortgagee shall have no such responsibility whatsoever under the Agreements or otherwise and shall under no circumstances be deemed the lessee of the Apartment for any purpose. The Mortgagee may, at its option, perform on behalf of the Mortgagor any Assumed Obligation in order to prevent a default under the Agreements, but the Mortgagee under no circumstances shall be obligated to do so. In the event the Mortgagee performs any Assumed Obligation, any payments and the costs and expenses of performance, together with interest thereon at the maximum legal rate shall be payable to the Mortgagee by the Mortgagor on demand and the payment thereof shall be secured by this Lease Mortgage. The Mortgagee's performance of any Assumed Obligation shall in no event constitute a waiver by the Mortgagee of any default arising from the Mortgagor's failure to perform.

J. **Inspection of Premises.** Mortgagee shall have the right to inspect the Premises and all books, records, and documents relating thereto at all reasonable times, and access thereto shall be permitted for the purpose.

K. **Taxes and Fees.** Mortgagor shall pay all stamp taxes, recording fees and other charges resulting from the execution, delivery, and recording of the Agreements.

L. **Restrictions on Transfer.** It shall be a default hereunder and the Assumed Obligations shall be immediately due and payable (to the extent permitted by law) if, without the prior written consent of Mortgagee the Mortgagor shall create, effect, consent to, or suffer or permit any conveyance, sale

assignment, transfer, lien, pledge, mortgage, security interest, or other encumbrance or alienation of the Premises or any part thereof or interest therein in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, or other encumbrance or alienation of the Premises or any part thereof or interest therein in each case whether any such conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest, encumbrance, or alienation is affected directly, indirectly, voluntarily or involuntarily, by operation of law, or otherwise; provided that this Section L shall not apply to (i) liens securing the Assumed Obligations, and (ii) prior mortgages of liens places against the building by the Company.

M. **Occupancy By Mortgagee.** Mortgagee agrees with Mortgagor, for the benefit of the Company that, in accordance with any specific provision of the Proprietary Lease requiring the consent of the Company to any occupancy of the Premises by the Mortgagee, Mortgagee shall have no right to occupy the Apartment without the previous consent of the Company as provided in the Proprietary Lease.

N. **Further Assurances.** Mortgagor shall do or procure all acts, writings and assurances that the Mortgagee may at any time reasonably request to protect or enforce its or the Mortgagor's interest arising from the Agreements.

III. **DEFAULT.** Mortgagor shall be in default under this Agreement on the occurrence of any one of the following events:

A. **Failure to Perform.** A failure to perform any of the Assumed Obligations or to comply with the By-laws or the occurrence of any of the events of default specified in the Agreements (in the event of any default occurring by virtue of the provisions of this Paragraph A, the Mortgagor shall have the right to cure such default within any applicable grace period where a grace period is provided).

B. **Misrepresentation.** Any representation or warranty made by the Mortgagor in the Agreements shall prove to have been incorrect in any material respect when made.

C. **Acceleration of Another Debt.** Any obligation of the Mortgagor (other than an obligation secured hereby) for the payment of borrowed money becomes or is declared by a lender to be due and payable prior to the expressed maturity thereof.

D. **Bankruptcy of Mortgagor or Company.** (i) Mortgagor or the Company (a) makes an assignment for the benefit of creditors, (b) files a petition in bankruptcy, (c) is adjudicated insolvent or bankrupt, (d) petitions or applies to any court, agency or other authority for any receiver or trustee for the Mortgagor or the Company or of all or any substantial part of Mortgagor's or the Company's property, or (e) commences any proceeding under any reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; (ii) there is commenced against Mortgagor or the Company any such proceeding which remains undismissed for a period of 30 days; or (iii) Mortgagor or the Company, by any act or omission, indicates Mortgagor's or the Company's consent to approval of or acquiescence in any such proceeding or the appointment of any receiver or trustee for Mortgagor or the Company of all or any substantial part of Mortgagor's or the Company's property, or suffers any such receivership or trusteeship to continue undischarged for a period of 30 days.

E. **Termination of the Lease.** A notice of termination and/or cancellation of the Proprietary Lease is given by the Company to the Mortgagor.

F. **Subletting of the Apartment.** The Mortgagor assigns or sublets, or offers to assign or sublet, the whole or any part of the Apartment without the prior written consent of the Mortgagee, which consent will not be unreasonably withheld if the Company shall consent thereto.

G. **Reletting by Company.** The Company shall issue to any other person or entity shares of its capital stock in a connection therewith shall enter into a lease or other agreement purporting to grant to such other person or entity the right to occupy the Apartment or any portion thereof without the prior written consent of the Mortgagee

- H. Default of Company. A default by the Company in the performance of any of its obligations under any note, mortgage, security agreement, lease or indenture relating to any substantial part of the Company's property or assets (in the event of any default occurring by virtue of the provisions of this Paragraph H, the Company shall have the right to cure such default within any applicable grace period where a grace period is provided).
- I. Dissolution of the Company. The shareholders of the Company shall authorize or approve the sale of the Company's property or the dissolution or liquidation of the Company.
- J. Abandoned Premises. The Premises shall become abandoned.
- K. Termination of Lease. The building in which the Apartment is leased is taken in condemnation proceedings or sustains damage by fire or other casualty resulting in the termination of the Lease;
- L. Death or Transfer. As specified in Sections VI A and II L.

In the event that the Mortgagor is an occupant of the premises, the Mortgagor agrees to surrender the possession of the premises to the Mortgagee immediately upon any default hereunder upon demand by the Mortgagee. After default and demand the Mortgagor further gives Mortgagee the right to have all Mortgagor's personal effects and furniture removed from the Apartment and any storage areas, and stored and to have all locks changed, all at Mortgagor's expense. In the event storage charges are not paid, Mortgagor acknowledges that the items stored may be sold by the warehouseman.

If any default occurs, subject to Section I. M, Mortgagee shall have the right, acting itself or through an agent or trustee, to enter into and upon the Premises and take possession thereof, to lease the Premises or any portion thereof to any person, and to collect the rents, issues and profits of the Premises. The net income, after allowing a reasonable fee for the collection thereof and for the management of the Premises, may be applied to the payment of taxes, insurance premiums and other charges applicable to the Premises, or in reduction of the Note or other Assumed Obligations as Mortgagee may elect; the rents, issues and profits of and from the Premises are hereby specifically pledged to the payment of such amounts.

If any default occurs, Mortgagee shall have the right to foreclose the lien hereof. In any suite to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title search and examinations, title insurance policies and similar data and assurance with respect to title, as Mortgagee may deem necessary either to prosecute such suite or to evidence to bidders at sales which may be had pursuant to such decree, the true conditions of the title to or the value of the Premises. All expenditures and expenses of the nature mentioned in this paragraph, and such other expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the fees of attorneys employed by the Mortgagee in any litigation or proceedings affecting this Mortgage, the Note, the Assumed Obligations, or the Premises, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suite or proceeding, shall be additional indebtedness hereby secured and shall be immediately due and payable by Mortgagor, with interest thereon at the rate set forth in the Note per annum until paid.

Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Premises. Such appointment may be made either before or after sale without regard to solvency or insolvency of Mortgagor at the time of application for such receiver, and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not; and Mortgagee hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period.

The proceeds of any foreclosure sale shall be distributed and applied in the following order of priority: First, on account of all costs and expenses incident to the foreclosure proceedings, Second, to any Assumed Obligations in such order as Mortgagee may elect in its sole discretion; and Third, any remaining amounts to Mortgagor and its successors or assigns, as their rights may appear.

In case of an insured loss after foreclosure proceedings have been instituted, the proceed of any insurance policy or policies, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court, in its decree, may provide that Mortgagee's clause attached to each of the casualty insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said casualty insurance policies making the loss thereunder payable to said decree creditors. In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies without credit or allowance to Mortgagor for prepaid premiums thereon.

Mortgagor hereby covenants that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption, extension, or moratorium law now or at any time hereafter in force, nor claim take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale of sales thereof to be made pursuant to any provision herein contained, or to any decree, judgment or other of any court of competent jurisdiction; or after such sale or sales claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof. Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and of all other persons, are and shall be deemed to be hereby waived to the full extent permitted by the Provisions of Illinois Revised Statutes.

The waiver in any one instance of any of the terms or provisions hereof, or of the Note accompanying the same, shall apply to the particular instance at the particular time only, and shall not be deemed a continuing waiver, but all the terms, covenants and agreements of this Mortgage, and the Note accompanying same, shall survive and continue to remain in full force and effect.

- V. NOTICES. All notices, demands and communications given or made hereunder or pursuant to the Agreements shall be in writing and shall be delivered or mailed by registered or certified mail with postage prepaid, or telegraphed, addressed to the party to be notified at its address set forth below, and shall be deemed to have been given or made when so delivered, mailed or telegraphed:

If to the Mortgagor:

John B Cashman Mary Ann Merikoski

If to the Mortgagee:

THE NORTHERN TRUST COMPANY
50 South LaSalle Street, Floor B-A
Chicago, Illinois 60675
Attention: Home Loan Center

or such other addresses as may hereafter be designated in writing.

VI. MISCELLANEOUS.

A. Mortgagor's Death or Transfer of Apartment. The indebtedness evidenced by the Note is based on the credit and financial responsibility of the Mortgagor and all amounts under the Note shall become due and payable at the option of the Mortgagee immediately upon and a default shall be deemed to occur: (i) the death of the Mortgagor or (ii) upon the sale or transfer, regardless of manner of such transfer, of the Apartment.

B. Waiver. No waiver shall be deemed to have been made by any party of any of its or his rights or remedies hereunder unless such waiver is in writing and signed by such party. No executory agreement shall be effective to modify this Mortgage unless such executory agreement is in writing and signed by the party to be charged. No failure on the part of the Mortgagee to exercise, and no delay in exercising, any or all rights or remedies under the Agreements shall operate as a waiver thereof, nor shall any single or partial exercise by the Mortgagee of any such right or remedy preclude any other or future exercise thereof or the exercise of any other right or remedy.

The term "Mortgagor" shall mean either or both of the persons named as the Mortgagor if more than one person is the Mortgagor indicated as the Mortgagor above, and shall include his, her or their agents, successors, assigns, designees, heirs, executors, administrators and legal representatives; in the event more than one person is named as the Mortgagor, the Assumed Obligations of such persona shall be joint and several.

This Mortgage cannot be changed, terminated or discharged orally.

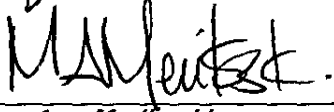
Each party to this Mortgage waives and releases their homestead exemption and estate.

IN WITNESS WHEREOF, this Mortgage has been duly executed by the Mortgagor.

In the Presence of:

X 

John B. Cashman

X 

Mary Ann Merikoski

X _____

County of Cook Clerk's Office

STATE OF ILLINOIS)
COUNTY OF COOK) ss.:

On the 1st day of April, 2007, before me personally appeared _____
to me known, who being by me duly sworn, did sign the above
document.



David D. Gorr
Notary Public

STATE OF ILLINOIS)
COUNTY OF COOK) ss.:

On the 1st day of April 2007, before me personally appeared _____
to me known, who being by me duly sworn, did sign the above
document.



David D. Gorr
Notary Public

UNOFFICIAL COPY

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EXHIBIT A TO

LEASE MORTGAGE DATED, **April 1, 2003**
BETWEEN **John B Cashman Mary Ann Merikoski**
AND THE NORTHERN TRUST COMPANY

Legal Description

See Attached

Pin Number

17-03-104-017-0000

Street Address

1350 N Astor Street
Chicago, IL 60610

Property of Cook County Clerk's Office

LEGAL DESCRIPTION OF PROPERTY

Borrower Name: John B Cashman

Property Address: 1350 N Astor Street

Unit# 8A

Date: 4/1/03

Property Description:

LOT THIRTY-THREE (33) AND THE NORTH 24.2 FEET OF LOT THIRTY-TWO (32) IN ASTOR'S ADDITION TO CHICAGO, A SUBDIVISION OF PART OF THE NORTH WEST FRACTIONAL QUARTER OF SECTION THREE (3), TOWNSHIP 30 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADJUSTABLE RATE RIDER
(3 Year Treasury Index - Rate Caps)

THIS ADJUSTABLE RATE RIDER is made this 1st day of April, 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 The Northern Trust Company, a Bank

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

1350 N Astor Street, Unit# 8A
Chicago, IL 60610
[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 INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.

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

A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 4.500 %. The Note provides for changes in the interest rate and the monthly payments as follows:

4. INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The interest rate I will pay may change on the first day of April, 2003, and on that day every 36th month thereafter. Each date on which my interest rate could change is called a "Change Date."

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MULTISTATE ADJUSTABLE RATE RIDER-3 YEAR ARM-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT

VMP-862R (0008)

Form 3114 1/01

Page 1 of 4

Initials:

Handwritten initials: JBL and MM

VMP MORTGAGE FORMS - (800)521-7291

(F) Notice of Changes

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 to me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

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

Section 18 of the Security Instrument is amended to read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. As used in this Section 18, "Interest in the Property" means any legal or beneficial interest in the Property, including, but not limited to, those beneficial interests transferred in a bond for deed, contract for deed, installment sales contract or escrow agreement, the intent of which is the transfer of title by Borrower at a future date to a purchaser.


If all or any part of the Property or any Interest in the Property is sold or transferred (or if Borrower is not a natural person and a beneficial interest in Borrower is sold or transferred) without Lender's prior written consent, Lender may require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if such exercise is prohibited by Applicable Law. 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 a 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 given in accordance with Section 15 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.

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 VMP-862R (0008)

Page 3 of 4

Initials: ABC
MM

Form 3114 1/01

(B) The Index

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

If the Index is no longer available, the Note Holder will choose a new index 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 **Two and three quarters** percentage points (**2.750%**) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(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 my monthly payment.

(D) Limits on Interest Rate Changes


The interest rate I am required to pay at the first Change Date will not be greater than **6.500 %** or less than **2.75 %**. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding 36 months. My interest rate will never be greater than **10.500%**.

(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 monthly payment changes again.

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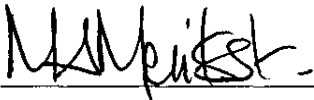
Initials:

Handwritten initials

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



(Seal)
John B Cashman -Borrower



(Seal)
Mary Ann Merikoski -Borrower

(Seal)
-Borrower

(Seal)
-Borrower

(Seal)
-Borrower


(Seal)
-Borrower

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