6757/0072 53 001 Fage 1 of 1998-07-06 12:10:16 35.50 Cook Courty Recorder

Haugas fitte Agency of filmois, inc

246 E. Jaruta B J. Ste. 360 Lombard, IL 60148, RECORD AND RETURN TO:

MERCANTILE MORTGAGE COMPANY

477 E. BUTTERFIELD RD., #310 LOMBARD, ILLINOIS 60148

98574942

ared by:

-TECH, INC. L. WIMMER FOR TILE MORTGAGE COMPANY

TERRIELD RD., #310 ILLINGIS 60148

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on Sina remarried JAMES LEE GARDNER, &110, and and ned

("Borrower"). This Security Instrument is given to

MERCANTILE MORTGA JE COMPANY

THE STATE OF ILLINOIS which is organized and existing under the laws of address is 477 EAST BUTTERFIELD ROAD, SUITE 310, LONGARD, ILLINOIS 60148 , and whose

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

Forty Four Thousand and 10/100- - -

44,000.00

Dollars (U.S. \$ This debt is evidenced by Borrover's note dited the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full deb, if not paid sariier, due and payable on July 4, 2028

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Nite, 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

LOT 43 IN F.S. TYRRELLS SUBDIVISION OF BLOCK 17 IN WEST CHIMAGO LAMIN CO.'S
SUBDIVISION OF THE SOUTH 1/0 OF SECTION 10. TOWNSHIP 39 NORTH, RANGE (1) FAST
OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

TAX ID #: 16-10-416-001

which has the address of

ILLINOIS-Single Family-FNMA/FHLMC UNIFORM

INSTRUMENT Form 3014 9/90

Amended 5/91

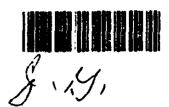
Page 1 of 6

-6R(IL) (9502)

VMP MORT BAGE FOR PS (#CO)521-72+1

4059 WEST MAYPOLE, CHICAGO [Zip Code] ("Property Address");

(Street, Car).



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 seised of the estate hereby conveyed and has the right to mortgage. grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform coverants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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

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

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly pa/ments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may at air priority over this Security Instrument as a lien on the Property; (b) yearly let schold payments or ground rents on the Property. f any; (c) yearly hazard or property insurance premiums; (d. yearly flood insurance premiums, if any. (e) yearly mortisize insurance premiuris, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraphs, 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 P ocedures 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 Funde 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 field in an institution whose deposits are insured by a federal (gency, instrumertality, or entity (including Lender, if Lender is such an institution to in any Federal Home Loan Bank, Lender shall apply the Bunds to pay the Escrow Items. Lender may no charge Borrower for folding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pay: Borrewer interest on the Funds and applicable law permits Lenter to make such a charge. However, Lender may require Borrower to pay a me-time charge for an independent real estate tax reporting service used by Lender in connection with this loar, unless applicable law provides otherwise. Inless 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 the be paid on the Funds. Lender shall give to Borrower, without charge, ar. annual accounting of the Funds, showing credits and cebits 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 Lewler 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 nake 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 compily refund to Borrower any Funds held by Lender. If, und a paragraph 21. Lender shall acquire or sell the Property, Lend-r, 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 'aw provides otherwise, all payments received by Lender under paragraphs I 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. Bort over 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 tents, 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. Forcewer shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly. Bor ower shall promptly furnish to Lender receipts evidencing the payments.

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

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this Security Instrument. Lender may give Forrower 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. 3orrower 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 unreas mab y 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 tenewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event o' loss, Borrower shall give prompt notice to the insurance carrier and Lender.

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

Unless Lender and Portoger otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the thoughty payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 21 the Property is a spired 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

- 6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Frogerty 23 Borrower's principal residence within sixty days after the execution of this Security Instrument at d shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless Leider otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste or, the Property. Borrower shall be in default if any forfeiture action or preceeding, whether civil or criminal, is begun that in Leader'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 cefault and reinstate, as provided in paragraph 18, by causing the zerion or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold. Borrower shall comply with all the provisions of the lease. If Borrower acquires for title to the Property, the leasehold and the fee title stal not merge unless Lender agrees to the merger in writing.
- 7. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable a:torneys' fees and entering on the Property to make repairs. Although Lender may take action under this paragraph

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

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

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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, florrower 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 fleu 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.

- 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.
- 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 Leu of condemnation, are hereby assigned and shall be paid to Lender.

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

If the Property is abanconed by Borrower, (1), after notice by Lender to Borrower that the condemnor offers to make an award or sextle a claim for damages. Borrower tails 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

Unless Lender and Borrower otherwise agree in writing any application of proceeds to principal shall not extend or postpone the due date of the morthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

- 11. Borrower Not Released; Forbearance By Lender Not a Viciner. 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.
- 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 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 Forrower may agree to extend, acadify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.
- 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.
- 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

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

- 15. Governing Law: Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.
  - 16. Borrower's Copy. Borrower shall be given one conformed copy of the Note and of this Security Instrument.
- 17. Transfer of the Property or a Beneficial Interest in Borrower. If a'l or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent. Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

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

- 18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b, entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be doe under this Security Instrument and the Note as if no acceleration had occurred; (b) cures any default of any other covenants or payments; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to reasonable atterneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 17.
- 19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to corrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. It there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.
- 20. Hazardous Substances. Borrower shall not cause or permit the presence, use disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone cise to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written rotice of any investigation, claim, demand, lawspit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary. Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 2), "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmenta. Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formak ehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

NON-UNIFORM COVENANTS. Borrower and L-nder further covenant and agree as follow:

21. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraph 17 unless

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applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 21, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

- 22. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
  - 23. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.

24. Riders to tois Security Instrument. If one or m	ore riders are executed by	Borrower and recorded together with th	nis
Security Instrument, the covenants and agreements of each s	such rider shall be incorpor	rated into and shall amend and suppleme	וח:
the covenants and agreements of this Security Instrument as	if the rider(s) were a part of	of this Security Instrument.	
[Check applicable box(es)]			
XX Adjustable Rate Rider Condomi		1 4 Family Rider	
Graduated Payment Rider Planned	Unit Development Rider	B v eekly Payment Rider	
Balloon Rider Fate Imp	rovement Rider	Second Home Rider	
VA Rider Other(s)	[specify]		
BY SIGNING BELOW Borrower accepts and agrees	to the terms and covenants	contained in this Contains Instrument as	~1
in any rider(s) executed by Borrower and recorded with in	O the terms and covenants	Contained in this Security institution a	
Witnesses:	I LU 1	/ a n / 1	
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STATE OF ILLINOIS,	Count		
		ry so: for said county and state do hereby certif	ív
that JAMES LEE GARDNER CLIVOYURCE and a			"
and stores and statement COLADICE OF WIFE Y	ci sinu remari		
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	, personally known to m	e to be the same person(s) whose name(s	s)
subscribed to the foregoing instrument, appeared before me	his day in person, and ack	nowledges: that HE	
signed and delivered the said instrument as HIS	•	or the use: and purposes therein set forth	١.
Given under my hand and official seal, this 25th	day of June	,1998 .	
M. A	Kannetta	K. E. Sis	
My Commission Expires: $12 \le 61$	Notan Public		
·	Ahra Lanac		

OFFICIAL SEAL JEANNETTE K. RITZE NOTARY PUBLIC, STATE OF ILLENOIS MY COMMISS CH EXPIRES 12-5-2001

Loan # 49788574942

day of

### ADJUSTABLE RATE RIDER

(LIBOR 6 Month Index (As Published In The Wall Street Journal) - Rate Caps)

25th

, and is incorporated into ane shall be deemed to amend and supplement the Mortgage, Deed of Trust

THIS ADJUSTABLE RATE RIDER is made this

1998

or Security Deed (the "Security Instrument") of the same date given by the unders gned (the "Borrower") to secure Borrower's Adjustable Rate Note (be "Note") to MERCANTILE MORTGAGE COMPANY
(tke "Lender") of the same date and covering the property described in the Security Instrument and located at:
4059 WEST MAYPOLE, CHICAGO, ILLINOIS 60624 [Property Address]
THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORKOWER'S INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY.
ADDITIONAL COVENANTS. In Edition 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 10.500 %. 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 July 1 . 2000 , and on that
day every 6TH month thereafter. Each date on which my interest rate could change is called a "Change Date."
(B) The Index
Beginning with the first Change Date, my interest rate will be based on an Inde. The "Index" is the average
of interbank offered rates for 6 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 business day of the
month immediately preceding the month in which the Change Date occurs is called the "Current Index."
If the Index is no longer available, the Note Holder will choose a new index that is based up in 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. Seven

until the next Change Date.

AULTISTATE ADJUSTABLE RATE RIDER - LIBOR 6 MONTH INDEX (AS PUBLISHED IN THE WALL STREET JOURNAL) Single Family - Fannie Mae Uniform Instrument Form 3138 6/94

202-8388:94061

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

percentage point(s) (

7.000

PUP MORTGAGE FORMS - (800:521-7291

Page 1 of 2

119034:

%) to the Current Index.

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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 as the Change Date in full on the Maturity Date at my new interest rate in substantially equal payment. 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 13.500 % or less than 10.500 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than Che percentage point(s) ( 1 000 %) from the rate of interest I have been paying for the preceding

6 months. My interest rate will never be greater than (E) El Jective Date of Changes

NOR LOWER THAN 10.500%

16.500

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 a jain.

#### (F) Notice of Changes

The Note Holder will deliver or mill to me a notice of any changes in my intenst 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 the and also the telephone number of a person who will answer any quest on I may have regarding the notice.

### B. TRANSFER OF THE PROPER BY DR A BENEFICIAL INTEREST IN BORROWER

Uniform Covenant 17 of the Securit: in gromert is amended to read as follows:

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 writte a consent. Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument, blowever, 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 tee as a condition to Lender's consent to the loan assumption. Lender also may require the transferee it, 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 fall. Lender shall giv: Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the natice 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 remed es permittee by this Security Instrument without further notice or demand on Borrower.

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

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