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6239/0046 53 001 Page 1 of 19  
1999-07-09 10:47:26  
Cook County Recorder 57.00



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WHEN RECORDED MAIL TO:

OLD KENT MORTGAGE COMPANY  
9400 S. CICERO AVENUE, SUITE 301  
OAK LAWN, ILLINOIS 60543

Loan No. 1349617

[Space Above This Line For Recording Data]

UTC 9/10/29 1A11 B

**MORTGAGE**

THIS MORTGAGE ("Security Instrument") is given on JUNE 25, 1999.  
The mortgagor is KEVIN A. SANFORD, A SINGLE MAN, NEVER MARRIED

("Borrower"). This Security Instrument is given to  
OLD KENT MORTGAGE COMPANY, A MICHIGAN CORPORATION  
which is organized and existing under the laws of MICHIGAN, and whose address is  
9400 S. CICERO AVENUE, SUITE 301  
OAK LAWN, ILLINOIS 60543

("Lender"). Borrower owes Lender the principal sum of  
ONE HUNDRED TWENTY ONE THOUSAND EIGHT HUNDRED AND 00/100\*\*\*\*\*  
Dollars (U.S. \$ 121,800.00). This debt is evidenced by Borrower's note dated the same date as this  
Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and  
payable on JULY 1, 2029. This Security Instrument secures to Lender: (a)  
the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the  
Note; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this  
Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument  
and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described  
property located in COOK County, Illinois:  
LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS EXHIBIT  
"A".

PIN 17-22-303-031-1066 & 17-22-303-031-1001

**ADVANTAGE TITLE COMPANY**  
One TransAm Plaza Drive, Suite 500  
Oakbrook Terrace, IL 60181

**RECORDING BOX 156**

which has the address of 1601 S. INDIANA, UNIT 101, CHICAGO  
[Street] [City]

Illinois 60616 ("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 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 covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

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

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

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

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

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

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If, under paragraph 21, Lender shall acquire or sell the Property, Lender, prior to the acquisition or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

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

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

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Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

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

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

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

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

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

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

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

8. **Mortgage Insurance.** If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair 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 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 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 abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

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

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

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

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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 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.

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

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

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

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

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

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

**19. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

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

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the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

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

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

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

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

- |  |   |   |
|--|---|---|
| <input checked="" type="checkbox"/> Adjustable Rate Rider                        | <input checked="" type="checkbox"/> Condominium Rider   | <input type="checkbox"/> 1-4 Family Rider       |
| <input type="checkbox"/> Graduated Payment Rider                                 | <input type="checkbox"/> Planned Unit Development Rider | <input type="checkbox"/> Biweekly Payment Rider |
| <input type="checkbox"/> Balloon Rider   | <input type="checkbox"/> Rate Improvement Rider         | <input type="checkbox"/> Second Home Rider      |
| <input checked="" type="checkbox"/> Other(s) [specify] Addendum to Deed/Mortgage |   |   |

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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.

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*Kevin A. Sanford* (Seal)  
KEVIN A. SANFORD -Borrower

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

Witness

Witness

STATE OF ILLINOIS,

County ss: COOK

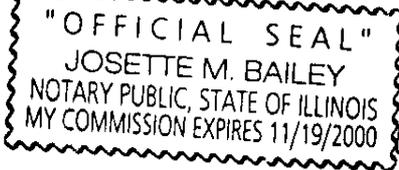
I, *The undersigned*, a Notary Public in and for said country and state,

do hereby certify that KEVIN A. SANFORD

, personally known to me to be the same person(s) whose name(s) *LS* subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that *HE* signed and delivered the said instrument as *his* free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this *25th* day of *June* 1999

My Commission expires:



*Josette M. Bailey*  
\_\_\_\_\_  
Notary Public

This instrument was prepared by

OLD KENT MORTGAGE COMPANY  
[Name]

9400 S. CICERO AVENUE, SUITE 301, OAK LAWN, ILLINOIS 60543  
[Address]

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Loan No.: 1349617

Date: JUNE 25, 1999

Property Address:

1601 S. INDIANA, UNIT 101  
CHICAGO, ILLINOIS 60616

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## Exhibit "A"

### Legal Description

PARCEL 1: UNITS 101/PU-1 IN THE EAST SIDE LOFT CONDOMINIUMS AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

LOT "A" (EXCEPT THE WEST 34.0 FEET AND EXCEPT THE SOUTH 43.34 FEET OF THE EAST 59.17 FEET OF THE WEST 93.17 FEET) IN THE CONSOLIDATION OF THE WEST 135.77 FEET OF LOT 3, ALL OF LOTS 4, 9 AND 10 IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO, ALSO LOTS 21 AND THE NORTH 10 1/3 FEET OF LOT 22 IN E.L. SHERMAN'S SUBDIVISION, ALL IN THE SOUTHWEST FRACTIONAL 1/4 OF FRACTIONAL SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ALSO

LOT "B" (EXCEPT THE SOUTH 200 FEET AND EXCEPT THE WEST 93.17 FEET) OF THE CONSOLIDATION OF LOT 22 (EXCEPT THE NORTH 10 1/3 FEET THEREOF) AND LOTS 23 TO 34, INCLUSIVE, IN THE SUBDIVISION BY EZRA L. SHERMAN IN THE SOUTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT FROM SAID PREMISES THE PORTION TAKEN OR USED FOR AN ALLEY) IN COOK COUNTY, ILLINOIS. ALSO

LOT 3 (EXCEPT THE WEST 135.77 FEET THEREOF) IN ASSESSOR'S DIVISION OF LOTS 1, 2 AND 3 IN BLOCK 1 OF CLARKE'S ADDITION TO CHICAGO IN THE SOUTHWEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED TO THE DECLARATION OF CONDOMINIUM MADE BY AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, TRUSTEE UNDER TRUST AGREEMENT DATED JULY 1, 1995 AND KNOWN AS TRUST NUMBER 120506-06 AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS AS DOCUMENT NO. 96155191, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THE EXCLUSIVE RIGHT TO USE STORAGE LOCKER S-1, A LIMITED COMMON ELEMENT AS DELINEATED ON THE SURVEY ATTACHED TO THE DECLARATION AFORESAID RECORDED AS DOCUMENT 96155191, IN COOK COUNTY, ILLINOIS.

A.P.N. # : 17-22-303-031-1066

Loan Number 1349617

**ADDENDUM TO MORTGAGE/DEED OF TRUST/  
DEED TO SECURE DEBT/SECURITY DEED**

This ADDENDUM TO MORTGAGE/DEED OF TRUST/DEED TO SECURE DEBT/SECURITY DEED (also known as "Security Instrument") is made this 25<sup>th</sup> day of JUNE 1999, and is incorporated into and amends the Security Instrument of the same date given by the undersigned (the "Borrower") to secure Borrower's Note (the "Note") to OLD KENT MORTGAGE COMPANY, A MICHIGAN CORPORATION (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

1601 S. INDIANA, UNIT 101, CHICAGO, ILLINOIS 60616  
(Property Address)

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

1. If the Security Instrument is a Second Mortgage FNMA/FHLMC Uniform Instrument, then the paragraph entitled, "**Payment of Principal and Interest**" is amended to include prepayment charges as provided in any Prepayment Rider executed in connection with the Note.
2. The paragraph of the Security Instrument entitled, "**Application of Borrower's Payments**" or alternately "**Application of Payments**," is deleted in its entirety and the application of payments is governed by the Note.
3. Unless prohibited by applicable law, the paragraph of the Security Instrument entitled, "**Acceleration; Remedies**" or alternately "**Lender's Rights if Borrower Fails to Keep Promises and Agreements**," is supplemented by adding the following provisions:  
"Additionally, Lender may require immediate payment in full of the entire amount remaining unpaid under the Note and this Security Instrument, if:
  - (1) On application of Lender, two or more insurance companies licensed to do business in the State in which the Property is located, refuse to issue policies insuring the buildings and improvements on the Property; or
  - (2) Borrower fails to make any payment required by a senior mortgage, deed of trust, deed to secure debt or other security instrument encumbering or affecting the Property or fails to keep any other promise or agreement in any senior mortgage, deed of trust, deed to secure debt or other security instrument encumbering or affecting the Property; or
  - (3) Any representation made or information given to Lender by Borrower in connection with Borrower's application for the loan evidenced by the Note is false or misleading in any material respect; or
  - (4) Borrower allows the Property to be used in connection with any illegal activity."

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4. For a loan secured by Iowa real property:
- The following sentence is added to the end of the paragraph of the Security Instrument entitled, "**Release**" or alternately "**Redemption Period**:"  
"Borrower shall pay any recordation and/or official costs in connection with this mortgage."
  - Language is added to the Security Instrument as follows:  
**"NOTICE TO BORROWER. I UNDERSTAND THAT HOMESTEAD PROPERTY IS IN MANY CASES PROTECTED FROM THE CLAIMS OF CREDITORS AND EXEMPT FROM JUDICIAL SALE; AND THAT BY SIGNING THIS MORTGAGE, I VOLUNTARILY GIVE UP MY RIGHT TO THIS PROTECTION FOR THIS MORTGAGED PROPERTY WITH RESPECT TO CLAIMS BASED UPON THIS MORTGAGE."**
  - If the Security Instrument is a second or junior priority Security Instrument, then the following applies:  
Unless otherwise preempted by applicable federal or other law, the prepayment penalty and attorneys' fees provisions from paragraphs 1, 3, 7, 18 and 21 are deleted in their entirety.
5. The paragraph of the Security Instrument entitled, "**Transfer of the Property or a Beneficial Interest in Borrower**," is amended by changing the notice of default or acceleration to be at least **60 days** if the loan is secured by a secondary lien on real property in the State of Connecticut and at least **35 days** if the loan is secured by a lien on real property in the State of Oklahoma.
6. For a loan secured by Kansas real property, if the Security Instrument is Form 3017, the last sentence in the paragraph entitled, "**Acceleration Remedies**," is deleted and replaced with the following:  
**"Lender shall be entitled to collect all reasonable expenses incurred in pursuing the remedies provided in this paragraph, including, but not limited to, reasonable attorneys' fees, to the extent allowed by applicable law."**
- In addition, the paragraph entitled, "**Attorneys' Fees**," is deleted in its entirety.
7. For a loan secured by Ohio real property, the following language is added after the legal description section of the Security Instrument:  
"This mortgage is given upon the statutory condition. "Statutory Condition" is defined in Section 5302.14 of the Revised Code and provides generally that if Borrower pays the indebtedness and performs the other obligations secured by this mortgage, pays all taxes and assessments, maintains insurance against fire and other hazards and does not commit or permit waste, then this mortgage will become null and void."
8. For a loan secured by South Carolina real property:  
If the Security Instrument is Form 3041, the second sentence of the paragraph entitled, "**Waivers**," is deleted. If the Security Instrument is Form 3841 the paragraph entitled, "**Waiver of Right of Appraisal**," is deleted.

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interests in Borrower's Property. This insurance may, but need not, protect Borrower's interests. The coverage that Lender purchases may not pay any claim that Borrower makes or any claim that is made against Borrower in connection with the Property. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained the required insurance. If Lender purchases insurance for the Property, Borrower will be responsible for the costs of that insurance, including the insurance premium, interest at the rate provided by the terms of the Note and any other charges that the Lender or the insurer may impose in connection with the placement of the insurance (for example, a fee from the carrier for processing the force placed insurance), until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Borrower's total outstanding balance and secured by this Security Instrument. The costs may be more than the cost of insurance that Borrower may be able to obtain directly because Lender will be purchasing insurance under a general policy that does not consider Borrower's individual insurance situation."

14. A paragraph is added to the Security Instrument as follows:  
"Verification or reverification of the Property's valuation or any other information normally contained in an appraisal may be required as part of Lender's ongoing quality control procedures. Borrower agrees to cooperate fully with Lender and/or its agents, successors or assigns in obtaining and completing a full appraisal in the future at Lender's sole option and expense."
15. If an Adjustable Rate Rider is executed in conjunction with the Security Instrument, such rider is amended by: a) deleting the section entitled, "Transfer of the Property or a Beneficial Interest in Borrower" and b) adding to the section entitled, "Interest Rate and Monthly Payment Changes" (D) "Limits on Interest Rate Changes," the following language: "My interest rate will never be less than 11.750 %."
16. If the Security Instrument is assigned or transferred, all or a portion of this Addendum may be voided at the option of the assignee or transferee. Any terms and provisions of this Addendum which are voided will be governed by the original terms of the Security Instrument.

  
\_\_\_\_\_  
Borrower  
KEVIN A. SANFORD

\_\_\_\_\_  
Borrower

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Borrower

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Borrower

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Borrower

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Borrower

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9. The paragraph of the Security Instrument entitled, "**Law That Governs This Security Instrument/Mortgage**" or alternately "**Governing Law; Severability,**" is amended by deleting the first sentence and replacing it with the following language:

"This Security Instrument shall be governed by federal law and, to the extent not inconsistent with or more restrictive than federal law or regulation governing Lender, the laws of the jurisdiction in which the Property is located."

10. If the Security Instrument is a second or junior priority Security Instrument, then a paragraph is added to the Security Instrument as follows:

**"WAIVER OF RIGHT TO INCREASE PRIOR MORTGAGE/DEED OF TRUST.** Borrower hereby waives Borrower's rights if any, to increase any senior deed of trust, mortgage or other security instrument on the Property under any provision contained therein governing optional future advances, and, to the extent permitted by law, waives Borrower's rights under any law which provides for an increase of said prior deed of trust, mortgage, deed to secure debt or other security instrument to pay for repairs, improvements, replacements, taxes, municipal liens, assessments or other charges on the Property. If, notwithstanding the foregoing waiver, such funds are advanced to or on behalf of Borrower, whether voluntarily or involuntarily, Borrower agrees that Lender, at its option, may accelerate the indebtedness secured hereby."

11. A provision is added to the Security Instrument as follows:

"Borrower hereby acknowledges receipt, without charge, of a true copy of the Security Instrument."

12. **Escrow Waiver**

If the box above has been checked, Lender waives the requirement for Borrower to make payment to Lender for the escrow items referred to in the paragraph of the Security Instrument entitled, "**Funds\Monthly Payments for Taxes and Insurance.**" Borrower shall pay these obligations on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph, and receipts evidencing such payment.

Unless otherwise prohibited by applicable law, Lender reserves the right to require Borrower to make payment to Lender for the escrow items referred to in the paragraph of the Security Instrument entitled, "**Funds\Monthly Payments for Taxes and Insurance,**" if Borrower defaults in the payment of such escrow items and such default is not cured within the time set forth in any notice sent to Borrower by Lender. Lender reserves such right even though Lender did not establish such escrow account as a condition to closing the loan. If Lender requires Borrower to make payments to Lender as provided herein, the provisions of the paragraph of the Security Instrument entitled, "**Funds\Monthly Payments for Taxes and Insurance**" will be in full force and effect.

13. A paragraph is added to the Security Instrument as follows:

**"FORCE PLACED INSURANCE.** Unless otherwise prohibited by applicable law, if Borrower does not provide Lender with evidence of insurance coverage (for any type of insurance that is required by Lender), Lender may purchase insurance at Borrower's expense to protect Lender's

ADJUSTABLE RATE RIDER Loan Number 1349617  
(LIBOR 6 Month Index (As Published In The Wall Street Journal) - Rate Caps

THIS ADJUSTABLE RATE RIDER is made this 25th day of JUNE 1999, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to OLD KENT MORTGAGE COMPANY, A MICHIGAN CORPORATION (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1601 S. INDIANA, UNIT 101, CHICAGO, ILLINOIS 60616  
[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 12.750%. 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 1st day of JULY 2001 and on that day every 6 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 Index. 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 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 EIGHT AND 625/1000 percentage points ( 8.625 %) 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.

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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 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 15.750 % or less than 11.750 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than ONE AND 000/1000 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 18.750 %.

## (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.

## (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 me and also the 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

Uniform Covenant 17 of the Security Instrument 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 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 also may require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

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.

MULTISTATE ADJUSTABLE RATE RIDER-LIBOR 6 MONTH INDEX (AS PUBLISHED IN THE WALL STREET JOURNAL)-Single Family-FNMA UNIFORM INSTRUMENT

Form 3138 6/94

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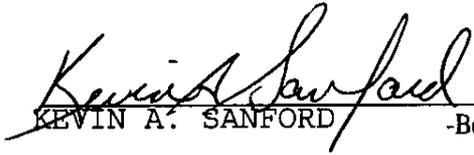
Page 2 of 3

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BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in pages 1 and 2 of this Adjustable Rate Rider.

  
\_\_\_\_\_  
KEVIN A. SANFORD (Seal)  
-Borrower

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

Property of Cook County Clerk's Office

MULTISTATE ADJUSTABLE RATE RIDER-LIBOR 6 MONTH INDEX (AS PUBLISHED IN THE WALL STREET JOURNAL)-Single Family-FNMA UNIFORM INSTRUMENT Form 3138 6/94

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## CONDOMINIUM RIDER

Loan Number 1349617

THIS CONDOMINIUM RIDER is made this 25th day of JUNE, 1999, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Note to OLD KENT MORTGAGE COMPANY, A MICHIGAN CORPORATION (the "Lender") of the same date and covering the Property described in the Security Instrument and located at:

1601 S. INDIANA, UNIT 101, CHICAGO, ILLINOIS 60616

[Property Address]

The Property includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

THE EAST SIDE LOFT CONDOMINIUMS

[Name of Condominium Project]

(the "Condominium Project"). If the owners association or other entity which acts for the Condominium Project (the "Owners Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners Association and the uses, proceeds and benefits of Borrower's interest.

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

**A. Condominium Obligations.** Borrower shall perform all of Borrower's obligations under the Condominium Project's Constituent Documents. The "Constituent Documents" are the: (i) Declaration or any other document which creates the Condominium Project; (ii) by-laws; (iii) code of regulations; and (iv) other equivalent documents. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

**B. Hazard Insurance.** So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy on the Condominium Project which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy.

Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the unit or to common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

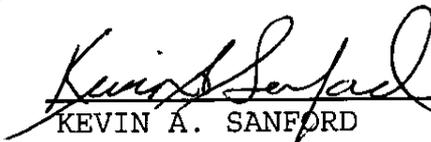
D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property, whether of the unit or of the common elements, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Covenant 10.

E. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior written consent, either partition or subdivide the Property or consent to:

- (i) the abandonment or termination of the Condominium Project, except for abandonment or termination required by law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or eminent domain;
- (ii) any amendment to any provision of the Constituent Documents if the provision is for the express benefit of Lender;
- (iii) termination of professional management and assumption of self-management of the Owners Association; or
- (iv) any action which would have the effect of rendering the public liability insurance coverage maintained by the Owners Association unacceptable to Lender.

F. Remedies. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph F shall become additional debt of Borrower secured by the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

  
\_\_\_\_\_  
KEVIN A. SANFORD (Seal)  
Borrower

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

Loan Number 1349617

**ESCROW RIDER TO NOTE, SECURITY INSTRUMENT  
AND ADJUSTABLE RATE RIDER**

This ESCROW RIDER TO NOTE, SECURITY INSTRUMENT (also known as "Mortgage/Deed of Trust/Deed to Secure Debt/Security Deed") and ADJUSTABLE RATE RIDER, if applicable is made this 25th day of JUNE 1999, and is incorporated into and amends and supplements the Note, Security Instrument and Adjustable Rate Rider, if applicable, of the same date given by the undersigned (the "Borrower") to OLD KENT MORTGAGE COMPANY (the "Lender") covering the Property described in the Security Instrument and located at:

1601 S INDIANA, UNIT 101, CHICAGO, ILLINOIS 60616  
(Property Address)

In addition to the agreements/covenants made in the Note, Security Instrument and Adjustable Rate Rider, if applicable, Borrower and Lender further agree as follows:

1. The paragraph(s) of the Note, Security Instrument and Adjustable Rate Rider, if applicable, entitled or referring to "Payments," or alternately, "Application of Borrower's Payments" or "Application of Payments" is/are hereby amended to provide that each of Borrower's monthly payments will be applied first to amounts due for any required escrows for taxes and insurance under the Security Instrument and then in the order as provided in such Note, Security Instrument and Adjustable Rate Rider, if applicable.

2. Paragraph 1A. is incorporated into the Security Instrument as follows:

**1A. Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attain priority over this Security Instrument as a lien on the Property; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard or property insurance premiums; and (d) yearly flood insurance premiums, if any. 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. § 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lesser amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lesser amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, instrumentality, or entity (including Lender, if Lender is such an institution) or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Escrow Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Escrow Items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent real estate tax reporting service used by Lender

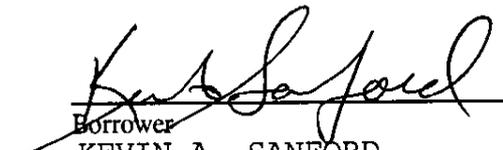
in connection with this loan, unless applicable law provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amounts permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirement 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 17, 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. Paragraph 3 of the Security Instrument is hereby amended by deleting the second and third sentences and replacing those sentences with the following language:

"Borrower shall pay these obligations in the manner provided in paragraph 1A, 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 3. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments."

  
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Borrower  
KEVIN A. SANFORD

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Borrower (Seal)

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Borrower (Seal)

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Borrower (Seal)

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