

# UNOFFICIAL COPY

After Recording Please Return To  
Pacific American Mortgage Company, A Unit  
of Mortgage Portfolio Services, Inc.  
[Name of Natural Person]

99382427

4519/0090 03 001 Page 1 of 10  
1999-04-21 09:25:17

[Company Name]  
4144 North Central Expressway, Suite 900  
[Street Address]  
Dallas, TX 75204  
[City, State ZIP]



99786150

7105/0132 89 001 Page 1 of 10  
1999-08-17 16:13:27  
Cook County Recorder 39.50

Prepared By:  
William H. Peirson

[Name of Natural Person]  
4400 Alpha Road  
[Street Address]  
Dallas, TX 75244  
[City, State ZIP]

[Space Above This Line for Recording Data]

Loan No.: 0056454

## MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on March 24, 1999. The mortgagor is SCOTT J. SANDAGE, A MARRIED MAN, AND SPOUSE, LINDA D. BROWN, HEREBY RELEASING AND WAIVING ALL RIGHTS UNDER AND BY VIRTUE OF THE HOMESTEAD EXEMPTION LAWS OF THIS STATE.

("Borrower"). This Security Instrument is given to Mortgage Portfolio Services, Inc.

which is organized and existing under the laws of the State of Delaware, and whose address is 4144 North Central Expressway, Suite 900, Dallas, TX 75204.

("Lender"). Borrower owes Lender the principal sum of three hundred thirty seven thousand five hundred and NO/100ths Dollars (U.S. \$ 337,500.00). This debt is evidenced by Borrower's note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on April 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:

LOT 24 IN BLOCK 1 IN HARTREY'S ADDITION TO NORTH EVANSTON IN SECTION 12, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 9, 1872 IN BOOK 1 OF PLATS PAGE 64 AD 29673 IN COOK COUNTY, ILLINOIS.

PERMANENT TAX #10-12-101-023-0000

Deed of Trust refiled to add the date of acknowledgement.

Initials: *SPS*

Illinois Mortgage-Single Family-Fannie Mae/Freddie Mac UNIFORM INSTRUMENT  
THE COMPLIANCE SOURCE, INC.  
To Order Call: (972) 980-2178 • Fax (972) 392-2891  
www.compliancesource.com

Form 3014 09/90  
(page 1 of 6 pages)  
140011L1.CS 02/98

### BOX 333-CTI

5-4  
P-ID  
M-V  
39.50  
Law  
E

Initials:

Borrower shall promptly furnish to Lender receipts evidencing the payments. 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 all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, 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 all notices of amounts to be paid under this paragraph.

**4. Charges; Liens.** Borrower shall pay all taxes, assessments, charges, times 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.

fourth, to principal due; and last, to any late charges due under the Note. 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable under paragraph 2; third, to interest due; and last, to any late charges due under the Note.

**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; and last, to any late charges due under the Note.

any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument. Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly return 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

discretion. Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly return 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

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 return 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

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 of the Funds held by Lender in accordance with the requirements of applicable law. Lender shall account to Borrower for the

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

shall give to Borrower, without charge, an annual accounting of the Funds, showing credits and debits to the Funds and the purpose for which any interest or earnings on the Funds. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender provides otherwise. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrower

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

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, making 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

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, making 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

may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future Escrow Items or 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 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 maximum amount a lender for a federally related mortgage loan may require for Borrower's escrow account under the federal Real Estate Insurance premiums. These items are called "Escrow Items." Lender may, at any time, collect and hold Funds in an amount not to exceed

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

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 the 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; (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

**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 the 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; (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

of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note. **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.

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.

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.

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

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."

which has the address of

EVANSTON, Illinois [Street] 60201 [Zip Code] ("Property Address"); 99382427

Initials: *[Signature]*

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

**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 anything 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.

**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 reinstatement, 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.

**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 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.

99382427

Initials: *[Handwritten Signature]*

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

16. **Borrower's Copy.** Borrower shall be given one conformed copy of the Note and of this Security Instrument. To this end the provisions of this Security Instrument and the Note are declared to be severable. such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, which the Property is located. This Security Instrument shall be governed by federal law and the law of the jurisdiction in

15. **Governing Law; Severability.** Borrower or Lender when given as provided in this paragraph. to Borrower or Lender designates by notice to Lender. Any notice shall be given by first class mail to Lender's address stated herein or any other address unless applicable law requires use of another method. The notice shall be directed to the Property address or any other address class mail unless applicable law requires use of another method. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first

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.

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.

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 the Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodation with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

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.


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 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.

9. **Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

8. **Insurance.** 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.

99382427

Initials: 

agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)].  
Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and

**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

**23. Waiver of Homestead.** Borrower waives all right of homestead exemption in the Property.  
the fee is paid to a third party for services rendered and the charging of the fee is permitted under applicable law.

**22. Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument to Borrower. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if

paragraph 21, including, but not limited to, reasonable attorney's fees and costs of title evidence.  
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 attorney's fees and costs of title evidence.  
payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure, 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 provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than any covenant or agreement in this Security Instrument (but not prior to acceleration under Paragraph 17 unless applicable law

**21. Acceleration; Remedies.** Lender shall give notice to Borrower prior to acceleration following Borrower's breach of NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

environmental protection.

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

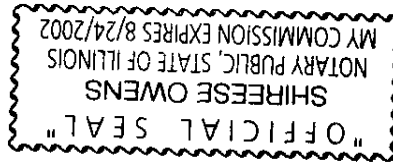
any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of Borrower shall promptly 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

Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of 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 **20. Hazardous Substances.** Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous

payments should be made. The notice will also contain any other information required by applicable law.  
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 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 that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer 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") **19. Sale of Note; Change of Loan Servicer.** The Note or a partial interest in the Note (together with this Security Instrument)

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

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



(Seal)

My Commission Expires:

Notary Public, State of

[name of person acknowledged]

The foregoing instrument was acknowledged before me this 3-24-99 by SCOTT J. SANDAGE and LINDA D. BROWN, HEREBY WAIVING ALL RIGHTS BY VIRTUE OF THE HOMESTEAD EXEMPTION LAWS OF ILLINOIS

State of Illinois County of COOK

[Space Below This Line For Acknowledgment]

-Borrower (Seal)

-Borrower (Seal)

LINDA D. BROWN, HEREBY WAIVING ALL RIGHTS BY VIRTUE OF THE HOMESTEAD EXEMPTION LAWS OF ILLINOIS

SCOTT J. SANDAGE

Witnesses:

BY SIGNING-BELOW, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- Adjustable Rate Rider, Graduated Payment Rider, Balloon Rider, Other(s) [specify], Condominium Rider, Planned Unit Development Rider, Rate Improvement Rider, 1-4 Family Rider, Biweekly Payment Rider, Second Home Rider

MULTISTATE ADJUSTABLE RATE RIDER  
Page 1 of 4  
ARM PLANS 721/521 & 652/611-SINGLE FAMILY-FANNIEMAE UNIFORM INSTRUMENT  
FORM 3113 LDOC0111 12/87

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."  
If the Index is no longer available, the Note Holder will choose a new index that is based upon comparable information. The Note Holder will give me notice of this choice.

(B) The Index called a "Change Date." and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is The adjustable interest rate I will pay may change on the first day of April, 2002, (A) Change Dates

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

A. The Note provides for an initial interest rate of 6.750%. The Note provides for changes in the adjustable interest rate and the monthly payments, as follows:

ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

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

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LETS THE AMOUNT THE BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE ADJUSTABLE RATE TO A FIXED RATE.

[Property Address]

2235 HARRISON STREET, EVANSTON, IL 60201

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

THIS ADJUSTABLE RATE RIDER is made this 24th day of March, 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 Mortgage Portfolio Services, Inc.

Loan No.: 0056454

(1 Year Treasury Index-Rate Caps-Fixed Rate Conversion Option)

ADJUSTABLE RATE RIDER

99382427

**(C) Calculation of Changes**  
 Before each Change Date, the Note Holder will calculate my new interest rate by adding two and 875/1000ths percentage points (2.875%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the Maturity Date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

**(D) Limits on Interest Rate Changes**  
 The interest rate am required to pay at the first Change Date will not be greater than 8.750% or less than 4.750%. Thereafter, my adjustable interest rate will never be increased or decreased on any single Change Date by more than two percentage points (2.0%) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 12.750%, which is called the "Maximum Rate."

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

**B. FIXED INTEREST RATE OPTION**  
 The Note provides for the Borrower's option to convert from an adjustable interest rate with interest rate limits to a fixed interest rate, as follows:

**5. FIXED INTEREST RATE OPTION**  
**(A) Option to Convert to Fixed Rate**  
 I have a Conversion Option that I can exercise unless I am in default or this Section 5(A) will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by this Note from an adjustable rate with interest rate limits to the fixed rate calculated under Section 5(B) below. The conversion can only take place on (1) if the first Change Date is 21 months or less from the date of this Note, the third, fourth or fifth Change Date, or (2) if the first Change Date is more than 21 months from the date of this Note, the first, second or third Change Date. Each Change Date on which my adjustable interest rate can convert from an adjustable rate to a fixed rate also is called the "Conversion Date." I can convert my interest rate only on one of these Conversion Dates.



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 Instrument is acceptable to Lender.

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

Adjustable Rate Rider, Uniform Covenant 17 of the Security Instrument is amended to read as follows:  
I. Until Borrower exercises the Conversion Option under the conditions stated in Section B of this TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

If I choose to exercise the Conversion Option, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal I am expected to owe on the Conversion Date in full on the Maturity Date at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the Maturity Date.

(C) New Payment Amount and Effective Date

the Maximum Rate stated in Section 4(D) above.  
rate by using comparable information. My new rate calculated under this Section 5(B) will not be greater than determined because the applicable commitments are not available, the Note Holder will determine my interest rounded to the nearest one-eighth of one percentage point (0.125%). If this required net yield cannot be applicable 60-day mandatory delivery commitments, plus one and 125/1000ths ( 1.125 %), (0.125%), or (ii) if the original term of this Note is 15 years or less, 15-year fixed rate mortgages covered by than 15 years, 30-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus one and 125/1000ths ( 1.125 %), rounded to the nearest one-eighth of one percentage point yield as of a date and time of day specified by the Note Holder for (i) if the original term of this Note is greater than 15 years, fixed interest rate will be equal to the Federal National Mortgage Association's required net

(2) Calculation of Fixed Rate

and (iv) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion and (v) I must pay the Note Holder a conversion fee of U.S. \$ 250.00 ; specified by the Note Holder, I must not be in default under the Note or the Security Instrument; (iii) by a date on the Conversion Date, I must give the Note Holder notice that I want to do so at least 15 days before the next Conversion Date; (ii) If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (i)

MULTI-STATE ADJUSTABLE RATE RIDER FAMILY-FANNING UNIFORM INSTRUMENT Page 4 of 4 FORM 2013 LDOC0114 12/87

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

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

(Seal) \_\_\_\_\_  
LINDA D. BROCK, HEREBY WAIVING ALL RIGHTS -Borrower  
BY VIRTUE OF THE HOMESTEAD EXEMPTION LAWS  
OF ILLINOIS

(Seal) \_\_\_\_\_  
SCOTT J. SANDAGE  
*Scott J. Sandage*

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

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.

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.

2. If Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in Section C above shall then cease to be in effect, and the provisions of Uniform Covenant 17 of the Security Instrument shall instead be in effect, as follows:

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.

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 releases Borrower in writing.