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JUNIOR MORTGAGE

HOME- SINGLE FAMILY RESIDENTIAL REHABILITATION PROGRAM

Project Number: 3488500132

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THIS MORTGAGE ("Security Instrument") is given on April 11, 2001. The mortgagor is Rachael A. Carter, married to James Carter, whose address is 1700 S. 9th Avenue Maywood, IL 60153 ("Borrower"). This Security Instrument is given to The West Suburban Neighborhood Preservation Agency, an Illinois intergovernmental agency whose address is 10031 W. Roosevelt Road Suite 101 Westchester, IL 60154 ("Lender").

Borrower owes Lender the initial principal sum of Twenty Thousand Six Hundred Thirty-Seven and 00/100 U.S. Dollars (\$20,637.00) and for any additional principal loan amount advanced under the Homeowner Loan Agreement ("Loan Agreement") bearing the same date as this Security Instrument, not to exceed Five Thousand Dollars (\$5,000.00), for a maximum principal sum of Twenty-Five Thousand Six Hundred Thirty-Seven and 00/100 U.S. Dollars (\$25,637.00). This debt is evidenced by Borrower's Note dated the same date as this Security Instrument ("Note"), which provides that the full debt, if not paid earlier, is due and payable immediately upon the "alienation" of the Property mortgaged by this Security Instrument, or of a beneficial interest in a land trust in which the Property is held. The terms "alienated" and "alienation" shall include, but are not limited to sale, transfer, lease, or when Borrower stops using the Property as Borrower's primary residence.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note and the Loan Agreement, with all renewals, extensions and modifications of the Note and the Loan Agreement; (b) the payment of all other sums advanced to protect the security of this Security Instrument; (c) the performance of Borrower's covenants and agreements under this Security Instrument, the Note and the Loan Agreement; and (d) Borrower's compliance with the provisions of the HOME Investment Partnerships Program, 24 CFR, Part 92, as amended, ("HOME Program") the requirements of the Cook County HOME Program, the Sub-recipient's guidelines, and all laws, ordinances, rules, regulations, Office of Management and Budget circulars and executive orders applicable to the HOME Program. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

BOX 333-CTI

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Legal Description:

The south 40 feet of the north 126 feet of lot 3 in Seminary Addition to Maywood, being a subdivision of part of the northeast 1/4 of section 15, township 39 north, range 12, east of the third principal meridian, in Cook County, Illinois.

Common Address: 1700 S. 9th Avenue Maywood, IL 60153

Permanent Index Number(s): 15-15-232-025

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, claims or demands with respect to insurance, any and all awards made for the taking by eminent domain, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. There is a prior mortgage from Borrower to, CIT Group a banking Corporation, dated February 14, 2000 and recorded as document number 00158821 and this Security Instrument may not be subordinate or subordinated to any other liens.

COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal; Interest. Borrower shall promptly pay when due the principal on the debt evidenced by the Note and the Loan Agreement. No interest will be charged.

2. Application of Payments. All payments received by Lender shall be applied first to other charges, and then to principal.

3. Charges; Liens. Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property, and leasehold payments or ground rents, if any. Borrower shall make these payments directly, and upon Lender's request, promptly furnish to Lender receipts evidencing the payments.

Borrower shall pay, or cause to be paid, when due and payable all taxes, assessments, water charges, sewer charges, license fees and other charges against or in connection with the Property and shall, upon request, promptly furnish to Lender duplicate receipts. Borrower may, in good faith and with due diligence, contest the validity or amount of any such taxes or

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assessments, provided that (a) Borrower shall notify Lender in writing of the intention of Borrower to contest the same before any tax or assessment has been increased by any interest, penalties or costs, (b) Borrower shall first make all contested payments, under protest if Borrower desires, unless such contest shall suspend the collection thereof, © neither the Property nor any part thereof or interest therein are at any time in any danger of being sold, forfeited, lost or interfered with, and (d) Borrower shall furnish such security as may be required in the contest or as requested by Lender. During the term of this Agreement, the Borrower shall pay all obligations that if unpaid might result in a lien, except those obligations that are being contested in good faith, as long as the Borrower takes all steps necessary to prevent the imposition of or to contest the validity of a lien.

4. Hazard 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 6.

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, Lender's security is not lessened and Borrower is not in default under this Security Instrument, the Note or the Loan Agreement. If Borrower fails to so apply the proceeds, the Sub-recipient may repair such damage or destruction and file a permanent lien for the full cost of said repair, which lien may be foreclosed immediately. Borrower hereby agrees to pay all reasonable fees and costs in relation to such foreclosure, including but not limited to attorney's fees. 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.

If under paragraph 15 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.

5. Preservation and Maintenance of Property; Construction under Rehabilitation Project; Borrower's Application; Leaseholds. Borrower shall not destroy, damage, substantially change the Property, allow the Property to deteriorate, or commit waste. Borrower shall maintain the Property in compliance with applicable municipal codes and with Property standards under the HOME Investment Partnerships Program, 24 CFR Part 92, §92.251, or as amended. Borrower shall complete on or before the construction deadline contained in the Loan Agreement for the rehabilitation project any building or buildings now or at any time in process of erection, construction, alteration, repair or rehabilitation upon said 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 16, 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 loans evidenced by the Note and Loan Agreement.

6. Protection of Lender's Rights in the Property. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, the Note, the Loan Agreement or fails to comply with the provisions of the HOME Program, 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 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 his 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, Lender does not have to do so.

Any amount disbursed by Lender under this paragraph shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall be payable, upon notice from Lender to Borrower requesting payment.

Notwithstanding that immediately upon lease of the Property Borrower shall pay all principal and all other sums secured by this Security Instruments, as additional security hereunder the Borrower hereby assigns to Lender the rents of the Property, until all of the foregoing sums have been paid.

7. Inspection. The Lender shall have the right to inspect or may cause the inspection of the Property at all reasonable times and access thereto shall be permitted for that purpose.

8. 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, 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.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner 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.

9. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment of the sums secured by this Security Instrument granted by Lender to any successor in interest of the 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 of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the Note, the Loan Agreement, or any part thereof, shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver but all of the terms, covenants, conditions and other provisions of this Security Instrument and of the Note and Loan Agreement shall survive and continue to remain in full force and effect. No waiver shall be asserted against Lender unless in writing signed by Lender.

10. 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. If there is more than one party as Borrower, each of Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note or Loan Agreement: (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, the Note or the Loan Agreement without that Borrower's consent.

11. 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 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.

12. Notices. Any notice provided for in this Security Instrument shall be deemed to have been given by delivering it or by mailing it by certified mail, unless applicable law requires use of another method. The notice shall be directed to the recipient's address stated herein or any other address Borrower or Lender designates by notice to the other.

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

14. Assignment by Lender. Lender may, without notice to or consent by Borrower, assign all or any portion of its interest hereunder and its rights granted herein and in the Note and Loan Agreement to any governmental entity, including the County of Cook, or to any person, trust, financial institution or corporation as Lender may determine and upon such assignment, such assignee shall thereupon succeed to all the rights, interests, and options of Lender herein and in the Note and Loan Agreement, and Lender shall thereupon have no further obligations or liabilities thereunder.

15. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement or provision in this Security Instrument, the Note, the Loan Agreement, the HOME Program, the County HOME Program, or the Sub-recipient's guidelines. 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, if applicable, after acceleration and the right to assert in the foreclosure proceeding the nonexistence 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 proceedings pursuing the remedies provided in this paragraph including, but not limited to, reasonable attorneys' fees and costs of title evidence.

16. 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 entry of a judgment enforcing this Security Instrument. Those conditions are that the Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note and the Loan Agreement had no acceleration occurred; (b) cures any default of any other covenants or agreements or provisions contained in this Security Instrument, the Note, Loan Agreement, or the HOME Program; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; (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; and (e) not use the provision more frequently than once every five years. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred.

17. 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 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 17, "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 17, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

18. Prior Mortgage. Borrower shall not be in default of any provision of any prior mortgage.

19. Lender in Possession. Upon acceleration under Paragraph 15 or abandonment of the property and at any time prior to the expiration of any period of redemption following judicial sale and at any time prior to repayment of all funds secured by this Security Instrument, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of, and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument. Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence of the taking of actual possession of the Property by Lender pursuant to this Paragraph 19. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Borrower.

20. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay all costs of recordation if any.

21. Incorporation of Note, Loan Agreement and HOME Investment Partnerships Program. The covenants or agreements of the Loan Agreement and the Note are incorporated herein. The provisions of the HOME Program, as amended, are incorporated herein as are the requirements of the Cook County HOME Program, the Sub-recipient's guidelines, the laws, ordinances, rules, regulations, Office of Management and Budget circulars and executive orders which are applicable to the HOME Program (collectively "applicable laws"). A failure to comply with any covenant or agreement or provision of this Security Instrument, the Loan Agreement, the Note, or the applicable laws is a default. All remedies provided for in this Security Instrument, the Loan Agreement and the Note are distinct and cumulative to any other right or remedy under this Security Instrument, the Loan Agreement, the Note, or afforded by law or equity, and may be exercised concurrently, independently, or successively.

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

23. No Offsets by Borrower. No offset or claim that Borrower now has or may have in the future against Lender shall relieve Borrower from paying any amounts due under the Note, the Loan Agreement or this Security Instrument or from performing any other obligations contained therein.

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.

25. Acknowledgment of Debt. Borrower shall furnish from time to time within fifteen (15) days after Lender's written request, a written statement, duly acknowledged, setting forth the amount secured by this Security Instrument and whether any alleged offsets or defenses exist against the indebtedness secured by this Security Instrument.

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 the Security Instrument.

 (Seal)

Rachael A. Carter - Borrower
SSN: 337-42-4450

 (Seal)

James Carter, husband of Rachael A. Carter is executing this document for the sole purpose of waiving his Homestead and Marital Rights.
SSN: 349-30-8233

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Page 9

STATE OF ILLINOIS, Cook County SS:

I, Cathleen M. Halwix, a Notary Public in and for said county and state, do hereby certify that Rachael A. Carter and James Carter, personally known to me to be the same person(s) whose name(s) is (are) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth, including the release and waiver of all right of homestead.

Given under my hand and official seal, this 11th day of April, 2001.

My Commission expires: February 21, 2005



Cathleen M. Halwix
Cathleen M. Halwix - Notary Public

This Document Prepared By: Peter La Porte

Mail To: West Suburban Neighborhood Preservation Agency
10031 W. Roosevelt Road Suite 101
Westchester, IL 60154

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