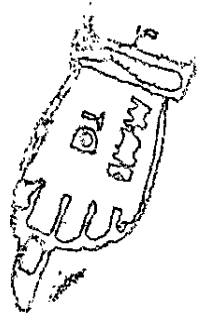


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2003-01-31 12:08:52
Cook County Recorder 34.50



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Return to: TCF National Bank
Consumer Lending Department
555 E. Butterfield Rd.
Lombard IL 60148

SPACE ABOVE RESERVED FOR RECORDING DATA

CONSUMER LOAN MORTGAGE

TCF NATIONAL BANK
ILLINOIS CONSUMER LENDING DEPARTMENT

Account Number: 092 - 106
File no. 70-01319733

NOTWITHSTANDING ANYTHING TO THE CONTRARY HEREIN, THE MAXIMUM PRINCIPAL INDEBTEDNESS SECURED BY THIS MORTGAGE IS

ONE HUNDRED SIXTY FIVE THOUSAND SEVEN HUNDRED SIX DOLLARS AND 60 CENTS

Dollars (\$165,706.60).

This **CONSUMER LOAN MORTGAGE** ("Mortgage") is made this 15th day of January, 2003, by JOSE G GALLARZO and MARIA GALLARZO AND JOSE S. GALLARZO, JOINT TENANTS

whose address is 4759 S TRIPP AVE CHICAGO IL 60632

(the "Borrower"), who grants, conveys, mortgages and warrants to TCF National Bank, a national banking association, 800 Burr Ridge Parkway, Burr Ridge, Illinois 60527 (the "Lender"), land and property in Cook County, Illinois, described as

SEE ATTACHED LEGAL DESCRIPTION

PREPARED BY: SERVANDO ANDRADE 555 E. BUTTERFIELD RD. LOMBARD, IL. 60148

street address: 4759 S TRIPP AVE CHICAGO IL 60632

PIN # 19-10-203-026-0000

together with all buildings, improvements, and fixtures on the property, whether now on the property or added in the future, and all easements and other rights that pertain to the property (collectively the "Property"). This Mortgage secures performance and payment under the terms of this Mortgage and Borrower's note dated the same date as this Mortgage in the principal amount of

ONE HUNDRED SIXTY FIVE THOUSAND SEVEN HUNDRED SIX DOLLARS AND 60 CENTS

Dollars (\$165,706.60), subject to any written amendments to the note agreed to by Lender and Borrower ("Note"). In addition to the indebtedness due under the Note, this Mortgage secures Protective Advances which may be in excess of the maximum principal amount stated above with interest thereon (collectively "Debt") and the performance of all covenants and agreements of Borrower contained herein. "Protective Advance" is defined as a payment made by Lender for performance of covenants of Borrower pertaining to insuring or preserving the Property upon Borrower's failure to perform. The full Debt, if not paid earlier, is due and payable on 02/01/2008. If the box preceding this sentence is checked, the interest rate under the Borrower's Note is variable and can change daily, as described in the Note.

Borrower promises and agrees:

1. To keep the Property in good repair, and to comply with all laws and ordinances, which effect the Property.

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2. To pay all taxes, assessments, and water bills levied on the Property and any other amounts which would become a senior Security Interest against the Property. "Security Interest" includes any lien, mortgage or other encumbrance.
3. To perform all obligations under any Security Interest on the Property. As of the date hereof, there exists no other Security Interest on the Property, other than as were disclosed to Lender on the title search and report or other title evidence obtained by Lender prior to accepting this Mortgage, or on Borrower's loan application.
4. To keep the Property insured against fire, windstorm, flood, and such other hazards as Lender may require, in an amount and manner with companies acceptable to Lender, and with the proceeds made payable in the policies to Lender as mortgagee, and to deliver such proof of insurance as Lender may require. Lender will apply any insurance proceeds to pay the Debt, unless Lender agrees in writing that the proceeds can be used differently. If Lender uses the proceeds to reduce the debt, Borrower will still have to make regular monthly payments until the Debt is satisfied. **Unless Borrower provides Lender with evidence of the insurance coverage required by Borrower's Agreement with Lender, Lender may purchase insurance at Borrower's expense to protect Lender's interests in Borrower's property ("Collateral"). 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 Collateral. Borrower may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by this Agreement. If Lender purchases insurance for the Collateral, Borrower will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in connection with the placement of the 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 or obligation. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on Borrower's own. Lender is not required to obtain the lowest cost insurance that might be available.**
5. That if all or part of the Property is condemned or taken by eminent domain, Borrower directs the party condemning or taking the Property to pay all of the money to Lender. Lender will apply the money to pay the Debt, unless Lender agrees in writing that the proceeds can be used differently. If Lender uses the money to reduce the Debt, Borrower will still have to make regular monthly payments until the Debt is satisfied.
6. That if Borrower fails to perform any of Borrower's obligations under this Mortgage, Lender may pay for the performance of such obligations. Any amount so paid and the cost of any title search and report made after any Default may be added to the Debt as a Protective Advance.
7. If Borrower is in default of any of the provisions of the Agreement or this Mortgage, then Lender at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding and may avail itself of all other rights available under applicable law. **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 Section 9 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 section, including but not limited to, the amount of the Debt outstanding, the costs and charges of such sale, reasonable attorneys' fees and costs of title evidence. In the event of any foreclosure or other sale under this Mortgage by virtue of judicial proceedings, advertisement, or otherwise, the Property may be sold in one parcel and as an entirety, or in such parcels, manner, or order as the Lender in its sole discretion may elect.
8. That the term "Default" means (a) Borrower's failure to comply with the terms of this Mortgage; or (b) Borrower's failure to meet the terms of the Note; or (c) Borrower's failure to comply with the terms of any Security Interest having priority over this Mortgage.

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The term "Lender" includes Lender's successors and assigns, and the term "Borrower" includes and binds the heirs, personal and legal representatives, successors, and assigns of the undersigned. If this Mortgage is signed by two or more persons, the obligations and Security Interest granted by this Mortgage shall be cumulative and in addition to any other remedies provided by law. Each person who signs this Mortgage is responsible for keeping all of the promises made by Borrower. Lender may choose to enforce its rights against anyone signing the Mortgage or against all of them. However, if someone signed this Mortgage, but signed the Note as collateral owner only, then that person will not be required to pay any amount under the Note, but will have signed only to grant, convey, mortgage and warrant any rights that person has in the Property. Also, Borrower may agree to extend, modify, forbear, or make any accommodations with regard to the Note or Mortgage without such collateral owner's consent.

9. That Borrower shall not assign or transfer the Property or any beneficial interest in the Property by deed, bond for deed, contract for deed, installment sales contract, escrow agreement, or other instruments, or in any manner whatsoever, without Lender's prior written consent. Lender's written consent is not required in the following circumstances:
 - (a) the creation of a lien or other encumbrance subordinate to Lender's Security Interest which does not relate to a transfer of rights of occupancy in the Property (provided that such lien or encumbrance is not created pursuant to a contract for deed);
 - (b) the creation of a purchase-money Security Interest for household appliances;
 - (c) a transfer by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety;
 - (d) the granting of a leasehold interest which has a term of three years or less and which does not contain an option to purchase (that is, either a lease of more than three years or a lease with an option to purchase violates this provision);
 - (e) a transfer, in which the transferee is a person who occupies or will occupy the Property, which is:
 - (i) a transfer to a relative resulting from the death of Borrower;
 - (ii) a transfer where the spouse or child(ren) becomes an owner of the Property; or
 - (iii) a transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement by which the spouse becomes an owner of the Property; or
 - (f) a transfer into an inter vivos trust in which Borrower is and remains the beneficiary and occupant of the Property, unless, as a condition precedent to such transfer, Borrower refuses to provide Lender with reasonable means acceptable to Lender by which Lender will be assured of timely notice of any subsequent transfer of the beneficial interest or change in occupancy.
10. That 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.
11. That if the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charge collected or to be collected in connection with the loan exceeds 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 outstanding Debt or by making a direct payment to Borrower. If a refund reduces the Debt, the reduction will be treated as a partial pre-payment, without any prepayment charge under the Note.
12. That this Mortgage, and any actions arising out of this Mortgage, are governed by Illinois law to the extent not preempted by federal law. If any provision of this Mortgage is found to be unenforceable, all other provisions will remain in full force and effect. Lender's failure to exercise any right or remedy under this Mortgage will not waive Lender's rights in the future.
13. That upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrower shall pay any recordation costs. Lender may charge Borrower a fee for releasing this Security Instrument, but only if the fee is paid to a third party for services rendered and the charging of the fee is permitted under Applicable Law.

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Riders. The following Riders are to be executed by the Borrower:

Condominium Rider

Planned Unit Development Rider

Balloon Rider

BY SIGNING BELOW, BORROWER HAS SIGNED AND DELIVERED THIS MORTGAGE AS OF THE DATE FIRST WRITTEN ABOVE AND HEREBY RELEASING AND WAIVING ALL RIGHTS UNDER AND BY VIRTUE OF THE HOMESTEAD EXEMPTION LAWS OF THIS STATE.

Borrower:

Jose J. Gallarzo
(signature)
JOSE G GALLARZO

(type or very clearly print name)

Maria Gallarzo
(signature)
MARIA GALLARZO

(type or very clearly print name)

Jose J. Gallarzo
JOSE J. GALLARZO

State of Illinois)
County of Cook) ss.

The foregoing instrument was acknowledged before me this 15th day of January, 2003, by JOSE G. GALLARZO and MARIA G. GALLARZO AND JOSE J. GALLARZO
JOINT TENANTS

Servando Andrade
Notary Public
Cook County,
My commission expires: Sept. 19, 2006

This instrument was drafted by:
TCF National Bank
800 Burr Ridge Parkway
Burr Ridge, IL 60527



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BALLOON RIDER AND NOTE ADDENDUM (CONDITIONAL RIGHT TO REFINANCE)

THIS BALLOON RIDER AND NOTE ADDENDUM is made this 15th day of January, 2003, and is incorporated into and shall be deemed to amend and supplement the Note and the Mortgage, Deed of Trust, or Security Deed (the "Security Instrument") of the same date given by the undersigned ("Borrower") to secure the Note to TCF National Bank ("Lender") of the same date and covering the property described in the Security Instrument and located at:

4759 S TRIPP AVE CHICAGO IL 60632

(Property Address)

The annual interest rate stated on the Note is called the "Note Rate." The date of the Note is called the "Note Date." You understand Lender may transfer the Note, Security Instrument, and this Balloon Rider and Note Addendum. Lender or anyone who takes the Note, the Security Instrument, and this Balloon Rider and Note Addendum by transfer and who is entitled to receive payments under the Note is called the "Note Holder."

ADDITIONAL COVENANTS. In addition to the covenants and agreements in the Security Instrument and the Note, Borrower and Lender further covenant and agree as follows (despite anything to the contrary contained in the Security Instrument or the Note):

1. CONDITIONAL RIGHT TO REFINANCE

At the final payment due date of the Note and Security Instrument (the "Maturity Date"), you will be able to obtain a new loan ("New Loan") with a new Maturity Date of 02/01/2033 and with an annual interest rate equal to the "New Note Rate" determined in accordance with Section 3 below if all the conditions provided in Section 2 and 5 below are met (the "Conditional Refinancing Option"). **IF THOSE CONDITIONS ARE NOT MET, YOU UNDERSTAND THAT THE NOTE HOLDER IS UNDER NO OBLIGATION TO REFINANCE OR MODIFY THE NOTE, OR TO EXTEND THE MATURITY DATE AND THAT YOU WILL HAVE TO REPAY THE NOTE FROM YOUR OWN RESOURCES OR FIND A LENDER, WHICH MAY BE THE LENDER YOU HAVE THIS LOAN WITH, WILLING TO LEND YOU THE MONEY TO REPAY THE NOTE. IF YOU REFINANCE THIS LOAN AT MATURITY, YOU MAY HAVE TO PAY SOME OR ALL OF THE CLOSING COSTS NORMALLY ASSOCIATED WITH A NEW LOAN EVEN IF YOU OBTAIN REFINANCING FROM THE SAME LENDER.**

2. CONDITIONS TO OPTION

If you want to exercise the Conditional Refinancing Option at maturity, certain conditions must be met as of the Maturity Date. These conditions are: (a) You must still be the owner and occupant of the property subject to the Security Instrument (the "Property"); (b) You must be current in your monthly payments and cannot have been more than 30 days late on any of the 12 scheduled monthly payments immediately preceding the Maturity Date; (c) You must make a written request to the Note Holder as provided in Section 5 below; (d) Lender must be able to obtain the same or better lien position on the Property; (e) You must have not filed bankruptcy during the term of the Note; and (f) You must meet Lender's then current standard underwriting guidelines for a first mortgage which Lender reserves the right to change.

3. CALCULATING THE NEW NOTE RATE

The New Note Rate will be the best first mortgage fixed annual interest rate installment you qualify for offered by Lender based on Lender's then current pricing guidelines.

4. CALCULATING THE NEW PAYMENT AMOUNT

Provided all conditions required in Section 2 above are satisfied, the Note Holder will determine the amount of the monthly payment that will be sufficient to repay in full (a) the unpaid principal, plus (b) accrued but unpaid interest, plus (c) all other sums you will owe under the Note and Security Instrument on the Maturity Date (assuming your monthly payments then are current, as required under Section 2 above), over the term of the New Note at the New Note Rate in equal monthly payments. The result of this calculation will be the amount of your new principal and interest payment every month until the New Note is fully paid.

5. EXERCISING THE CONDITIONAL REFINANCING OPTION

The Note Holder will notify you at least 60 calendar days in advance of the Maturity Date and advise you of the principal, accrued but unpaid interest, and all other sums you are expected to owe on the Maturity Date. The Note Holder also will advise you that you may exercise the Conditional Refinancing Option if the conditions in Section 2 above are met. The Note Holder will provide your payment record information, together with the name, title, and address of the person representing the Note Holder that you must notify in order to exercise the Conditional Refinancing Option. If you meet the conditions of Section 2 above, you may exercise the Conditional Refinancing Option by notifying the Note Holder no later than 45 calendar days prior to the Maturity Date. The Note Holder will calculate the New Note Rate based upon its then current pricing guidelines and as calculated in Section 3 above. You will then have 30 calendar days to provide the Note Holder with acceptable proof of your required ownership and occupancy. Before the Maturity Date, the Note Holder will advise you of the new interest rate (the New Note Rate), new monthly payment amount, and a date, time, and place at which you must appear to sign any documents required to complete the required refinancing. You understand the Note Holder will charge the costs associated with updating the title insurance policy, if any.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Balloon Rider and Note Addendum.

Jose G Gallarzo (Seal)
JOSE G GALLARZO Borrower

_____(Seal)
Borrower

_____(Seal)
Borrower

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SCHEDULE "A"

LOT 26 IN BLOCK 1 IN ARCHER HIGHLANDS, BEING H.H. WESSEL AND COMPANY'S SUBDIVISION OF THE WEST HALF OF THE NORTHEAST QUARTER (EXCEPT THE WEST 2 ACRES) OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

TAX ID# 19-10-203-026

Property of Cook County Clerk's Office

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