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COOK COUNTY, ILLINOIS

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MORTGAGE

\$ 17.00

THIS MORTGAGE ("Security Instrument") is given on January 8,
 1991. The mortgagor is David A. Walters and Mary L. Walters, his wife
American Chartered Bank of Lake Zurich ("Borrower"). This Security Instrument is given to
459 South Rand Road, Lake Zurich, Illinois 60047, which is organized and existing
 under the laws of the State of Illinois, and whose address is 60047 ("Lender").
 Borrower owes Lender the principal sum of *Three Hundred Sixty Seven Thousand and NO/100*
Dollars (U.S. \$ *367,000.00*). 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 January 8, 1996. This Security Instrument
 secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and
 modifications; (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 64 IN INVERNESS HILLS, A SUBDIVISION OF THE WEST 1/2 OF THE
 SOUTH EAST 1/4 OF SECTION 7, TOWNSHIP 42 NORTH, RANGE 10 EAST OF
 THE THIRD PRINCIPAL MERIDIAN, AND OF THE NORTH WEST 1/4 OF THE
 NORTH EAST QUARTER OF SECTION 18, TOWNSHIP 42, NORTH, RANGE 10,
 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT TAX NO. 02-07-405-016

which has the address of 1520 Gailoway Inverness
[Street] [City]
 Illinois 60010 ("Property Address");
[Zip Code]

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, 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.

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.

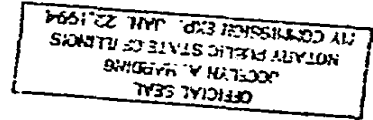
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(Space Below This Line Reserved For Lender and Recorder)



My Commission expires: _____
 Given under my hand and official seal, this 8th day of January, 1991
 set forth.

signed and delivered the said instrument as free and voluntary act, for the uses and purposes therein
 subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he is
 personally known to me to be the same person(s) whose name(s) are

do hereby certify that David A. Walters & Mary L. Walters
 Notary Public in and for said county and state.

STATE OF ILLINOIS, County ss: McHenry
Mary L. Walters
 (Seal) Borrower

David A. Walters
 (Seal) Borrower
 American Chartered Bank of Lake Zurich
 459 South Rand Road
 Lake Zurich, Illinois 60047

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.

- THIS DOCUMENT WAS PREPARED BY: James Scully
 American Chartered Bank of Lake Zurich
 459 South Rand Road
 Lake Zurich, Illinois 60047
- Adjustable Rate Rider
 Graduated Payment Rider
 Other(s) [specify] _____
 Condominium Rider
 2-4 Family Rider
 Planned Unit Development Rider

Instrument. [Check applicable box(es)]
 23. 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.

22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.
 Instrument without charge to Borrower. Borrower shall pay any recordation costs.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security
 receiver's bonds and reasonable attorneys' fees, and then to the sums secured by this Security Instrument.
 costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on
 the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the
 appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of

20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time
 but not limited to, reasonable attorneys' fees and costs of title evidence.
 Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including,

19. Acceleration Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's
 breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17
 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the
 and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums
 secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further
 inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-
 existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or
 before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by
 this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding.
 Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including,

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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 insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. 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.

9. 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 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.

10. 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.

11. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

12. 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.

13. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument and may invoke any remedies permitted by paragraph 19. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of paragraph 17.

14. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

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

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

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

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

18. Borrower's Right to Reinstate. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before sale of the Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrower: (a) pays Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrower's obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrower, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 17.

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

2. Funds for Taxes and Insurance. Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments are due under the Note until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which this Security Instrument may estimate the Funds due on the mortgage insurance premiums, if any; (b) yearly hazard insurance premiums; and (c) yearly hazard insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing that interest shall be paid on the Funds. 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. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of Funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 19 the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

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

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

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

5. Hazard 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 for which Lender requires insurance. This insurance shall be maintained in the amount, 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.

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 access paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30 day period will begin when the notice is given.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. 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 to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

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

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ADJUSTABLE RATE RIDER

THIS ADJUSTABLE RATE RIDER is made this 8th day of January, 1991, and is incorporated into and shall be deemed to amend and supplement the Mortgage (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to AMERICAN CHARTERED BANK OF LAKE ZURICH, LAKE ZURICH, ILLINOIS, an Illinois banking corporation (the "Bank") of the same date and covering the property described in the Security Instrument and located at 1520 Galloway, Inverness, Illinois 60010.

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT.

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

1. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The initial interest rate is based upon the January 8, 1991 prime rate, plus one-half percent. The Note provides for changes in the initial interest rate and the monthly payment, as follows:

(A) CHANGE DATES, THE INDEX, AND CALCULATION OF CHANGES

We agree that the initial interest rate shall be increased or decreased immediately upon any change to the rate or interest announced or published publicly from time to time by AMERICAN CHARTERED BANK OF LAKE ZURICH as its prime or equivalent rate of interest (the "Prime Rate") on Change Date. Interest rate of this note shall always be 0.5% above said Prime Rate.

(B) EFFECTIVE DATE OF CHANGES

Our new interest rate will become effective on each Change Date. We will pay the amount of our new monthly payment on the first monthly payment date after the Change Date until the amount of our monthly payment changes again.

(C) NOTICE OF CHANGES

The Note Holder will deliver or mail to us a notice of any changes in our interest rate the amount of our monthly payment before the effective date of any change. The notice will include information required by law to be given us and also the title and telephone number of a person who will answer any questions we may have regarding the notice.

2. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

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Uniform Covenant of the Security Instrument is amended to read as follows:

TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Bank's prior written consent, Bank 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 Bank if exercise is prohibited by federal law as of the date of this Security Instrument. Bank also shall not exercise this option if: (a) Borrower causes to be submitted to Bank information required by Bank to evaluate the intended transferee as if a new loan was being made to the transferee; and (b) Bank reasonably determines that Bank's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Bank.

To the extent permitted by applicable law, Bank may charge a reasonable fee as a condition to Bank's consent to the loan assumption. Bank may also require the transferee to sign an assumption agreement that is acceptable to Bank and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument unless Bank releases Borrower in writing.

If Bank exercises the option to require immediate payment in full, Bank shall give Borrower notice of acceleration. This 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, Bank may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

THIS LOAN IS PAYABLE IN FULL ON JANUARY 8, 1991. YOU MUST REPAY THE ENTIRE PRINCIPAL BALANCE OF THE LOAN AND UNPAID INTEREST THEN DUE. THE BANK IS UNDER NO OBLIGATION TO REFINANCE THE LOAN AT THAT TIME. YOU WILL, THEREFORE, BE REQUIRED TO MAKE PAYMENT OUT OF OTHER ASSETS YOU MAY OWN, OR YOU WILL HAVE TO FIND A LENDER, WHICH MAY BE THE BANK YOU HAVE THIS LOAN WITH, WILLING TO LEND YOU THE MONEY. 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 BANK.

By: David A. Walters
David A. Walters

Mary L. Walters
Mary L. Walters

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