

THIS MORTGAGE ("Security Instrument") is given on DECEMBER 19, 1992. The Mortgagee is WILLIAM J. DONOVAN AND CAROLYN A. DONOVAN, HIS WIFE ("Borrower"). This Security Instrument is given to A.J. SMITH FEDERAL SAVINGS BANK, which is organized and existing under the laws of the United States of America, and whose address is 14757 South Cicero Avenue, Midlothian, Illinois 60445 ("Lender"). Lender has agreed to loan to Borrower pursuant to the Adjustable Revolving Credit Note ("Note") of even date the sum of \$46,500.00 ("Line of Credit Amount"), which Note provides for monthly payments, with the full debt, if not paid earlier due and payable on DECEMBER 15, 1997. The Note evidences a "revolving credit" as defined in Illinois Revised Statutes, Chapter 17, Paragraph 6-05. This Security Instrument secures not only the existing indebtedness, if any, but also future advances, whether such advances are obligatory or are made at the option of Lender, or otherwise, as are made within FIVE (5) years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this Security Instrument, although there may be no advance made at the time of execution of this Security Instrument and although there may be an indebtedness outstanding at the time any advance is made. 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 110 IN TIERNA GRANDE UNIT NUMBER 2, BEING A SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF SECTION 3, TOWNHIP 35 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. P.I.N.#: 31-03-406-010 which has the address of 1202 S. KERRICK, COUNTRY CLUB HILLS, ILLINOIS 60477. ("Property Address")

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, minerals, 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 and pay the cost of defending against all claims and demands, subject to any encumbrances of record. UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

ADJUSTABLE REVOLVING CREDIT MORTGAGE

A.J. SMITH FEDERAL SAVINGS BANK  
14757 SOUTH CICERO AVENUE  
MIDLOTHIAN, IL 60445

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OF

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Handwritten signature/initials

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4. Borrower shall pay all taxes, assessments, charges, fines and obligations attributable to the property which may attach to 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 evincing the payments.

Borrower shall promptly discharge any lien which has priority over the security instrument unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the lender's option operate to prevent the enforcement of the lien or forfeiture of any part of the property; 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 to the property, 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 not 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 period 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 renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewals. 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 sum secured by this security instrument, whether or not not answer within 30 days a notice from the lender that the insurance carrier has offered to settle a claim, the 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, with any excess paid to Borrower. If Borrower abandons the property, or does not answer within 30 days a notice from the lender that the insurance carrier has offered to settle a claim, the 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.

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 sum 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. Borrower shall not perform the covenants and agreements contained in this security instrument, or there is a legal proceeding that may adversely affect Lender's rights in the property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), the 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 amount disbursed by Lender under this paragraph 7 shall become additional debt to 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.

7. Lender requested 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 specifically relating to 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 sum 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 sum 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 sum 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 sum 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 shall not be required to commence proceedings against any successor in interest or release the liability of the original Borrower or Lender. Borrower's successor in interest or Lender shall not be required to commence proceedings against any successor in interest or release the liability of the original Borrower or Lender. 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 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 accommodation with regard to the terms of this Security Instrument or the Note without that Borrower's consent to a 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 charges 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 shall be refunded to Borrower. Lender may choose to make the 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. Legal action 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 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 at the 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 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; assumption. It is the intent of the parties to an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant, (d) the grant of any leasehold interest of three years or less not containing an option to purchase, (e) a transfer to a relative resulting from the death of a Borrower, (f) a transfer where the spouse or children of the Borrower become an owner of the property, (g) an agreement, or from an incidental property settlement agreement, by which the spouse of the Borrower becomes an owner of the property, (h) a transfer resulting from a divorce or a dissolution of marriage, legal separation or agreement, or from an incidental property settlement agreement, by which the spouse of the Borrower becomes an owner of the property, (i) a transfer where the spouse or children of the Borrower become an owner of the property, or (j) a transfer into a later living trust in which the Borrower is and remains a beneficiary and which does not relate to a transfer of rights of occupancy in the property, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate it, prior to the sale or transfer, Lender and the person to whom the property is to be sold or transferred each agree in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance herewith. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by this Mortgage.

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 would then 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 attorney's fees; and (d) takes such action as Lender may reasonably require to ensure 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 are not affected by this Security Instrument. Upon reinstatement the sums secured by this Security Instrument shall be as if no default had occurred.

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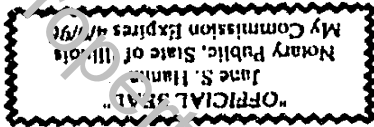
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COOK COUNTY, ILLINOIS  
FILED FOR RECORD  
DEC 23 PM 1:50

A. J. SMITH FEDERAL SAVINGS BANK  
14757 SOUTH CICERO AVENUE  
MIDLOTHIAN, IL 60443

THIS INSTRUMENT WAS PREPARED BY AND RETURN TO:



*June S. Hanna*  
NOTARY PUBLIC

Witness my hand and official seal this 19TH day of DECEMBER, 1992.

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that WILLIAM J. DONOVAN and CAROLYN A. DONOVAN, his wife, personally appeared before me and he (she) known or proved to me to be the person(s) who, being informed of the contents of the foregoing instrument, have executed same, and acknowledged said instrument for the purposes and uses therein set forth.

STATE OF ILLINOIS  
COUNTY OF COOK

\_\_\_\_\_  
(SEAL)  
WILLIAM J. DONOVAN  
\_\_\_\_\_  
(SEAL)  
CAROLYN A. DONOVAN

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.

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 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, 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 but not limited to, reasonable attorney's fees and costs of title evidence. 20. Lender in possession. Upon acceleration under paragraph 19 or abandonment of the property and at any time prior to the expiration of any period of redemption following judicial sale, 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 Security Instrument, a bond and reasonable attorney's fees, and then to the sums secured by this Security Instrument. 21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recording costs. 22. Waiver of Homestead. Borrower waives all right of homestead exemption in the property.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:  
shall not apply in the case of acceleration under paragraphs 13 or 17. fully effective as if no acceleration had occurred. However, this right to reinstate by Borrower, this Security Instrument and the obligations secured hereby shall remain

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