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RECORD AND RETURN TO:
ANCHOR MORTGAGE CORPORATION

535 TOLLGATE ROAD
ELGIN, ILLINOIS 60123

NA600157
MM-ML

DEPT-01 RECORDING 537.50
TRAN 4245 03/07/96 15:09:09
4027 + C.J. # - 96 - 174817
COOK COUNTY RECORDER

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State of Illinois
29-100003

MORTGAGE

FHA Case No.
131:8225614-734-C

THIS MORTGAGE ("Security Instrument") is given on
ADRIAN L. SMITH, AN UNMARRIED PERSON

FEBRUARY 28, 1996

The Mortgagor is

571 SHELLY COURT, WHEELING, ILLINOIS 60090
("Borrower"). This Security Instrument is given to

ANCHOR MORTGAGE CORPORATION

which is organized and existing under the laws of THE STATE OF ILLINOIS, and whose
address is 535 TOLLGATE ROAD
ELGIN, ILLINOIS 60123
SIXTY EIGHT THOUSAND ONE HUNDRED AND 00/100

Dollars (U.S. \$ 68,100.00).
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 MARCH 1, 2026
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 6 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

SEE ATTACHED RIDER FOR LEGAL DESCRIPTION

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which has the address of 1972 KENILWORTH CIRCLE, HOFFMAN ESTATES (Street, City),
Illinois 60195 (Zip Code) ("Property Address");

4R(IL) (9406)

FHA Illinois Mortgage - 4/92

VMP MORTGAGE FORMS - (800162)-7291

Rev. 08-18-94

DPS 1609

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3. Application of Payments. All payments under paragraphs 1 and 2 shall be applied by Lender as follows:

- First, to the mortgage insurance premium to be paid by Lender to the Secretary or to the monthly charge instead of the monthly mortgage insurance premium;
- Second, to any taxes, special assessments, leasehold payments or ground rents and fire, flood and other premiums, as required;
- Third, to interest due under the Note;
- Fourth, to amortization of the principal of the Note;
- Fifth, to late charges due under the Note.

The Escrow Funds are pledged as additional security for all sums secured by this Security Instrument. Lender shall promptly refund any excess funds to Borrower immediately prior to a foreclosure sale of the Property or its acquisition by Lender. Borrower's account shall be credited with any balance remaining for a items (a), (b), and (c).

If the amounts held by Lender for Escrow Items exceed the amounts permitted to be held by RESPA with the excess funds as required by RESPA. If the amounts of funds held by Lender at any time are not permitted by RESPA.

Lender may, at any time, collect and hold amounts for Escrow Items in an aggregate amount not to exceed the amount that may be required by Borrower's escrow account under the Real Estate Settlement Procedure Act (RESPA), except that the cushion or reserve permitted by RESPA for anticipated disbursements or other Borrower's payments are available in the account may not be based on amounts due for the mortgage insurance

2. Monthly Payment of Taxes, Insurance and Other Charges. Borrower shall include in each payment together with the principal and interest as set forth in the Note and any late charges, a sum for (a) taxes levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and insurance required under paragraph 4. In any year in which the Lender must pay a mortgage insurance premium, Lender shall hold the Security Instrument ("Security"), or in any year in which such premium would be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium to be paid by Lender to the Secretary, in a reasonable amount to be determined by the Secretary. These items are called "Escrow Items" and the sums paid to Lender are called "Escrow Items" and the sums paid to Lender are called "Escrow Items".

1. Payment of Principal, Interest and Late Charge. Borrower shall pay when due the principal of the debt evidenced by the Note and late charges due under the Note.

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

TOGETHER WITH all the improvements now or hereafter erected on the property, and all fixtures, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures, part of the property. All replacements and additions shall also be covered by this Security Instrument. A referred to in this Security Instrument as the "Property."

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RIDER - LEGAL DESCRIPTION

PARCEL 1:

UNIT NUMBER 1972-B, IN THE HUNTINGTON CLUB IV CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

LOT 2 IN BLOCK 16, BEING A SUBDIVISION IN PARTS OF SECTIONS 5 AND 8, TOWNSHIP 41 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 15, 1993 AS DOCUMENT NUMBER 93924435, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED SEPTEMBER 27, 1994, AS DOCUMENT NUMBER 94839140 TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

PERPETUAL, NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCEL 1, OVER, THROUGH AND UPON THE LAND DESCRIBED IN THAT DECLARATION OF EASEMENTS, RESTRICTIONS AND COVENANTS FOR HILDALE ROAD ASSOCIATION DATED AS OF SEPTEMBER 1, 1979 AND RECORDED AND FILED RESPECTIVELY AS DOCUMENT NUMBER 25214474 AND LR 3143390. FOR THE PURPOSE OF REASONABLE INGRESS AND EGRESS TO AND FROM ALL OR ANY PART OF PARCEL 1 AND OTHER PROPERTIES AS THEREIN DESCRIBED.

PARCEL 3:

PERPETUAL NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCELS 1, OVER THROUGH AND UPON THE COMMON AREAS AND COMMUNITY FACILITIES AS DESCRIBED IN THAT DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS FOR HUNTINGTON CLUB MASTER HOMEOWNERS ASSOCIATION RECORDED NOVEMBER 18, 1993 AS DOCUMENT NUMBER 93943916 FOR THE PURPOSES SET FORTH THEREIN.

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THE MORTGAGOR ALSO HEREBY GRANTS TO THE MORTGAGEE, ITS SUCCESSORS AND ASSIGNS, AS RIGHT AND EASEMENTS APPURTENANT TO THE SUBJECT UNIT DESCRIBED HEREIN, THE RIGHTS AND EASEMENTS FOR THE BENEFIT OF SAID UNIT SET FORTH IN THE DECLARATION OF CONDOMINIUM.

THIS MORTGAGE IS SUBJECT TO ALL RIGHTS, EASEMENTS AND COVENANTS, RESTRICTIONS, AND RESERVATIONS CONTAINED IN SAID DECLARATION THE SAME AS THOUGH THE PROVISIONS OF SAID DECLARATION WERE RECITED AND STIPULATED AT LENGTH HEREIN.

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Property of Cook County Clerk's Office

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4. Fire, Flood and Other Hazard Insurance. Borrower shall insure all improvements on the Property, whether now in existence or subsequently erected, against any hazards, casualties, and contingencies, including fire, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. Borrower shall also insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by the Secretary. All insurance shall be carried with companies approved by Lender. The insurance policies and any renewals shall be held by Lender and shall include loss payable clauses in favor of, and in a form acceptable to, Lender.

In the event of loss, Borrower shall give Lender immediate notice by mail. Lender may make proof of loss if not made promptly by Borrower. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Lender, instead of to Borrower and to Lender jointly. All or any part of the insurance proceeds may be applied by Lender, at its option, either (a) to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order in paragraph 3, and then to prepayment of principal, or (b) to the restoration or repair of the damaged Property. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments which are referred to in paragraph 2, or change the amount of such payments. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Security Instrument or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Borrower in and to insurance policies in force shall pass to the purchaser.

5. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leaseholds. Borrower shall occupy, establish, and use the Property as Borrower's principal residence within sixty days after the execution of this Security Instrument and shall continue to occupy the Property as Borrower's principal residence for at least one year after the date of occupancy, unless the Secretary determines this requirement will cause undue hardship for Borrower, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall notify Lender of any extenuating circumstances. Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the Property if the Property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned Property. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loan evidenced by the Note, including, but not limited to, representations concerning Borrower's occupancy of the Property as a principal residence. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

6. Charges to Borrower and Protection of Lender's Rights in the Property. Borrower shall pay all governmental or municipal charges, fines and impositions that are not included in paragraph 2. Borrower shall pay these obligations on time directly to the entity which is owed the payment. If failure to pay would adversely affect Lender's interest in the Property, upon Lender's request Borrower shall promptly furnish to Lender receipts evidencing these payments.

If Borrower fails to make these payments or the payments required by paragraph 2, or fails to perform any other 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, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in paragraph 2.

Any amounts disbursed by Lender under this paragraph shall become an additional debt of Borrower and be secured by this Security Instrument. These amounts shall bear interest from the date of disbursement, at the Note rate, and at the option of Lender, shall be immediately due and payable.

7. 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 place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in paragraph 3, and then to prepayment of principal. Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are

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11. Borrower Not Released; Forbearance By Lender Not a Waiver. Extension of the time of payment or modification 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 successor in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

10. Reinstatement. Borrower has a right to be reinstated if Lender has required immediate payment in full because of Borrower's failure to pay an amount due under the Note or this Security Instrument. This right applies even after foreclosure proceedings are instituted. To reinstate the Security Instrument, Borrower shall tender in a lump sum all amounts required to bring Borrower's account current including, to the extent they are obligations of Borrower under this Security Instrument, foreclosure costs and reasonable and customary attorneys' fees and expenses properly associated with the foreclosure proceeding. Upon reinstatement by Borrower, this Security Instrument and the obligations that it secures shall remain in effect as if Lender had not required immediate payment in full. However, Lender is not required to permit reinstatement if: (i) Lender has accepted reinstatement after the commencement of foreclosure proceedings within two years immediately preceding the commencement of a current foreclosure proceeding; (ii) reinstatement will preclude foreclosure on different grounds in the future; or (iii) reinstatement will adversely affect the priority of the lien created by this Security Instrument.

(e) Mortgage Not Insured. Borrower agrees that should this Security Instrument and the Note secured thereby not be eligible for insurance under the National Housing Act within 60 days from the date hereof, Lender may, at its option and notwithstanding anything in paragraph 9, require immediate payment in full of all sums secured by this Security Instrument. A written statement of any authorized agent of the Secretary dated subsequent to 60 days from the date hereof, declining to insure this Security Instrument and the Note secured thereby, shall be deemed conclusive proof of such ineligibility. Notwithstanding the foregoing, this option may not be exercised by Lender when the unavailability of insurance is solely due to Lender's failure to remit a mortgage insurance premium to the Secretary.

(d) Regulations of HUD Secretary. In many circumstances regulations issued by the Secretary will limit Lender's rights in the case of payment defaults to require immediate payment in full and foreclosure if not paid. This Security Instrument does not authorize acceleration or foreclosure if not permitted by regulations of the Secretary.

(c) No Waiver. If circumstances occur that would permit Lender to require immediate payment in full, but Lender does not require such payments, Lender does not waive its rights with respect to subsequent events.

(b) Sale Without Credit Approval. Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if: (i) All or part of the Property, or a beneficial interest in a trust owning all or part of the Property, is sold or otherwise transferred (other than by devise or descent) by the Borrower, and (ii) The Property is not occupied by the purchaser or grantee as his or her principal residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

(a) Default. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if: (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment, or (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

9. Grounds for Acceleration of Debt.

8. Fees. Lender may collect fees and charges authorized by the Secretary. Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, referred to in paragraph 2, or charge the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

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12. **Successors and Assigns Bound; Joint and Several Liability; Co-Signers.** The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of paragraph 9.b. 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.

13. **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 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.

14. **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.

15. **Borrower's Copy.** Borrower shall be given one conformed copy of this Security Instrument.

16. **Assignment of Rents.** Borrower unconditionally assigns and transfers to Lender all the rents and revenues of the Property. Borrower authorizes Lender or Lender's agents to collect the rents and revenues and hereby directs each tenant of the Property to pay the rents to Lender or Lender's agents. However, prior to Lender's notice to Borrower of Borrower's breach of any covenant or agreement in the Security Instrument, Borrower shall collect and receive all rents and revenues of the Property as trustee for the benefit of Lender and Borrower. This assignment of rents constitutes an absolute assignment and not an assignment for additional security only.

If Lender gives notice of breach to Borrower: (a) all rents received by Borrower shall be held by Borrower as trustee for benefit of Lender only, to be applied to the sums secured by the Security Instrument; (b) Lender shall be entitled to collect and receive all of the rents of the Property; and (c) each tenant of the Property shall pay all rents due and unpaid to Lender or Lender's agent on Lender's written demand to the tenant.

Borrower has not executed any prior assignment of the rents and has not and will not perform any act that would prevent Lender from exercising its rights under this paragraph 16.

Lender shall not be required to enter upon, take control of or maintain the Property before or after giving notice of breach to Borrower. However, Lender or a judicially appointed receiver may do so at any time there is a breach. Any application of rents shall not cure or waive any default or invalidate any other right or remedy of Lender. This assignment of rents of the Property shall terminate when the debt secured by the Security Instrument is paid in full.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

17. **Foreclosure Procedure.** If Lender requires immediate payment in full under paragraph 9, Lender 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 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

18. **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 recordation costs.

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

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This Instrument was prepared by: (LAW) APRIL 1995

ELIZABETH CAMPBELL

My Commission Expires: 5/1/98
OFFICIAL SEAL
MAY LOU LOFTUS
Notary Public, State of Illinois
My Commission Expires: 28TH

My Commission Expires: 5/1/98

Mary Douglas Estabrook
day of FEBRUARY 1996

Given under my hand and official seal, this 28TH day of FEBRUARY 1996, I, the undersigned, subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he personally known to me to be the same person(s) whose name(s) signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

ADRIAN L. SMITH, AN UNMARRIED PERSON, a bachelor

STATE OF ILLINOIS, THE UNDERSIGNED, a Notary Public in and for said county and state do hereby certify

County ss: COOK

(Seal) Borrower

(Seal) Borrower

(Seal) Borrower
ADRIAN L. SMITH
Adrian L. Smith

Witnesses:

BY SIGNING BELOW, Borrower accepts and agrees to the terms contained in this Security Instrument and in any riders executed by Borrower and recorded with it.

20. Riders to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants 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.
[Check applicable box(es)]
 Condominium Rider
 Planned Unit Development Rider
 Graduated Payment Rider
 Growing Equity Rider
 Other (Specify)

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FHA Case No.

131:8225614-734-C

CONDOMINIUM RIDER

THIS CONDOMINIUM RIDER is made this **28TH** day of **FEBRUARY**, **1996**, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed ("Security Instrument") of the same date given by the undersigned ("Borrower") to secure Borrower's Note to

ANCHOR MORTGAGE CORPORATION

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

1972 KENILWORTH CIRCLE, HOFFMAN ESTATES, ILLINOIS 60195
(Property Address)

The Property Address includes a unit in, together with an undivided interest in the common elements of, a condominium project known as:

HUNTINGTON CLUB

(Name of Condominium Project)

("Condominium Project"). If the owners' association or other entity which acts for the Condominium Project ("Owners' Association") holds title to property for the benefit or use of its members or shareholders, the Property also includes Borrower's interest in the Owners' Association and the uses, proceeds and benefits of Borrower's interest.

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

- A. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring all property subject to the condominium documents including all improvements now existing or hereafter erected on the Property, and such policy is satisfactory to Lender and provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and other hazards included within the term "extended coverage," and loss by flood, to the extent required by the Secretary, then: (i) Lender waives the provision in Paragraph 2 of this Security Instrument for the monthly payment to Lender of one-twelfth of the yearly premium installments for hazard insurance on the Property, and (ii) Borrower's obligation under Paragraph 4 of this Security Instrument to maintain hazard insurance coverage on the Property is deemed satisfied to the extent that the required coverage is provided by the Owners Association policy. Borrower shall give Lender prompt notice of any lapse in required hazard insurance coverage and of any loss occurring from a hazard. In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, whether to the condominium unit or to the common elements, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender for application to the sums secured by this Security Instrument, with any excess paid to the entity legally entitled thereto.
- B. Borrower promises to pay Borrower's allocated share of the common expenses or assessments and charges imposed by the Owners Association, as provided in the condominium documents.

FHA Multifamily Condominium Rider - 2/91

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VMP MORTGAGE FORMS - 10/1/97-9/00 - 800621-1297

DPS 1489

Initials

[Signature]

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Space Below This Line Reserved for Acknowledgment

Borrower (Seal)

Borrower (Seal)

ADRIAN L. SMITH

Adrian L. Smith

BY SIGNING BELOW, Borrower accepts and agrees to the terms and provisions contained in this Condominium Rider.

C. If Borrower does not pay condominium dues and assessments when due, then Lender may pay them. Any amounts disbursed by Lender under this paragraph C shall become additional debt of Borrower secured by the 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.