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Prepared by: LORI RITE
RECORD AND RETURN TO:
BALTIMORE FINANCIAL BANCORP, INC.
1540 EAST DUNDEE ROAD, #180
PALATINE, ILLINOIS 60067

kw N9701872
Loan No. 957578

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on December 29, 1997. The mortgagor is CHARLES M. SMITH, SINGLE

("Borrower"). This Security Instrument is given to BALTIMORE FINANCIAL BANCORP, INC.

which is organized and existing under the laws of THE STATE OF ILLINOIS, and whose address is 1540 EAST DUNDEE ROAD, #180, PALATINE, ILLINOIS 60067

(Lender). Borrower owes Lender the principal sum of Three Hundred Forty Four Thousand and no/100 Dollars (U.S. \$ 344,000.00).

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 2, 2028.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (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:

THE SOUTH 25 FEET OF THE NORTH 50.12 FEET OF LOTS 27 TO 33, TAKEN AS A TRACT, IN MOHAWK NORTH BEING A SUBDIVISION IN THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JANUARY 31, 1997 AS DOCUMENT NUMBER 97070223, IN COOK COUNTY, ILLINOIS.

17-04-108-033 17-04-108-034
which has the address of 1502 NORTH MOHAWK STREET CHICAGO (Street, City), Illinois 60610 (Zip Code) ("Property Address");

ILLINOIS Single Family FINANCIAL UNIFORM INSTRUMENT Form 3814 8/30 Amended 5/99



TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and 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 intended to be the Security Instrument on 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 contains certain covenants for mutual benefit and non-waiver covenants with limited exceptions by jurisdiction to constitute a unified security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

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 due under the Note, until the Note is paid in full, a sum ("Funds") for: (a) yearly taxes and assessments which may attach to the Property; (b) yearly fire and theft insurance; (c) yearly flood insurance; (d) yearly hazard insurance; (e) any other insurance or assessments payable by Borrower to Lender, in accordance with the provisions of paragraph 5, in lieu of the payment of mortgage interest payments. There shall be no "Funds" for:

(a) any mortgage interest payments; (b) any taxes payable by Borrower to Lender, in accordance with the provisions of paragraph 5, in lieu of the payment of mortgage interest payments; (c) any other insurance or assessments payable by Borrower to Lender, in accordance with the provisions of paragraph 5, in lieu of the payment of mortgage interest payments.

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

4. Charges; Lien. Borrower shall pay all taxes, assessments, charges, fees and expenses attributable to the Property which may attach to the Property over the Security Instrument, and loaned payments or ground rent, 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 payment.

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) consents in good faith to the lien by, or delays against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to the Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attach priority over the Security Instrument, Lender 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) consents in good faith to the lien by, or delays against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to the Security Instrument.

5. Deficiency. If the amount of the debt evidenced by the Note and any prepayment and late charges due under the Note exceeds the amount of the proceeds of the sale of the Property, then the deficiency shall be paid by Borrower to Lender within the time specified in the Note. If the amount of the proceeds of the sale of the Property is less than the amount of the debt evidenced by the Note and any prepayment and late charges due under the Note, then the deficiency shall be paid by Borrower to Lender within the time specified in the Note. If the amount of the proceeds of the sale of the Property is less than the amount of the debt evidenced by the Note and any prepayment and late charges due under the Note, then the deficiency shall be paid by Borrower to Lender within the time specified in the Note.

6. Lien. The Security Instrument shall constitute a lien in favor of Lender on the Property and on all improvements thereon and on all fixtures and appurtenances thereon. The Security Instrument shall also constitute a lien in favor of Lender on all other real property owned by Borrower at the time of acquisition or sale as a result of which the same is covered by the Security Instrument. Lender shall have the right to enforce this lien by foreclosure or by the appointment of a receiver.

7. Foreclosure. In the event of default by Borrower under the Note, Lender may, at its option, foreclose on the Property and sell the Property and the proceeds of the sale of the Property to satisfy the debt evidenced by the Note and any prepayment and late charges due under the Note. Lender may, at its option, foreclose on the Property and sell the Property and the proceeds of the sale of the Property to satisfy the debt evidenced by the Note and any prepayment and late charges due under the Note.

8. Assignment. Lender may assign its interest in the Property and the debt evidenced by the Note and any prepayment and late charges due under the Note to any other lender or assignee. Lender shall not be bound by any terms, conditions or restrictions on assignment contained in the Note or any other instrument.

9. Waiver of Deficiency. In the event of default by Borrower under the Note, Lender may, at its option, foreclose on the Property and sell the Property and the proceeds of the sale of the Property to satisfy the debt evidenced by the Note and any prepayment and late charges due under the Note. Lender may, at its option, foreclose on the Property and sell the Property and the proceeds of the sale of the Property to satisfy the debt evidenced by the Note and any prepayment and late charges due under the Note.

10. Non-Waiver. The provisions of this Security Instrument shall not be construed to constitute a waiver of any rights or remedies available to Lender under applicable law. Lender shall not be bound by any terms, conditions or restrictions on assignment contained in the Note or any other instrument.

11. Severability. If any provision of this Security Instrument is held to be unenforceable under applicable law, the unenforceability of that provision shall not affect the enforceability of any other provision of this Security Instrument.

12. Entire Agreement. This Security Instrument constitutes the entire agreement between Borrower and Lender with respect to the subject matter hereof. All other agreements, understandings, and negotiations between Borrower and Lender are hereby terminated.

13. Counterparts. This Security Instrument may be executed in counterparts, each of which shall be deemed to be an original copy of this Security Instrument, and all of which together shall be deemed to constitute one and the same Security Instrument.

14. Governing Law. This Security Instrument shall be governed by the laws of the State of California.

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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 or Property Insurance. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be unreasonably withheld. If Borrower fails to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with paragraph 7.

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

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 21 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. Occupancy, Preservation, Maintenance and Protection of the Property; Borrower's Loan Application; Leasehold. 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 Lender otherwise agrees in writing, which consent shall not be unreasonably withheld, or unless extenuating circumstances exist which are beyond Borrower's control. Borrower shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrower shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrower may cure such a default and reinstate, as provided in paragraph 18, by causing the action or proceeding to be dismissed with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrower's interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrower shall also be in default if Borrower, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the 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 all the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and the fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property. 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 forfeiture 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 attorneys' 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.

8. Mortgage Insurance. 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 mortgage insurance in effect. If, for any reason, the mortgage insurance coverage required by Lender lapses or ceases to be in effect, Borrower shall pay the premiums required to

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14. Notice. 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

13. Loan Changes. 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 charges to the permitted limits; 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 payment change under the Note.

12. Guarantors and Assigns: 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 act as guarantor, grant and convey the Borrower's interest in the Property under the terms of this Security Instrument; (b) is not primarily obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to (i) a, jointly, severally or make any accommodations with regard to the terms of this Security Instrument or the Note without the Borrower's consent.

11. Borrower Not Released; Forwarding by Lender Not a Waiver. Extension of the time for payment or modification of maturity of the sums secured by this Security Instrument shall not constitute an agreement by Lender to extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments. 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. Lender is authorized to collect and apply the proceeds of the proceeds, either to restoration or repair of the Property or to the sums owed or with a claim for damages, Borrower, or to respond to Lender within 30 days after the date the notice is given. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condempnor 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 of the proceeds, either to restoration or repair of the Property or to the sums owed or with a claim for damages, Borrower, or to respond to Lender within 30 days after the date the notice is given. Lender shall not be required 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 it for payment or otherwise modify any extension of maturity of the sums secured by this Security Instrument. Lender shall not be required to 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. 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. If, after notice by Lender to Borrower that the condempnor 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 of the proceeds, either to restoration or repair of the Property or to the sums owed or with a claim for damages, Borrower, or to respond to Lender within 30 days after the date the notice is given. Lender is authorized to collect and apply the proceeds of the proceeds, either to restoration or repair of the Property or to the sums owed or with a claim for damages, Borrower, or to respond to Lender within 30 days after the date the notice is given. Lender shall not be required 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 it for payment or otherwise modify any extension of maturity of the sums secured by this Security Instrument. Lender shall not be required to extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

9. Inspection. Lender or its agent may make reasonable written 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. Lender or its agent may make reasonable written 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. Lender or its agent may make reasonable written 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. Lender or its agent may make reasonable written 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.

8. Insurance. Lender shall obtain coverage substantially equivalent to the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender, is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapses or ceases to be in effect. Lender will accept, use and retain these payments as a loan reserve in lieu of mortgage insurance. Loan reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the payments required to maintain mortgage insurance in effect, or to provide a loan reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law. Lender shall obtain coverage substantially equivalent to the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender, is not available, Borrower shall pay to Lender each month a sum equal to one-twelfth of the yearly mortgage insurance premium being paid by Borrower when the insurance coverage lapses or ceases to be in effect. Lender will accept, use and retain these payments as a loan reserve in lieu of mortgage insurance. Loan reserve payments may no longer be required, at the option of Lender, if mortgage insurance coverage (in the amount and for the period that Lender requires) provided by an insurer approved by Lender again becomes available and is obtained. Borrower shall pay the payments required to maintain mortgage insurance in effect, or to provide a loan reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

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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 Reinstatement. 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: (i) pays Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (ii) cures any default of any other covenants or agreements; (iii) pays all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorney's fees; and (iv) 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 paragraph 17.

19. Sale of Note; Change of Loan Servicer. The Note or a partial interest in the Note (together with this Security Instrument) may be sold one or more times without prior notice to Borrower. A sale may result in a change in the entity (known as the "Loan Servicer") that collects monthly payments due under the Note and this Security Instrument. There also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. If there is a change of the Loan Servicer, Borrower will be given written notice of the change in accordance with paragraph 14 above and applicable law. The notice will state the name and address of the new Loan Servicer and the address to which payments should be made. The notice will also contain any other information required by applicable law.

20. Hazardous Substances. Borrower shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrower shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrower shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrower has actual knowledge. If Borrower learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrower shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 20, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 20, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

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

21. 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 paragraph 17 unless

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Form 2014 200

OFFICIAL SEAL
NOTARY PUBLIC
STATE OF ILLINOIS
CHRISTINE M. SMITH

My Commission Expires: _____
Given under my hand and official seal, this _____ day of December, 1997.
Christine M. Smith
Notary Public

personally known to me to be the same person(s) whose name(s) is/are _____
and voluntarily act, for the uses and purposes therein set forth.

Cook County No. _____
I, a Notary Public in and for said _____ County and state do hereby certify

_____ (Seal)
_____ (Seal)
_____ (Seal)

CHRISTINE M. SMITH
_____ (Seal)
_____ (Seal)
_____ (Seal)

BY SIGNING BELOW, Borrower hereby agrees to the terms and covenants contained in this Security Instrument and

- VA Rider
- Balloon Rider
- Guaranteed Payment Rider
- Adjustable Rate Rider
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- Other(s) (specify) _____
- 1-4 Family Rider
- Reverse Payment Rider
- Second Home Rider

(Check applicable box(es))

24. But for this Security Instrument, if one or more riders are attached 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.

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

22. 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.

21. Insuring. Lender shall be entitled to collect all expenses incurred in paying the taxes provided in this paragraph including, but not limited to, reasonable attorney's fees and costs of title evidence.

20. Deficiency. 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 paying the taxes provided in this paragraph including, but not limited to, reasonable attorney's fees and costs of title evidence.

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STATE OF ILLINOIS
I, the undersigned
CHRISTINE M. SMITH, SINGLE
Notary Public

_____ (Seal)
_____ (Seal)
_____ (Seal)

_____ (Seal)
_____ (Seal)
_____ (Seal)

_____ (Seal)
_____ (Seal)
_____ (Seal)

_____ (Seal)
_____ (Seal)
_____ (Seal)

BY SIGNING BELOW, Borrower and recorder(s) agree to

- VA Rider
- Balloon Rider
- Guaranteed Payment Rider
- Adjustable Rate Rider
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- Other(s) (specify) _____
- 1-4 Family Rider
- Reverse Payment Rider
- Second Home Rider

(Check applicable box(es))

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19. Deficiency. 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 paying the taxes provided in this paragraph including, but not limited to, reasonable attorney's fees and costs of title evidence.

18. Deficiency. 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 paying the taxes provided in this paragraph including, but not limited to, reasonable attorney's fees and costs of title evidence.

17. Deficiency. 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 paying the taxes provided in this paragraph including, but not limited to, reasonable attorney's fees and costs of title evidence.

16. Deficiency. 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 paying the taxes provided in this paragraph including, but not limited to, reasonable attorney's fees and costs of title evidence.

Loan # 957578

PLANNED UNIT DEVELOPMENT RIDER

THIS PLANNED UNIT DEVELOPMENT RIDER is made this 29th day of December, 1997, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date, given by the undersigned (the "Borrower") to secure Borrower's Note to

BILTHORP FINANCIAL BANCORP, INC.

(the "Lender")

of the same date and covering the Property described in the Security Instrument and located at:

1502 NORTH MOHAWK STREET, CHICAGO, ILLINOIS 60610

(Property Address)

The Property includes, but is not limited to, a parcel of land improved with a dwelling, together with other such parcels and certain common areas and facilities, as described in

(the "Declaration").

The Property is a part of a planned unit development known as

THE HOMES OF MOHAWK NORTH

(Name of Planned Unit Development)

(the "PUD"). The Property also includes Borrower's interest in the homeowners association or equivalent entity owning or managing the common areas and facilities of the PUD (the "Owners Association") and the uses, benefits and proceeds of Borrower's interest.

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

A. FUD Obligations. Borrower shall perform all of Borrower's obligations under the PUD's Constituent Documents. The "Constituent Documents" are the: (i) Declaration; (ii) articles of incorporation, trust instrument or any equivalent document which creates the Owners Association; and (iii) any by-laws or other rules or regulations of the Owners Association. Borrower shall promptly pay, when due, all dues and assessments imposed pursuant to the Constituent Documents.

B. Hazard Insurance. So long as the Owners Association maintains, with a generally accepted insurance carrier, a "master" or "blanket" policy insuring the Property which is satisfactory to Lender and which provides insurance coverage in the amounts, for the periods, and against the hazards Lender requires, including fire and hazards included within the term "extended coverage," then:

(i) Lender waives the provision in Uniform Covenant 2 for the monthly payment to Lender of the yearly premium installments for hazard insurance on the Property; and

(ii) Borrower's obligation under Uniform Covenant 5 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 provided by the master or blanket policy.

In the event of a distribution of hazard insurance proceeds in lieu of restoration or repair following a loss to the Property, or to common areas and facilities of the PUD, any proceeds payable to Borrower are hereby assigned and shall be paid to Lender. Lender shall apply the proceeds to the sums secured by the Security Instrument, with any excess paid to Borrower.

C. Public Liability Insurance. Borrower shall take such actions as may be reasonable to insure that the Owners Association maintains a public liability insurance policy acceptable in form, amount, and extent of coverage to Lender.

Property of County of Santa Clara

(Said)

(Said)

(Said)

(Said) CHARLES W. SMITH

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

Lender to Borrower requesting payment.

interest from the date of default at the Note rate and shall be payable, with interest, upon notice from the Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear Any amounts disbursed by Lender under this paragraph shall become additional debt of Borrower secured by B. Borrower. If Borrower does not pay PUD dues and assessments when due, then Lender may pay them. maintained by the Owners Association unacceptably to Lender.

(c) any action which would have the effect of rendering the public liability insurance coverage Association or

(ii) termination of professional management and assumption of self-management of the Owners Association of Lender;

(h) any amendment to any provision of the "Commitment Documents" if the provision is for the express benefit of Lender;

law in the case of substantial destruction by fire or other casualty or in the case of a taking by condemnation or (i) the abandonment or termination of the PUD, except for abandonment or termination required by written consent, either partition or subdivision the Property or consent to:

F. Lender's Prior Consent. Borrower shall not, except after notice to Lender and with Lender's prior provided in Uniform Contract 10.

D. Condemnation. The proceeds of any award or claim for damages, direct or consequential, payable to Borrower in connection with any condemnation or other taking of all or any part of the Property or the common areas and facilities of the PUD, or for any conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. Such proceeds shall be applied by Lender to the sums secured by the Security Instrument as provided in Uniform Contract 10.