

RECORD AND RETURN TO:  
FIRST AMERICAN BANK

101 MEADOWVIEW CENTER  
KANKAKEE, ILLINOIS 60801

Prepared by:  
TIFFANY ALLEN  
BUFFALO GROVE, ILLINOIS 60089

21837752

77313915  
98011310

**MORTGAGE**

THIS MORTGAGE ("Security Instrument") is given on **MAY 4, 1998**. The mortgagor is  
**TIMOTHY SMITH**  
**AND CYNTHIA D. SMITH, HUSBAND AND WIFE**

("Borrower"). This Security Instrument is given to  
**FIRST AMERICAN BANK**

which is organized and existing under the laws of **THE STATE OF ILLINOIS**, and whose  
address is **ONE BANK LANE**  
**BUFFALO GROVE, ILLINOIS 60089** ("Lender"). Borrower owes Lender the principal sum of  
**ONE HUNDRED EIGHTY FIVE THOUSAND AND 00/100**

Dollars (U.S. \$ **185,000.00**).

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 **JUNE 1, 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:

**LOT 1 IN BLOCK 3 IN OAKTON MANOR 10TH ADDITION, BEING A SUBDIVISION OF  
PART OF LOT 1 IN OWNER'S PARTITION OF THE WEST 1/2 OF THE NORTHWEST 1/4  
OF SECTION 27, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL  
MERIDIAN, IN COOK COUNTY, ILLINOIS.**

09-27-101-005

Parcel ID #: \_\_\_\_\_  
which has the address of **946 GOODWIN DRIVE, PARK RIDGE** Street, City,  
Illinois **60068** Zip Code ("Property Address"):

ILLINOIS Single Family-FINRA/FINMC UNIFORM  
INSTRUMENT Form 3014 3/90  
Amended 8/96

**BOX 333-CTI**

# UNOFFICIAL COPY

Form 2014 5100

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 referred to in this Security Instrument as the "Property."

**REBORROWER COVENANTS** that Borrower is hereby bound and has the right to mortgage, lease and convey the Property and that the Property is encumbered, 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 uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform 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. **Payment of 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") for: (a) yearly taxes and assessments which may attach priority over this Security Instrument as a lien on the Property; (b) yearly household payments and payments which may attach priority over this Security Instrument as a lien on the Property; (c) yearly hazard or property insurance premiums; (d) yearly flood insurance premiums, if any; (e) yearly mortgage insurance premiums, if any; and (f) any sums payable by Borrower to Lender, in accordance with the provisions of paragraph 8, in lieu of the payment of mortgage insurance premiums. These items are called "Factor Items."

Lender may, at any time, collect and hold Funds in an amount not to exceed the maximum amount a lender for a federally insured mortgage loan may require for Borrower's escrow account under the federal Real Estate Settlement Procedures Act of 1974 as amended from time to time, 12 U.S.C. Section 2601 et seq. ("RESPA"), unless another law that applies to the Funds sets a lower amount. If so, Lender may, at any time, collect and hold Funds in an amount not to exceed the lower amount. Lender may estimate the amount of Funds due on the basis of current data and reasonable estimates of expenditures of future interest items or otherwise in accordance with applicable law.

The Funds shall be held in an institution whose deposits are insured by a federal agency, institutionally, or entity guaranteeing Lender, if Lender is such an institution, or in any Federal Home Loan Bank. Lender shall apply the Funds to pay the Factor Items. Lender may not charge Borrower for holding and applying the Funds, annually analyzing the escrow account, or verifying the Factor Items, unless Lender pays a service charge on the Funds and applicable law permits Lender to make such a charge. However, Lender may require Borrower to pay a one-time charge for an independent audit when the reporting service used by Lender in connection with this loan, unless applicable law provides otherwise. 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. Borrower and Lender may agree in writing, however, that interest shall be paid on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds, showing charges and debits to the Funds and the purpose for which each debt to the Funds was made. The Funds are pledged as additional security for all sums secured by this Security Instrument.

If the Funds held by Lender exceed the amount permitted to be held by applicable law, Lender shall account to Borrower for the excess Funds in accordance with the requirements of applicable law. If no amount of the Funds held by Lender at any time is not reflected to pay the Factor Items when due, Lender may no longer pay over in writing, and, in such case, Borrower shall pay to Lender the amount necessary to make up the deficiency. Borrower shall make up the deficiency in no more than twelve monthly payments, at Lender's sole discretion.

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 21, Lender shall acquire or sell the Property, Lender shall give to the acquirer or sale of the Property, shall apply any Funds held by Lender at the time of acquisition or sale as a credit against the sums secured by this Security Instrument.

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; and, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. **Changes in Law.** Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attach priority over this Security Instrument, and household payments or ground rent, if any. Borrower shall pay some obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly in the manner and form provided in paragraph 2, or if not paid in that manner, Borrower shall pay under that paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments. However, that generally discharge any lien which has priority over this 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 attends against enforcement of the lien in, legal proceedings which in the Lender's opinion appear to prevent the lien to enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (d) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (e) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (f) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (g) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (h) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (i) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (j) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (k) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (l) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (m) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (n) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (o) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (p) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (q) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (r) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (s) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (t) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (u) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (v) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (w) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (x) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (y) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien; or (z) secures from the holder of the lien an agreement satisfactory to Lender substantiating the lien to enforcement of the lien.

obtain coverage substantially equivalent to the mortgage insurance previously in effect, at a cost substantially equivalent to the cost to Borrower of the mortgage insurance previously in effect, from an alternate mortgage insurer approved by Lender. If substantially equivalent mortgage insurance coverage 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 lapsed or ceased to be in effect. Lender will accept, use and retain these payments as a loss reserve in lieu of mortgage insurance. Loss 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 premiums required to maintain mortgage insurance in effect, or to provide a loss reserve, until the requirement for mortgage insurance ends in accordance with any written agreement between Borrower and Lender or applicable law.

**9. 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.

**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, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, 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. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrower and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

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.

**11. 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.

**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 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.

**13. 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.

**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

made:

1. Mortgage Insurance. If Lender requires mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premium required to maintain the mortgage insurance in effect. If, for any reason, the premium is not paid, Borrower shall pay the premium required to maintain the mortgage insurance in effect.

2. Lender shall not have to do so. Any amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, with interest, upon notice from Lender to Borrower regarding the amount of debt.

3. Lender shall not have to do so. Any amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, with interest, upon notice from Lender to Borrower regarding the amount of debt.

4. Lender shall not have to do so. Any amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, with interest, upon notice from Lender to Borrower regarding the amount of debt.

5. Lender shall not have to do so. Any amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, with interest, upon notice from Lender to Borrower regarding the amount of debt.

6. Lender shall not have to do so. Any amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, with interest, upon notice from Lender to Borrower regarding the amount of debt.

7. Lender shall not have to do so. Any amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, with interest, upon notice from Lender to Borrower regarding the amount of debt.

8. Lender shall not have to do so. Any amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, with interest, upon notice from Lender to Borrower regarding the amount of debt.

9. Lender shall not have to do so. Any amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, with interest, upon notice from Lender to Borrower regarding the amount of debt.

10. Lender shall not have to do so. Any amount disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Lender and Borrower agree to other terms of payment, with interest, upon notice from Lender to Borrower regarding the amount of debt.

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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 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 as if no acceleration had 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 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.

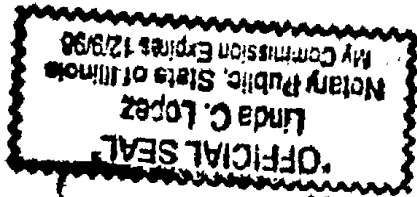
**NON-UNIFORM COVENANTS.** Borrower and Lender further covenant and agree as follows:

**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

*[Handwritten signature]*

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Form 2014 500



My Commission Expires:

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

STATE OF ILLINOIS, COOK County in and for said County and state do hereby certify that the undersigned is a Notary Public in and for said County and state do hereby certify

(Seal) (Seal)

CYNTHIA D. SMITH (Seal)

TIMOTHY SMITH (Seal)

BY SIGNING BELOW, Borrower and I agree to the terms and conditions contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- Adjustable Rate Rider
Fixed Rate Rider
Interest Rate Rider
1-4 Family Rider
Second Home Rider
Other(s) [specify]

24. Rider(s) in 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.
21. Including, but not limited to, reasonable attorney's fees and costs of title evidence.
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 recordation costs.
23. Waiver of Remedies. Borrower waives all right of borrower's exemption in the Property.
24. Waiver of Remedies. Borrower waives all right of borrower's exemption in the Property.