

86215694

PREPARED BY:  
LYONS MORTGAGE CORP.  
TWO CROSSROADS OF COMMERCE, SUITE  
ROLLING MEADOWS, IL



RETURN TO:  
LYONS MORTGAGE CORP  
2 CROSSROADS OF COMMERCE  
ROLLING MEADOWS, IL 60008

[Space Above This Line For Recording Data]

LOAN # 835820902

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on MAY 23 1986. The mortgagor is RONALD E. KELLY AND MICHAEL J. KELLY A SINGLE MAN NEVER MARRIED ("Borrower"). This Security Instrument is given to LYONS MORTGAGE CORP. which is organized and existing under the laws of THE STATE OF ILLINOIS, and whose address is 2 CROSSROADS OF COMMERCE, ROLLING MEADOWS, IL 60008 ("Lender"). Borrower owes Lender the principal sum of SEVENTY TWO THOUSAND AND NO/100 Dollars (U.S. \$72,000.00). 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 2016. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest, advanced under paragraph 7 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender the following described property located in COOK County, Illinois:

LOT 39 IN BLOCK 1 IN MOULDING AND HARLAND'S SUBDIVISION OF THE NORTHEAST 1/4 OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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which has the address of 1437 WRIGHTWOOD AVENUE CHICAGO Illinois 60614 ("Property Address");

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

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

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.



If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

**8. Inspection.** Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

**9. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

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

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

**12. Loan Charges.** If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

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

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

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

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

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

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

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

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Property of Cook County Clerk's Office

Commission Expires 11-5-88

*Michael J. Kelly*  
Notary Public

Subscribed and sworn before me this 23rd day of May, 1986 by  
Ronald F. Kelly and Michael J. Kelly.

JOANNE HILL KELLY  
SORRY FOR PURPOSES OF MAILING  
HER HOMESTEAD RIGHTS  
MICHAEL J. KELLY  
RONALD F. KELLY

\_\_\_\_\_  
Borrower (Seal)

\_\_\_\_\_  
Borrower (Seal)

\_\_\_\_\_  
Borrower (Seal)

\_\_\_\_\_  
Borrower (Seal)

By signing below, Borrower accepts and agrees to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrower and recorded with it.

- Adjustable Rate Rider  
 Condominium Rider  
 2-4 Family Rider  
 Graduated Payment Rider  
 Planned Unit Development Rider  
 Other(s) [specify]
23. Rider to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]
20. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property and at any time but not limited to, reasonable attorneys' fees and costs of title evidence.
19. Acceleration; Remedies. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Security Instrument (but not prior to acceleration under paragraphs 13 and 17 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 19, including, but not limited to, reasonable attorneys' fees and costs of title evidence.
21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs.
22. Waiver of Homestead. Borrower waives all right of homestead exemption in the Property.
23. Rider to this Security Instrument. If one or more riders are executed by Borrower and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument. [Check applicable box(es)]

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## ADJUSTABLE RATE RIDER

(1 Year Index—Payment Cap, Interest Rate Limits and Fixed Rate Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this 23rd day of MAY, 1986, 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 Adjustable Rate Note (the "Note") to LYONS MORTGAGE CORP., AN ILLINOIS CORPORATION (the "Lender") of the same date and covering the property described in the Security Instrument and located at:

1437 WRIGHTWOOD AVENUE, CHICAGO, ILLINOIS 60614  
*(Property Address)*

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE BORROWER MAY LIMIT MONTHLY PAYMENT INCREASES EACH YEAR IF THE PROVISIONS OF THE NOTE PERMIT IT. THE ANNUAL INTEREST RATE CHANGES MAY BE LIMITED. THE INTEREST RATE MAY ALSO BE LIMITED. THE NOTE ALSO MAY PERMIT THE BORROWER TO CONVERT THE ADJUSTABLE RATE LOAN INTO A FIXED RATE LEVEL PAYMENT, FULLY AMORTIZING LOAN.

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

### A. INTEREST RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 8.875%. The Note provides for changes in the interest rate and the monthly payments, as follows:

#### 4. INTEREST RATE AND MONTHLY PAYMENT CHANGES; BORROWER'S RIGHT TO LIMIT PAYMENT

##### (A) Change Dates

The interest rate I will pay may change on the first day of JUNE, 1987, and on that day every 12th month thereafter. Each date on which my interest rate could change is called a "Change Date."

##### (B) The Index

Beginning with the first Change Date, my interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of one year as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

##### (C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding 2.7500 percentage points (2.7500%) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation is called the "Full Payment." It will be the new amount of my monthly payment unless I choose the amount permitted by Section 4(G) below.

##### (D) Limit on Interest Rate Changes

Beginning with the FIRST Change Date and every Change Date thereafter, the rate of interest I am required to pay shall never be increased or decreased on any single change date by more than 2.0000% from the rate of interest I have been paying for the preceding twelve months. My interest rate also shall never be greater than 14.875%.

##### (E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

##### (F) Notice of Changes

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

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 IS APPLICABLE  IS NOT APPLICABLE

(G) Borrower's Right to Limit Monthly Payment  
Unless Sections 4 (I) and 4 (J) below will not permit me to do so, I may choose to limit the amount of my new monthly payment following a Change Date to .. N/A ..

(although the interest rate charged will be different). This amount is called the "Limited Payment." If I choose a Limited Payment as my monthly payment, I must give the Note Holder written notice that I am doing so at least 15 days before my first new monthly payment is due.

#### (H) Additions to My Unpaid Principal

If I choose to pay the Limited Payment, my monthly payment could be less than the amount of the interest portion of the monthly payment that would be sufficient to repay the unpaid principal I owe at the monthly payment date in full on the maturity date in substantially equal payments. If so, each month that the Limited Payment is less than the interest portion, the Note Holder will subtract the Limited Payment from the amount of the interest portion and will add the difference to my unpaid principal. The Note Holder will also add interest on the amount of this difference to my unpaid principal each month. The interest rate on the interest added to principal will be the rate required by Section 4(C) above.

#### (I) Limit on My Unpaid Principal; Increased Monthly Payment

My unpaid principal can never exceed a maximum amount equal to one hundred twenty-five percent (125%) of the principal amount I originally borrowed. My unpaid principal could exceed that maximum amount if I pay a Limited Payment. If so, on the date that my paying my Limited Payment would cause me to exceed that limit, I will instead begin paying a new monthly payment until the next Change Date. The new monthly payment will be in an amount which would be sufficient to repay my then unpaid principal in full on the maturity date at my current interest rate in substantially equal payments.

#### (J) Required Full Payment

Beginning with the first monthly payment after the final Change Date, I will pay the Full Payment as my monthly payment.

### 5. FIXED RATE CONVERSION OPTION IS APPLICABLE IS NOT APPLICABLE

#### (A) Option to Convert to Fixed Rate

1. Except as provided in Section 5A.2 below and notwithstanding anything to the contrary in the Note or the Rider, I may choose to convert my adjustable rate interest payments to fixed rate interest payments, as of the first day of .. JULY .., 19..86.. or .. at any time during .. each of the following .. 29 .. calendar years. Each date as of which I can choose to convert my interest payments is called a "Conversion Date." The last possible conversion date is .. JUNE 1, 2016 ..

If I choose to make this conversion, I must give the Lender written notice that I am doing so at least 45 days before the Effective Conversion Date. I also must sign and give to the Lender a document, in any form that the Lender may require, changing the terms of the Note as necessary to give effect to the Conversion. Beginning with the Effective Conversion Date, if such conversion has been chosen, my interest rate will be equal to the Federal Home Loan Mortgage Corporation's published required Net Yield for 30-year, fixed rate mortgages covered by 60-day mandatory delivery commitments that was in effect as of the date 45 days before the Effective Conversion Date, plus .. 1.5 .. percent (1.5 .. %), rounded to the nearest one-eighth of one percent (0.125%). If such required Net Yield is not available, Lender will determine my new, fixed interest rate by using a comparable figure.

2. If the unpaid principal balance of my loan on the Effective Conversion Date will be greater than the original principal amount of my loan, the Lender may require that a qualified real estate appraiser, chosen by the Lender, prepare an appraisal report on the value of the secured property. I will pay the Lender a reasonable fee for this appraisal report. If the unpaid principal balance of my loan on the Effective Conversion Date will be an amount greater than 95% of the value of the property securing my loan, as established by the appraisal report, I will not have the option to convert my adjustable rate interest payments described in Section 5A.1 above unless I pay the Lender an amount sufficient to reduce the unpaid principal balance to that amount.

#### (B) Determination of New Payment Amount

If I choose to convert to a fixed rate of interest as provided in Section 5A above, the Lender will then determine the amount of a monthly payment that would be sufficient to repay the unpaid principal balance of my loan I am expected to owe on the Effective Conversion Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment (the "New Payment Amount").

#### (C) Payment of New Payment Amount; Continuation of Fixed Rate

Beginning with my first monthly payment after the Effective Conversion Date, I will, if I have chosen the foregoing conversion, pay the New Payment Amount as my monthly payment, and the interest rate I pay will not change from the fixed rate established as of the Effective Conversion Date.

#### (D) Notice by Lender

Before the date of my first monthly payment after the Effective Conversion Date, the Lender will mail or deliver to me: a notice of my new interest rate as of the Effective Conversion Date; the amount of my New Monthly Payment; and a date (not later than 15 days from the date the Lender gives me the notice) by which I must sign and give the Lender a document making the changes to the Note that are necessary to provide the new fixed interest rate. The notice will include all information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

#### (E) Failure to Choose Conversion

If I do not, at least 30 days before the last possible Conversion Date specified in Section 5A.1 above, give the Lender notice that I choose to convert my adjustable rate interest payments to fixed rate interest payments and do the other things that I must do under Section 5A above, within the applicable times specified in such Section, I will no longer have the right to choose such a conversion of interest payments.

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Property of Cook County Clerk's Office 86215694

(Seal) -Borrower

MICHAEL J. KELLY

(Seal) -Borrower

RONALD F. KELLY

JOANNE HILL KELLY IS SIGNING SOLELY FOR PURPOSES OF MAINTAINING HER HOME/READ RIGHTS

BY SIGNING BELOW Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Uniform Covenant 17 of the Security Instrument is amended to read as follows:
B. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER
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. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.
To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.
If Lender exercises the option to require immediate payment in full, 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 revoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

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