

WHEN RECORDED MAIL TO:

LINCOLN SERVICE CORPORATION  
1100 WALNUT STREET  
OWENSBORO, KENTUCKY 42301

15.00

1991 MAR 20 11:11:10

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LOAN NO. 185109-6

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State of Illinois

MORTGAGE

FHA Case No.  
131-627295-2

THIS MORTGAGE ("Security Instrument") is made on MARCH 21, 19 91  
The Mortgagor is /Beverly Trust Co. as Successor Trustee to  
MATTESON RICHTON BANK, A CORPORATION OF THE UNITED STATES OF  
AMERICA, AS TRUSTEE UNDER TRUST AGREEMENT DATED DECEMBER 11, 1984 KNOWN  
AS TRUST NUMBER 74-1462

whose address is 16880 CRANE AVENUE, HAZEL CREST, ILLINOIS 60429  
("Borrower"). This Security Instrument is given to  
LINCOLN SERVICE CORPORATION, A KENTUCKY CORPORATION

which is organized and existing under the laws of KENTUCKY, and whose  
address is 1100 WALNUT STREET, OWENSBORO, KENTUCKY 42301

("Lender"). Borrower owes Lender the principal sum of  
FIFTY FIVE THOUSAND TWO HUNDRED SEVENTY THREE and NO/100  
XX  
XX  
Dollars (U.S. \$ 55,273.00). His 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

APRIL 01, 2021. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced  
by the Note, with interest, and all renewals, extensions and modifications; (b) the payment of all other sums, with interest,  
advanced under paragraph 6 to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants  
and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and  
convey to Lender the following described property located in

COOK County, Illinois:

LOT 16 IN BLOCK 11 IN HAZEL CREST PARK SUBDIVISION A SUBDIVISION OF THE  
NORTH 1/2 OF THE NORTH WEST 1/4 OF SECTION 20, TOWNSHIP 36 NORTH, RANGE  
14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P. I. N. 29-30-110-027-0000

which has the address of 16880 CRANE AVENUE, HAZEL CREST (Street, City),  
Illinois 60429 (ZIP Code), ("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.

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

2. Monthly Payments of Taxes, Insurance and Other Charges. Borrower shall include in each monthly payment, together  
with the principal and interest as set forth in the Note and any late charges, an installment of any (a) taxes and special assessments  
levied or to be levied against the Property, (b) leasehold payments or ground rents on the Property, and (c) premiums for  
insurance required by paragraph 4.

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Each monthly installment for items (a), (b), and (c) shall be the sum of the estimated amounts, as reasonably estimated by Lender, plus an amount sufficient to maintain an additional balance of not more than one-sixth of the estimated amounts. The full annual amount for each item shall be accumulated by Lender within a period ending one month before an item would become delinquent. Lender shall hold the amounts collected in trust to pay items (a), (b), and (c) before they become delinquent.

If at any time the total of the payments held by Lender for items (a), (b), and (c), together with the future monthly payments for such items payable to Lender prior to the due dates of such items, exceeds by more than one-sixth the estimated amount of payments required to pay such items when due, and if payments on the Note are current, then Lender shall either refund the excess over one-sixth of the estimated payments or credit the excess over one-sixth of the estimated payments to subsequent payments by Borrower, at the option of Borrower. If the total of the payments made by Borrower for item (a), (b), or (c) is insufficient to pay the item when due, then Borrower shall pay to Lender any amount necessary to make up the deficiency on or before the date the item becomes due.

As used in this Security Instrument, "Secretary" means the Secretary of Housing and Urban Development or his or her designee. Most Security Instruments insured by the Secretary are insured under programs which require advance payment of the entire mortgage insurance premium. If this Security Instrument is or was insured under a program which did not require advance payment of the entire mortgage insurance premium, then each monthly payment shall also include either: (i) an installment of the annual mortgage insurance premium to be paid by Lender to the Secretary, or (ii) a monthly charge instead of a mortgage insurance premium if this Security Instrument is held by the Secretary. Each monthly installment of the mortgage insurance premium shall be in an amount sufficient to accumulate the full annual mortgage insurance premium with Lender one month prior to the date the full annual mortgage insurance premium is due to the Secretary, or if this Security Instrument is held by the Secretary, each monthly charge shall be in an amount equal to one-twelfth of one-half percent of the outstanding principal balance due on the Note.

If Borrower tenders to Lender the full payment of all sums secured by this Security Instrument, Borrower's account shall be credited with the balance remaining for all installments for items (a), (b), and (c) and any mortgage insurance premium installment that Lender was not become obligated to pay to the Secretary, and Lender shall promptly refund any excess funds to Borrower. Immediately prior to a foreclosure sale of the Property or its acquisition by Lender, Borrower's account shall be credited with any balance remaining for all installments for items (a), (b), and (c).

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

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

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

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

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

**5. Preservation and Maintenance of the Property, Leaseholds.** Borrower shall not commit waste or destroy, damage or substantially change the Property or allow the Property to deteriorate, reasonable wear and tear excepted. Lender may inspect the property if the property is vacant or abandoned or the loan is in default. Lender may take reasonable action to protect and preserve such vacant or abandoned property. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease. If Borrower acquires fee title to the Property, the leasehold and fee title shall not be merged unless Lender agrees to the merger in writing.

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

If Borrower fails to make these payments or the payments required by Paragraph 2, or fails to perform any other covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, for condemnation or to enforce laws or regulations), then Lender may do and pay whatever is necessary to protect the value of the Property and Lender's rights in the Property, including payment of taxes, hazard insurance and other items mentioned in Paragraph 2.

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

**7. Condemnation.** The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in place of condemnation, are hereby assigned and shall be paid to Lender to the extent of the full amount of the indebtedness that remains unpaid under the Note and this Security Instrument. Lender shall apply such proceeds to the reduction of the indebtedness under the Note and this Security Instrument, first to any delinquent amounts applied in the order provided in Paragraph 3, and then to prepayment of principal.

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Any application of the proceeds to the principal shall not extend or postpone the due date of the monthly payments, which are referred to in Paragraph 2, or change the amount of such payments. Any excess proceeds over an amount required to pay all outstanding indebtedness under the Note and this Security Instrument shall be paid to the entity legally entitled thereto.

**8. Fees:** Lender may collect fees and charges authorized by the Secretary.

**9. Grounds for Acceleration of Debt.**

(a) **Default:** Lender may, except as limited by regulations issued by the Secretary in the case of payment defaults, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) Borrower defaults by failing to pay in full any monthly payment required by this Security Instrument prior to or on the due date of the next monthly payment; or
- (ii) Borrower defaults by failing, for a period of thirty days, to perform any other obligations contained in this Security Instrument.

(b) **Sale Without Credit Approval:** Lender shall, if permitted by applicable law and with the prior approval of the Secretary, require immediate payment in full of all sums secured by this Security Instrument if:

- (i) All or part of the Property is otherwise transferred (other than by devise or descent) by the Borrower, and
- (ii) The Property is not occupied by the purchaser or granted as his or her primary or secondary residence, or the purchaser or grantee does so occupy the Property but his or her credit has not been approved in accordance with the requirements of the Secretary.

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

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

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

**11. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time of payment or modification or amendment of the sums secured by this Security Instrument granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successor in interest. Lender shall not be required to commence proceedings against any successor in interest or 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 9. 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 as 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 term of this Security Instrument or the Note without that Borrower's consent.

**13. Notices.** Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address as last used unless applicable law requires use of another method. Such notices shall not affect other provisions of the Security Instrument or the Note which can be given without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

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

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

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

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

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

Lender shall not be required to enter upon or take control of or maintain the Property before or after giving notice of breach to Borrower. This Security Instrument may do so at any time there is a breach. Any appointment or assignment of rents shall be in writing and shall be signed by the Security Instrument's trustee.