

"FHA MORTGAGE RIDER"

This rider to the Mortgage between HECTOR PALACIOS, BACHELOR and Margaretten & Company, Inc. dated JULY 31st, 19 89 is deemed to amend and supplement the Mortgage of same date as follows:

That, together with, and in addition to, the monthly payments of principal and interest payable under the terms of the note secured hereby, the Mortgagor will pay to the Mortgagee, on the first day of each month until the said note is fully paid, the following sums:

- (a) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes and special assessments, and
- (b) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee to the following items in the order set forth:
- I. ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums.
  - II. interest on the note secured hereby, and
  - III. amortization of the principal of the said note.

Any deficiency in the amount of such aggregate monthly payment shall, unless made good by the mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. The Mortgagee may collect a "late charge" not to exceed four cents (4¢) for each dollar (\$1) for each payment more than fifteen (15) days in arrears, to cover the extra expense involved in handling delinquent payments.

If the total of the payments made by the Mortgagor under subsection (a) of the preceding paragraph shall exceed the amount of the payments actually made by the Mortgagee for ground rents, taxes, and assessments, or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the mortgagor, shall be credited to subsequent payments to be made by the Mortgagor, or refunded to the Mortgagor. If, however, the monthly payments made by the mortgagor under subsection (a) of the preceding paragraph shall not be sufficient to pay ground rents, taxes, and assessments, or insurance premiums, as the case may be, when the same shall become due and payable, then the Mortgagor shall pay to the mortgagee any amount necessary to make up the deficiency, on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums shall be due. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor, any balance remaining in the funds accumulated under the provisions of subsection (a) of the preceding paragraph. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby, or if the mortgagee acquired the property otherwise after default, the Mortgagee shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under subsection (a) of the preceding paragraph as a credit against the amount of principal then remaining unpaid under said Note.

Paragraph 5 of pg. 3 is added as follows: "This option may not be exercised by the Mortgagee when the ineligibility for insurance under the National Housing Act is due to the Mortgagee's failure to remit the mortgage insurance premium to the Department of Housing and Urban Development".

X Hector Palacios  
Mortgagor

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Mortgagee

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## FHA ASSUMPTION RIDER TO MORTGAGE/DEED OF TRUST

THIS ASSUMPTION RIDER is made this 31<sup>st</sup> day of July 1989 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

MARGARETTEN & COMPANY, INC.

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

9836 S AZENLE H CHICAGO, IL 60617

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

The mortgagor shall, with the prior approval of the Federal Housing Commissioner, or his designee, declare all sums secured by this Mortgage to be immediately due and payable if all or a part of the property is sold or otherwise transferred (other than by devise, descent or operation of law) by the mortgagor, pursuant to a contract of sale executed not later than 12 months after the date on which the Mortgage is executed for insurance, to a purchaser whose credit has not been approved in accordance with the requirements of the Commissioner (If the property is not the principal or secondary residence of the mortgagor, "24 months" must be substituted for "12 months.")

*Hector Palacios*  
HECTOR PALACIOS

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This form is used in connection with mortgages insured under the one-to-four-family provisions of the National Housing Act.

MORTGAGE

THIS INSTRUMENT, Made this 31st day of July, 1985, between  
NECTOR PALACIOS, BACHELOR

MARGARETTEN & COMPANY, INC., Mortgagee, and

a corporation organized and existing under the laws of the State of New Jersey and authorized to do business in the state of Illinois, Mortgagee.

WITNESSETH: That whereas the Mortgagee is justly indebted to the Mortgagee, as is evidenced by a certain Promissory Note bearing even date herewith, in the principal sum of Fifty-Six Thousand, Seven Hundred Twenty-Six and 00/100 Dollars (\$ 56,726.00 ) payable with interest at the rate of Eleven Per Centum ( 11 % ) per annum on the unpaid balance until paid, and made payable to the order of the Mortgagee at its office in Iselin, New Jersey 08830

or at such other place as the holder may designate in writing, and delivered; the said principal and interest being payable in monthly installments of Five Hundred Forty and 60/100 Dollars (\$ 540.60 ) on the first day of September 1, 1985, and a like sum on the first day of each and every month thereafter until the note is fully paid, except that the final payment of principal and interest, if not sooner paid, shall be due and payable on the first day of August, 2015.

NOW, THEREFORE, the said Mortgagee, for the better securing of the payment of the said principal sum of money and interest and the performance of the covenants and agreements herein contained, does by these presents MORTGAGE and WARRANT unto the Mortgagee, its successors or assigns, the following described Real Estate situate, lying, and being in the county of COOK and the State of Illinois, to wit: LOT 15 IN BLOCK 3 IN THE RESUBDIVISION OF THAT PART OF TAYLOR'S FIRST ADDITION TO SOUTH CHICAGO, LYING EAST OF THE WEST 20 CHAINS THEREOF IN THE NORTH FRACTIONAL 1/2 OF SECTION 8, TOWNSHIP 37 NORTH, RANGE 15, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. PIN # 23-08-104-034-0000

ASSUMPTION RIDER ATTACHED HERETO AND MADE A PART HEREOF

"REFERENCES HEREIN TO A MONTHLY MORTGAGE INSURANCE PREMIUM ARE ASSUMED OR DELETED BY THE ATTACHED RIDER TO THIS MORTGAGE."

TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents, issues, and profits thereof; and all apparatus and fixtures of every kind for the purpose of supplying or distributing heat, light, water, or power, and all plumbing and other fixtures in, or that may be placed in, any building now or hereafter standing on said land, and also all the estate, right, title, and interest of the said Mortgagee in and to said premises.

TO HAVE AND TO HOLD the above-described premises, with the appurtenances and fixtures, unto the said Mortgagee, its successors and assigns forever, for the purposes and uses herein set forth, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois, which said rights and benefits the said Mortgagee does hereby expressly release and waive.

MM 86724

NOTE IDENTIFIED

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2  
10/21/87  
DUPLICATE

PALATINE, IL 60067

WILMETTE ROAD, SUITE F

MARGARETTEN & COMPANY, INC.

CAROL J. JOSEPH, CLERK  
REGISTERED OF DEEDS

NOV 26 - 1 PM '85

38 PALATINE 47

Recorded by

Address

147

Palatine, Illinois

Address

Deliver duplicate to

Date to

Address

Notice

G.I.T.

GREATHER ILLINOIS  
TITLE COMPANY

BOX 116

# 278498

Filed for Record in the Recorder's Office of  
County, Illinois, on the  
day of  
m., and duly recorded in Book  
of  
Page

MARGARETTEN & COMPANY INC  
887 E WILMETTE AVENUE  
PALATINE IL 60067

This instrument was prepared by:

4-2-90

GIVEN under my hand and Notarial Seal this

day July, 1989

Personally known to me to be the same person whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (he, she, they) signed, sealed, and delivered the said instrument as (his, hers, theirs), free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of redemption.

I, the undersigned, a notary public, in and for the county and State aforesaid, do hereby certify that

HECTOR PALACIOS, BAKRION

STATE OF ILLINOIS

COUNTY OF DECATUR

-BORROWER

-BORROWER

-BORROWER

-BORROWER

HECTOR PALACIOS

*Hector Palacios*

THE COVENANTS HEREIN CONTAINED shall bind, and the benefits and advantages shall inure, to the respective heirs, executors, administrators, successors, and assigns of the parties hereto. Whichever word, the singular number shall include the plural, the plural the singular, and the masculine gender shall include the feminine.

WITNESS the hand and seal of the Notary, the day and year first written.

X

**AND AS ADDITIONAL SECURITY** for the payment of the indebtedness aforesaid the Mortgagor does hereby assign to the Mortgagee all the rents, issues, and profits now due or which may hereafter become due for the use of the premises hereinabove described.

**THAT HE WILL KEEP** the improvements now existing or hereafter erected on the mortgaged property, insured as may be required from time to time by the Mortgagee against loss by fire and other hazard, casualties and contingencies in such amounts and for such periods as may be required by the Mortgagee and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been made hereinbefore.

All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss Mortgagee will give immediate notice by mail to the Mortgagor, who may make proof of loss if not made promptly by Mortgagee, and each insurance company concerned is hereby authorized and directed to make payment of such loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this Mortgage or other transfer of title to the mortgaged property in extinguishment of the indebtedness secured hereby, all rights, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

**THAT** if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this Mortgage, and the Note secured hereby remaining unpaid, are hereby assigned by the Mortgagor to the Mortgagee and shall be paid forthwith to the Mortgagee to be applied by it on account of the indebtedness secured hereby, whether or not.

**THE MORTGAGOR FURTHER AGREES** that should this Mortgage and the Note secured hereby not be eligible for insurance under the National Housing Act within 60 days from the date hereof (written statement of any officer of the Department of Housing and Urban Development or authorized agent of the Secretary of Housing and Urban Development dated subsequent to the 60 days' time from the date of this Mortgage, declining to insure said Note and this Mortgage, being deemed conclusive proof of such ineligibility), the Mortgagee or the holder of the Note may, at its option, declare all sums secured hereby immediately due and payable.

**IN THE EVENT** of default in making any monthly payment provided for herein and in the Note secured hereby for a period of thirty (30) days after the due date thereof, or in case of a breach of any other covenant or agreement herein stipulated, then the whole of said principal sum remaining unpaid together with accrued interest thereon, shall, at the election of the Mortgagee, without notice, become immediately due and payable.

**AND IN THE EVENT** that the whole of said debt is declared to be due, the Mortgagee shall have the right immediately to foreclose this Mortgage, and upon the filing of any bill for that purpose, the court in which such bill is filed may at any time thereafter, either before or after sale, and without notice to the said Mortgagor, or any party claiming under said Mortgagor, and without regard to the solvency or insolvency at the time of such applications for appointment of a receiver, or for an order to place Mortgagee in possession of the premises of the person or persons liable for the payment of the indebtedness secured hereby, and without regard to the value of said premises or whether the same shall then be occupied by the owner of the equity of redemption, as a homestead, enter an order placing the Mortgagee in possession of the premises, or appoint a receiver for the benefit of the Mortgagee with power to collect the rents, issues, and profits of the said premises during the pendency of such foreclosure suit and, in case of sale and a deficiency, during the full statutory period of redemption, and such rents, issues, and profits when collected may be applied toward the payment of the indebtedness, cost, taxes, insurance, and other items necessary for the protection and preservation of the property.

Whenever the said Mortgagee shall be placed in possession of the above-described premises under an order of a court in which an action is pending to foreclose this Mortgage or a subsequent mortgage, the said Mortgagee, in its discretion, may: keep the said premises in good repair; pay such current or back taxes and assessments as may be due on the said premises; pay for and maintain such insurance in such amounts as shall have been required by the Mortgagee; lease the said premises to the Mortgagor or others upon such terms and conditions, either within or beyond any period of redemption, as are approved by the court; collect and receive the rents, issues, and profits for the use of the premises hereinabove described, and employ other persons and expend itself such amounts as are reasonably necessary to carry out the provisions of this paragraph.

**AND IN CASE OF FORECLOSURE** of this Mortgage by said Mortgagee in any court of law or equity, a reasonable sum shall be allowed for the solicitor's fees, and stenographers' fees of the complainant in such proceedings, and also for all outlays for documentary evidence and the cost of a complete abstract of title for the purpose of such foreclosure; and in case of any other suit, or legal proceeding, wherein the Mortgagee shall be made a party thereto by reason of this Mortgage, its costs and expenses, and the reasonable fees and charges of the attorneys or solicitors of the Mortgagee, so made parties, for services in such suit or proceedings, shall be a further lien and charge upon the said premises under this Mortgage, and all such expenses shall become so much additional indebtedness secured hereby and be allowed in any decree foreclosing this Mortgage.

**AND THERE SHALL BE INCLUDED** in any decree foreclosing this Mortgage and be paid out of the proceeds of any sale made in pursuance of any such decree: (1) All the costs of such suit or suits, advertising, sale, and conveyance, including attorneys', solicitors', and stenographers' fees, outlays for documentary evidence and cost of said abstract and examination of title; (2) all the monies advanced by the Mortgagee, if any, for the purpose authorized in the Mortgage with interest on such advances at the rate set forth in the Note secured hereby, from the time such advances are made; (3) all the accrued interest remaining unpaid on the indebtedness hereby secured; (4) all the said principal money remaining unpaid. The surplus of the proceeds of sale, if any, shall then be paid to the Mortgagor.

If Mortgagor shall pay said Note at the time and in the manner aforesaid and shall abide by, comply with, and duly perform all the covenants and agreements herein, then this conveyance shall be null and void and Mortgagee will, within (30) days after written demand therefor by Mortgagor, execute a release or satisfaction of this Mortgage, and Mortgagor hereby waives the benefits of all statutes or laws which require the earlier execution or delivery of such release or satisfaction by Mortgagee.

**IT IS EXPRESSLY AGREED** that no extension of the time for payment of the debt hereby secured given by the Mortgagee to any successor in interest of the Mortgagor shall operate to release, in any manner, the original liability of the Mortgagor.

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AND SAID MORTGAGOR covenants and agrees:

To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument; not to suffer any lien or encumbrance other than that for taxes or assessments on said premises, or to keep said premises in good repair, the Mortgagee may pay such taxes, assessments, and insurance premiums, when due, and may make such repairs to the property herein mortgaged as in his discretion it may deem necessary for the proper preservation thereof, and any money so paid or expended shall become so much additional indebtedness, secured by this mortgage, to be paid out of proceeds of the sale of the mortgaged premises, if not otherwise paid by the Mortgagee.

It is expressly provided, however, that all other provisions of this mortgage to the contrary notwithstanding, that the Mortgagee shall not be required nor shall it have the right to pay, discharge, or remove any tax, assessment, or lien upon or against the premises, described herein, or any part thereof, or the improvements situated thereon, so long as the Mortgagee shall, in good faith, contest the same or the validity thereof by appropriate legal proceedings brought in a court of competent jurisdiction, which shall operate to prevent the collection of the tax, assessment, or lien so contested and the sale of the premises or any part thereof to satisfy the same.

AND the said Mortgagee further covenants and agrees as follows:

That privilege is reserved to pay the debt in whole or in part on any installment due date.

That, together with, and in addition to, the monthly payments of the principal and interest payable under the terms of the Note secured hereby, the Mortgagee will pay to the Mortgagee, on the first day of each month until the said Note is fully paid, the following sum:

- (a) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this instrument and the Note secured hereby are insured, or a monthly charge (in lieu of a mortgage insurance premium) if they are held by the Secretary of Housing and Urban Development, as follows:
  - (1) If and so long as said Note or instrument are insured or are returned under the provisions of the National Housing Act, an amount sufficient to accrue late in the hands of the holder one (1) month prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder; or
  - (2) If and so long as said Note or instrument are held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the Note computed without taking into account delinquencies or prepayments;

(b) A sum equal to the principal and interest, if any, next due, plus the premiums that will next become due and payable on pieces of tin and other insured interests covered by the mortgaged property, plus taxes and assessments next due on the mortgaged property (if as estimated by the Mortgagee) less all sums already paid (if any) divided by the number of months to elapse before one month prior to the date when a full amount of ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes and assessments; and

(c) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the Note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Mortgagee each month in a single payment. It to be applied by the Mortgagee to the following items in the order set forth:

- (1) Premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (ground rent, if any), taxes, special assessments, fire, and other hazard insurance premiums;
- (2) Ground rents, taxes, special assessments, fire, and other hazard insurance premiums, as the case may be;
- (3) Interest on the Note secured hereby; and
- (4) Amortization of the principal of the said Note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagee prior to the due date of the next payment, constitute an event of default under this mortgage. The Mortgagee may collect a late charge not to exceed four per cent (4%) for each dollar (\$1) for each payment more than fifteen (15) days in arrears, to cover the extra expense involved in handling delinquent payments.

If the total of the payments made by the Mortgagee under subsection (b) of the preceding paragraph shall exceed the amount of the payments actually made by the Mortgagee for ground rents, taxes, and assessments, or insurance premiums, or the amount of the loan is current, at the option of the Mortgagee, shall be credited on subsequent payments to be made by the Mortgagee, or refund to the Mortgagee. If, however, the monthly payment made by the Mortgagee under subsection (b) of the preceding paragraph shall not be sufficient to pay ground rents, taxes, and assessments, or insurance premiums, or to make up the deficiency, on or before the date when payment of such ground rents, taxes, assessments, or insurance premiums is due, the Mortgagee shall tender to the Mortgagee, in accordance with the provisions of the Note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagee all payments made under the provision of subsection (a) of the preceding paragraph which the Mortgagee has not become obligated to pay to the Secretary of Housing and Urban Development. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby, or if the Mortgagee acquires the property otherwise a first default, the Mortgagee shall apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under subsection (c) of the preceding paragraph as a credit against the amount of principal then remaining unpaid under said Note and shall properly advise a payment which shall have been made under subsection (a) of the preceding paragraph.

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