

M O R T G A G E

00019281

THIS MORTGAGE ("Security Instrument") is executed on January 3, 1990. The mortgagors are PATRICK J. ALLEN and PAMELA A. ALLEN, his wife ("Borrowers"). This Security Instrument is given to DOLORES DONNOWITZ ("Lender"). Borrowers owe Lender the principal sum of FIVE THOUSAND AND 00/100 (\$5,000.00) DOLLARS. This debt is evidenced by Borrower's Promissory Note ("Note"), dated the same date as this Security Instrument, which provides for payment of the principal sum of FIVE THOUSAND AND 00/100 (\$5,000.00) DOLLARS, plus interest on the balance of principal remaining from time to time unpaid at the interest rate of TWELVE (12%) percent per annum. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note with interest, and all renewals, advancements, extensions and modifications; (b) the payment of all other sums, with interest, advanced under Paragraph 7 hereof to protect the security of this Security Instrument; and (c) the performance of all Borrowers' covenants and agreements under this Security Instrument and the Note. For this purpose, Borrowers do hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

Lot 40, in Sandburg Ridge, a Subdivision in the Southwest 1/4 and the Southeast 1/4 of Section 10, in Township 36 North, and in Range 12 East of the Third Principal Meridian, in Cook County, Illinois.

PIN: 27-10-403-016

commonly known as 8947 West 147th Street, Orland Park, Illinois; and

together with all 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 be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWERS COVENANT that Borrowers are 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. BORROWERS ACKNOWLEDGE THAT THIS IS A SECOND AND JUNIOR MORTGAGE TO THE FIRST MORTGAGE IN THE PRINCIPAL SUM OF \$85,000.00 DATED APRIL 28, 1988 BY AND BETWEEN BORROWERS AND A.J. SMITH FEDERAL SAVINGS BANK, AS FIRST MORTGAGE LENDER, AND, SECONDARILY, THAT CERTAIN ADJUSTABLE REVOLVING CREDIT MORTGAGE DATED DECEMBER 26, 1989 BY AND BETWEEN BORROWERS AND A.J. SMITH FEDERAL SAVINGS BANK IN THE PRINCIPAL SUM OF \$15,000.00. Notwithstanding anything contained herein to the contrary, Borrowers acknowledge that nothing herein contained shall be deemed to supercede or supervene the provisions of the aforesaid first and second mortgages. Borrowers grant and will defend generally the title to the property against all claims and demands, subject to any encumbrances of record.

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THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by this jurisdiction to constitute a security instrument covering real property and, as hereinafter more fully set forth, a security instrument which is cross collateralized with certain chattel property.

UNIFORM COVENANTS - Borrowers and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrowers shall promptly pay when due the principal of and interest on the debt evidenced by the Promissory Note and any prepayment and late charges due under the Promissory Note. Additionally, Borrowers shall pay interest after maturity at the rate set forth under the Promissory Note.

2. Funds for Taxes and Insurance. Subject to supervening provisions of the prior and superior encumbrances set forth and described on the first page of this mortgage and subject to applicable law or to a written waiver by Lender, Borrowers shall pay to Lender on the day payments are due under the Note, until the Note is paid in full, a sum ("Funds") equal to one-twelfth of: (a) yearly taxes and assessments which may attain priority over this Security Instrument; (b) yearly leasehold payments or ground rents on the Property, if any; (c) yearly hazard insurance premiums; and (d) yearly mortgage insurance premiums, if any. These items are called "escrow items." Lender may estimate the Funds due on the basis of current data and reasonable estimates of future escrow items.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay the escrow items. Lender may not charge for holding and applying the Funds, analyzing the account or verifying the escrow items, unless Lender pays Borrowers interest on the Funds and applicable law permits Lender to make such a charge. Borrowers and Lender may agree in writing that interest shall be paid on the Funds. Unless an agreement is made or applicable law requires interest to be paid, Lender shall not be required to pay Borrowers any interest or earnings on the Funds. Lender shall give to Borrowers, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Security Instrument.

If the amount of the Funds held by Lender, together with the future monthly payments of funds payable prior to the due dates of the escrow items, shall exceed the amount required to pay the escrow items when due, the excess shall be, at Borrower's option, either promptly repaid to Borrowers or credited to Borrowers on monthly payments of Funds. If the amount of the Funds held by Lender is not sufficient to pay the escrow items when due, Borrowers shall pay to Lender any amount necessary to make up the deficiency in one or more payments as required by Lender.

Upon payment in full of all sums secured by this Security Instrument, Lender shall promptly refund to Borrowers any Funds held by Lender. If upon and after default the Property is sold or acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Security Instrument.

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

4. **Charges; Liens.** Borrowers shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrowers shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrowers shall pay them on time directly to the person owed payment. Borrowers shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrowers make these payments directly, Borrowers shall promptly furnish to Lender receipts evidencing the payments.

Borrowers shall promptly discharge any lien which has priority over this Security Instrument unless Borrowers: (a) agree in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien in forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give borrower a notice identifying the lien. Borrowers shall satisfy the lien or take one or more the actions set forth above within 10 days of the giving of notice.

5. **Hazard Insurance.** Borrowers shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrowers subject to Lender's approval which shall not be unreasonably withheld.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrowers shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrowers shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrowers.

Unless Lender and Borrowers otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrowers. If Borrowers abandon the Property, or do not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay

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sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrowers otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of the payments. If upon and after default the Property is acquired by Lender, Borrower's right to any insurance policies or proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

6. Preservation and Maintenance of Property; Leasehold. Borrowers shall not destroy, damage or substantially change the Property; allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrowers shall comply with the provisions of the lease, and if Borrowers acquire fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance. If Borrowers fail to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as proceeding in bankruptcy, probate, for condemnation or to enforce laws of regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorneys' fees and court costs and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrowers secured by this Security Instrument. Unless Borrowers and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Promissory Note rate and shall be payable, with interest, upon notice from Lender to Borrowers requesting payment.

If Lender requires mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrowers 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 Borrowers 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 Borrowers. In the event of a partial taking of the Property, unless Borrowers and Lender otherwise agree in

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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 Borrowers.

If the Property is abandoned by Borrowers, or if, after notice by Lender to Borrowers that the condemnor offers to make an award or settle a claim for damages, Borrowers fail 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 Borrowers 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. 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 Borrowers. 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 of 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 Borrowers which exceeded permitted limits will be refunded to Borrowers. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrowers. 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 under paragraph 19.

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 this Security Instrument or the Note which can be given effect without conflicting provisions. To this end the provisions of this Security Instrument and the Note are declared to be severable.

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

16. **Transfer of the Property or a Beneficial Interest in Borrowers.** If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrowers is sold or transferred and Borrowers are not natural persons) 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 Borrowers 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 Borrowers must pay all sums secured by this Security Instrument. If Borrowers fail 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 Borrowers.

17. **Borrower's Right to Reinstate.** If Borrowers meet certain conditions, Borrowers 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) the entry of a judgment enforcing this Security Instrument. Those conditions are that Borrowers: (1) pay Lender all sums which then would be due under this Security Instrument and the Note had no acceleration occurred, (2) cure any default of any other covenants or agreements; (c) pay all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees and court costs; and (d) take 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 Borrowers, this Security Instrument and the obligations secured hereby shall remain effective as if no acceleration had occurred. However, the right to reinstate shall not apply in the case of acceleration under paragraphs 13 or 16.

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

18. **Notices.** All notices hereunder shall be sent by Certified or Registered Mail, return receipt requested, or, in the alternative, by receipted hand delivery. Unless proof of delivery is otherwise established, the date of United States Post Office postmark cancellation shall be conclusively presumed to be the date of receipt of Certified or Registered Mail. The addresses of the parties are (unless hereafter otherwise changed by written notice) those set forth in Exhibit "A", attached hereto and incorporated herein by reference.

19. **Acceleration; Remedies.** Lender shall give notice to Borrowers 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 16 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 10 days from the date the notice is given to Borrowers, by which the

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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 Agreement and disposition of the collateral. 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 Agreement. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided hereunder including, but not limited to, reasonable attorneys' fees, court costs and costs of collection.

20. **Lender in Possession.** Upon acceleration under Paragraph 19 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, Lender (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the property including those past due. Any rents collected by Lender or the receiver shall be applied first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorneys' fees and court costs, and then to the sums secured by this Security Instrument.

21. **Release.** Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument. Borrowers shall pay any recordation costs and reasonable charges including but not limited to reasonable attorneys fees thereon.

22. **Waiver of Homestead.** Borrowers waive all right of homestead exemption in the Property.

IN WITNESS WHEREOF, the undersigned have executed this instrument the day and year first above written.

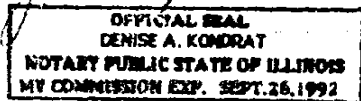
Patrick V. Allen
PATRICK V. ALLEN

Pamela A. Allen
PAMELA A. ALLEN

STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that PATRICK V. ALLEN and PAMELA A. ALLEN, his wife, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Witness my hand and official seal this 3rd day of January, 1990.



Denise A. Kondrat
NOTARY PUBLIC

This instrument was prepared by: Sheldon L. Lebold, P.O. Box 266, 9533 W. 143rd Street, Orland Park, IL 60462.

MAIL TO: Sheldon L. Lebold, P.O. Box 266, 9533 W. 143rd Street, Orland Park, Illinois 60462

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EXHIBIT "A"

TO

MORTGAGE DATED JANUARY 3, 1990

TO BORROWERS AT:

Patrick J. Allen and Pamela A. Allen
8947 West 147th Street
Orland Park, Illinois 60462

TO LENDER AT:

Dolores Donnowitz
2117 Fort DeLeau
Highland, Indiana 46322

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COOK COUNTY RECORDER

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Mail To:

SHELDON L. LEBOLD
ORLAND STATE BANK BLDG.
P.O. BOX 266
9533 W. 143rd STREET
ORLAND PARK, IL. 60462