

UNOFFICIAL COPY

97567951

. DEPT-01 RECORDING 129.1
. T#6666 TFAN 1147 08/05/97 12:40:00
. #9494 # MH * -97-56795
. COOK COUNTY RECORDER

SECOND MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on July 22, 1997. The mortgagors are SHIRLEY ANN JOHNSON and HAROLD EDWARD JOHNSON, her husband ("Borrowers"). This Security instrument is given to SHIRLEY A SMOLINSKI as Trustee of the SHIRLEY A. SMOLINSKI Self Declaration of Trust dated May 5, 1997 of 6568 West Port Au Prince Lane, Glendale, Arizona 85306, ("Lender"). Borrowers owes Lender the principal sum of One Hundred Fifty Thousand Dollars (U.S. \$150,000). This debt is evidenced by Borrowers' note dated the same date as this Security Instrument ("Note"), which provides for annual payments of interest only with a lump sum payment of principal due May 5, 2010, if not paid earlier.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced to protect the security of this Security Instrument; and (c) the performance of Borrower's covenants and agreements under this Security Instrument and Note. For these purposes, Borrower does hereby mortgage, grant and convey to Lender the following described real estate located in Cook County, Illinois:

Lot 48 in Block 4 in E. L. Sherman's Addition to Holstein, in Section 31, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PIN: 14-31-127-026-0000

which has the address of 2042 West Charleston, Chicago, Illinois 60647.

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

2950
5PGS

97567951

UNOFFICIAL COPY

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 the Mortgage to LaSalle Bank, F.S.B., dated July 21, 1997 in the amount of Seventy Five Thousand Dollars, which mortgage has been recorded as document 97549261. Borrowers warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

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 and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Real Estate taxes. Borrowers will pay all real estate taxes when they become due and owing. If Borrowers fail to make payment by the due date, Lender may advance funds to protect lien of mortgage and add funds advanced to principal due and owing and secured by the mortgage.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraphs 1 and 2 shall be applied: first, to any prepayment charges due under the Note; second, to amounts payable for real estate taxes or condominium assessments paid to protect this security interest; third, to interest due; fourth, to principal due; and last, to any late charges due under the Note.

4. Charges; liens. Borrowers shall pay all taxes, assessments, charges, fine and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrowers shall promptly furnish to Lender receipts evidencing the payments.

Borrowers shall promptly discharge any lien, excepting the first mortgage to LaSalle Bank, F.S.B., which has priority over this Security instrument, and hereby agrees to promptly make payments required by the terms of said mortgage. If Lender determines that any part of the Property is subject to another lien which may attain priority over this Security Instrument, Lender may give Borrowers a notice identifying the lien. Borrowers shall satisfy the lien or take the actions which Lender agrees will protect the security of the mortgage.

5. Hazard or Property Insurance. Borrowers shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included with the term "extended coverage" and any other hazards,

97549261

UNOFFICIAL COPY

including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. If Lender feels insecure, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property.

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. 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.

6. Occupancy, Preservation, Maintenance and Protection of the Property; Borrowers' Loan Application; Leaseholds.

Borrowers shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property. Borrowers shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by the Security Instrument or Lender's security interest. Borrowers may cure such a default and reinstate, as provided above, by causing the action or proceeding to be demised with a ruling that, in Lender's good faith determination, precludes forfeiture of the Borrowers' interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest.

7. Protection of Lender's Rights in the Property. 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, 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 attorney's fees and entering on the Property to make repairs. Lender does not have to exercise this right to protect this security interest.

8. 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.

9. Borrowers Not Released; Forbearance by Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums security by this Security Instrument granted by Lender to any successor in interest of

97567951

UNOFFICIAL COPY

Borrowers shall not operate to release the liability of the original Borrowers or Borrowers' successors in interest.

10. 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.

11. 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 of 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.

12. Notices. Any notice to Borrowers provided for in this Security Instrument shall be given by delivering it or mailing it by first class mail, unless applicable law requires use of another method, to the Property Address or any other address Borrowers designate 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 Borrowers in writing.

13. Governing Law; Severability. This Security Instrument shall be governed by the law of the state of Illinois and the law of the jurisdiction in which the Property is located.

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

15. Transfer of the Property or Beneficial Interest Therein. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest of Borrowers is sold or transferred) without Lender's prior written consent, Lender may, at her 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 Interest.

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.

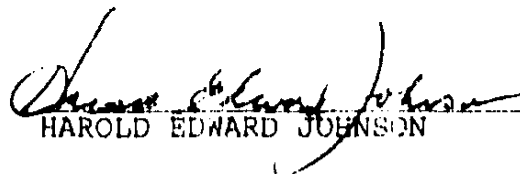
97567951

UNOFFICIAL COPY

This is a second mortgage and specifically subordinate to the Mortgage from SHIRLEY ANN JOHNSON and HAROLD EDWARD JOHNSON to LASALLE BANK, F.S.B. dated July 21, 1997 and recorded as document _____.

BY SIGNING BELOW, Borrowers accept and agree to the terms and covenants contained in pages 1 through 4 of this Security Instrument and in any rider(s) executed by Borrowers and recorded with it.

 (SEAL)
SHIRLEY ANN JOHNSON

 (SEAL)
HAROLD EDWARD JOHNSON

State of Illinois
County of Cook ss:

I, the undersigned, a Notary Public in and for said county and state do hereby certify that SHIRLEY ANN JOHNSON and HAROLD EDWARD JOHNSON, her husband, personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument, appeared before me this day in person that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

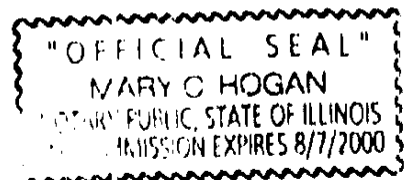
Given under my hand and official seal, this 22nd day of July, 1997.

My commission expires:


Notary Public

This document was prepared by : Sara E. Sumner, 2020 N. Leavitt, Chicago, IL 60647

Mail to: Sara E. Sumner
2020 N. Leavitt
Chicago, IL 60647



97567951