

SECOND MORTGAGE

97569074

THIS SECOND MORTGAGE (the "Security Instrument") is given effective as of May 1, 1997. The mortgagor is **STEPHEN L. ADAMS** (the "Borrower"). This Security Instrument is given to **JOHN W. ADAMS** and **DOROTHY W. ADAMS**, husband and wife (herein after referred to as

"Lender"). Borrower is indebted to Lender in the principal sum of **FIFTY-FIVE THOUSAND DOLLARS** and 00/100 (\$55,000.00). This debt is evidenced by Borrower's Note dated May 1, 1997 (the "Note"), which provides for equal monthly payments of principal and interest thereon, at an annual rate equal to seven (7%) percent, with the total outstanding principal and interest amount due on or before June 1, 2005.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, and all renewals, extensions and modifications; (b) the payment of all other sums advanced by Lender 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:

THE EAST 30.50 FEET (EXCEPT THE SOUTH 30 FEET THEREOF) OF THE WEST 70 FEET OF LOT 9 IN THE ASSESSOR'S DIVISION OF LOTS 1 AND 2 AND 3 IN JOHN WEDDINGTON AND OTHER'S SUBDIVISION OF BLOCK 5 IN THE CANAL TRUSTEE'S SUBDIVISION OF PART OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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which has the address of 539 West Fullerton, Chicago, Illinois, 60614 ("Property Address");

TO HAVE and to **HOLD** the same, together with the tenements, hereditaments and appurtenances thereto belonging and the rents, issues and profits thereof unto Lender in fee simple.

AND Borrower covenants with Lender that Borrower is indefeasibly seized of said land in fee simple; that Borrower has good right and lawful authority to convey said land as aforesaid; that Borrower will make such further assurances to perfect the fee simple title to said land in Lender as may reasonably be required; that Borrower hereby fully warrants the title to said land and will defend the same against the lawful claims of all persons whomsoever; and that said land is free and clear of all encumbrances, except the Senior Mortgage detailed below.

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Handwritten signature: B. H. H. M.

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Borrower has executed and delivered a certain (i) senior note to John W. Adams and Dorothy W. Adams (the "Senior Note"), and (ii) certain senior mortgage to secure the Senior Note (the "Senior Mortgage"). Lender acknowledges that this Security Instrument is junior and subordinate to the lien of the Senior Mortgage.

Borrower covenants and agrees to comply with all of the terms and provisions of the Senior Note and Senior Mortgage (collectively, the "Senior Instruments"). If Borrower shall default in the performance of any term or provision contained in the Senior Mortgage or in the Senior Note, the owner or holder of the Note may, but shall not be obligated to, pay any principal or interest due under the Senior Note or the Senior Mortgage. To the extent the owner and holder of the Note pays any installment of principal or interest or any other sums due under the Senior Note or the Senior Mortgage, the said owner and holder shall become entitled to a lien on the Premises covered by this Security Instrument and by the Senior Mortgage, equal in rank and priority to the Senior Mortgage, and in addition to the extent necessary to make effective such rank and priority (a) Borrower shall become subrogated to receive and enjoy all of the rights, liens, powers and privileges granted to Lender under the Senior Instruments and (b) the Senior Mortgage shall remain in existence for the benefit of and to further secure the debt and other sums secured, or hereafter to become secured hereunder.

Borrower shall give Lender a copy of all notices given Borrower with respect to the Senior Mortgage within five (5) days after receiving such notice.

Borrower shall not, without the prior written consent of Lender, which consent shall not be unreasonably withheld, enter into any modification, extension, amendment, agreement or arrangement in connection with any of the Senior Note or the Senior Mortgage.

In the event Borrower is declared by the holder of the Senior Note or the Senior Mortgage to be in default with respect to any requirement of those documents, Borrower agrees that said default shall constitute a Default hereunder. Upon the occurrence of such Default, in addition to any other rights or remedies available to Lender, Lender may, but need not, make any payment or perform any act required to cure or attempt to cure any said default under the Senior Mortgage or the Senior Note in any manner and form deemed expedient by Lender. Lender shall not be responsible for determining the validity or accuracy of any claim in default made by Lender under the Senior Notes or the Senior Mortgages and the payment of any sum by Lender in curing or attempting to cure any alleged default or omission shall be presumed conclusively to have been reasonable, justified and authorized. All monies paid by Lender in curing any default under the Senior Mortgage, including without limitation attorneys' fees and costs in connection therewith, shall bear interest from the date or dates of such payment at the rate of Twelve Percent (12%) per annum (the "Default Rate"), shall be paid by Borrower to Lender on demand, and shall be deemed a part of the Indebtedness and recoverable as such in all respects. Any inaction on the part of Lender shall not be construed as a waiver of any right accruing to Lender on account of any Default hereunder.

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In the event of a Default hereunder, Lender may prepay the entire balance due under the Senior Note, and any prepayment fees or penalty incurred by Lender in connection with such prepayment shall bear interest from the date of such payment at the Default Rate, shall be paid by Borrower to Lender upon demand, and shall be deemed a part of the Indebtedness and recoverable in all respects.

PROVIDED, ALWAYS, that if said Borrower shall pay unto said Lender the amount due and owing pursuant to the Note and perform, comply with and abide by each and every one of the agreements, stipulations, conditions and covenants thereof, and of this Security Instrument, then this Security Instrument and the estate hereby created, shall cease, terminate and be null and void.

AND Borrower hereby further covenants and agrees to pay promptly when due the principal and interest and other sums of money provided for in the Senior Instruments and this Security Instrument and the Note, or either; to pay all and singular the taxes, assessments, levies, liabilities, obligations, and encumbrances of every nature on said property; to permit, commit or suffer no waste, impairment or deterioration of said land and to keep the land fully insured in a sum of not less than the amount due pursuant to the Senior Instruments, and in the event any sum of money becomes payable by virtue of such insurance, Lender shall have the right to receive and apply the same to the indebtedness hereby secured, accounting to Borrower for any surplus; to pay all costs, charges, and expenses, including attorney's fees and title searches, reasonably incurred or paid by Lender because of the failure of Borrower to promptly and fully comply with the agreements, stipulations, conditions and covenants of the Note and this Security Instrument, or either; to perform, comply with and abide by each and every the agreements, stipulations, conditions and covenants set forth in the Note and this Security Instrument or either. In the event Borrower fails to pay when due any tax, assessment, insurance premium or other sum of money payable by virtue of the Note and this Security Instrument, or either, Lender may pay the same, without waiving or affecting the option to foreclose or any other right hereunder, and all such payments shall bear interest from date thereof at the highest lawful rate then allowed by the laws of the State of Illinois.

IF any sum of money herein referred to be not promptly paid within ten (10) days next after the same becomes due and upon notice from Lender or Lender's agent, or if each and every one of the agreements, stipulations, conditions and covenants of the Note and this Security Instrument, or either, are not fully performed, complied with and abided by, then the entire sum mentioned in the Note, and this Security Instrument, or the entire balance unpaid thereon, shall forthwith or thereafter, at the option of Lender, become and be due and payable, anything in the Note or herein to the contrary notwithstanding; provided, however that Borrower shall have the right to cure, within forty-five (45) days of the transmission of the required notice from Lender or Lender's agent, any such default (other than a default resulting from Borrower's failure to make the required payment). Failure by Lender to exercise any of the rights or options herein provided shall not constitute a waiver of any rights or options under the Note or this Security Instrument accrued or thereafter accruing.

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