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## SECOND MORTGAGE

THIS MORTGAGE is made and entered into on this 6th day of April, 1990, by and between the Mortgagors, Joseph M. Salerno and Judy DeJan Salerno, his wife, of Chicago, Cook County, Illinois, (who are hereinafter called "MORTGAGOR"), and the Mortgagees, Donald Skoglund and Robert Lutz, individually, of Chicago, Cook County, Illinois (who are hereinafter called "LENDER").

WHEREAS, Mortgagor is indebted to the Lender in the principal sum of FIFTEEN THOUSAND AND 00/100 (\$15,000.00) DOLLARS, which indebtedness is evidenced by Mortgagor's Promissory Note (which is hereinafter called "NOTE") dated December 11, 1987 providing for monthly installments of Principal and Interest, with the balance of the indebtedness, if not sooner paid, due and payable on the 11th day of December 1992;

TO SECURE TO LENDER the repayment of the indebtedness that is evidenced by the Note, with interest thereon and the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage herein contained, MORTGAGER does hereby mortgage, grant and convey to LENDER the following real estate located in the County of Cook, State of Illinois:

Lot Sixty One (61) in Albert Wisner's Subdivision of the Southeast Quarter (1/4), of the Southwest Quarter (1/4), of the Southwest Quarter (1/4) of Section 20, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County Illinois.

which real estate has the address of 1435 West Melrose, Chicago, Illinois 60657 (hereinafter called the "Property Address").

TOGETHER with all of the improvements now or hereafter erected on the the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil, and gas rights and profits, water, water rights, and water stock, and all fixtures now or hereafter attached to the property, all of which, including replacements and additions thereto, shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or the leasehold estate if this Mortgage related to or is on a leasehold) are herein referred to as the "PROPERTY".

MORTGAGOR COVENANTS that Mortgagor is lawfully seised of the estate hereby conveyed and has the right to mortgage, grant and to convey the property, that the property is unencumbered, and that Mortgagor will warrant and defend generally the title to the property against all claims and demands, subject to any declarations, easement or restrictions listed in a schedule of exceptions to

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INDEX # 14-20-329-010

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COOK COUNTY RECORDER

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coverage in any title insurance policy insuring Lender's interest in the property.

MORTGAGOR AND LENDER covenant and agree as follows:

1. Payment of Principal and Interest. The Mortgagor shall promptly pay when due the principal of and the interest on the indebtedness evidenced by the Note, prepayment and/or late charges as provided in the Note, and the principal of and the interest on any Future Advances secured by this Mortgage, if any.

2. Application of Payments. Unless applicable law provides otherwise, all payments that are received by Lender under the Note hereof shall be applied by Lender first in payment of amounts payable to Lender for interest payable on the Note, then to the principal on the Note, and then to interest and principal on any Future Advances, if any there be.

3. Charges and/or Liens. Mortgagor shall pay all taxes, assessments and other charges, fines and impositions, attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, and if not paid, by the Mortgagor making payment, when due, directly to the payee thereof. Mortgagor shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Mortgagor shall make any payment directly, Mortgagor shall promptly furnish to the Lender receipts evidencing such payments. Mortgagor shall promptly discharge any lien which has priority over this Mortgage; provided, that Mortgagor shall not be required to discharge any such lien so long as Mortgagor shall agree, in writing, to the payment of the obligation secured by such lien in a manner acceptable to Lender or shall, in good faith, contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the property or of any part thereof.

4. Hazard Insurance. Mortgagor 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 such other hazards as Lender may require; provided, that Lender shall not require that the amount of such insurance coverage exceed the amount of coverage required to pay the sums that are secured by this and any other Mortgages.

The insurance carrier providing the insurance shall be chosen by Mortgagor subject to approval by Lender; ~~provided, that such approval shall not be unreasonably withheld.~~

All insurance policies and renewals thereof shall be in a form acceptable to Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Mortgagor shall

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promptly furnish to Lender all renewal notices and all paid receipt for paid premiums. In the event of loss, Mortgagor shall give notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Mortgagor.

Unless Lender and Mortgagor otherwise agree in writing, all insurance proceeds shall be applied to restoration or repair of the property damaged; provided, that such restoration or repair is economically feasible and that the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Mortgagor. If the Property is abandoned by Mortgagor, or if Mortgagor fail to respond to Lender within 30 days from the date notice is mailed by Lender to Mortgagor that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage.

If under Paragraph 18 hereof, the Property is acquired by Lender, all right, title and interest of Mortgagor in and to any insurance policies and in and to the proceeds thereof resulting from damages to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

5. Preservation and Maintenance of Property. Mortgagor shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold.

6. Protection of Lender's Security. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then the Lender at Lender's option, upon notice to Mortgagor, may make any appearances and disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Mortgagor shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Mortgagor's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this Paragraph 6, with interest thereon, shall become

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additional indebtedness of the Mortgagor secured by this Mortgage. Unless Mortgagor and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Mortgagor requesting payment thereof, and shall bear interest from the day of disbursement at the rate payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this Paragraph 6 shall require Lender to incur any expense or take any action hereunder.

7. Inspections. Lender may make, or cause to be made, reasonable entries upon and inspections of the Property, provided that Lender shall give Mortgagor notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of Property, or part thereof, 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 Mortgage, with the excess, if any, paid to Mortgagor. In the event of a partial taking of the Property, unless mortgagor and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion which the amounts of the sum secured by this Mortgage immediately prior to the date of taking, with the balance of the proceeds paid to Mortgagor.

If the property is abandoned by Mortgagor or, if, after notice by Lender to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to Lender within 30 days after the date such notice is mailed, Lender is authorized to collect and apply the proceeds, at Lender's option, either to the restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Mortgagor otherwise agree in writing, any such application of the proceeds to principal shall not extend or postpone the due date of the monthly payments.

9. Mortgagor Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Mortgagor shall not operate to release, in any manner, the liability of the original Mortgagor and Mortgagor's successors in interest. The Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor and Mortgagor's successor in interest.

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10. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage.

11. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

12. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Mortgagor, subject to the provisions of Paragraph 16 hereof. All covenants and agreements of Mortgagor shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

13. Notice. Except for any notice required under applicable law to be given in another manner, (a) any notice to Mortgagor provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Mortgagor at the Property Address or at such other address as Mortgagor may designate by notice to the Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address as is stated herein or to such other address as Lender may designate by notice to Mortgagor as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagor or Lender when given in the manner designated herein.

14. Uniform Mortgage; Governing Laws; Severability. This mortgage combines uniform covenants for broader use with covenants that are designed for use in Illinois which together constitute a security instrument to cover real property. This Mortgage shall be governed by the law of the jurisdiction, or State in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or of the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable.

15. Mortgagor's Copy. Mortgagor shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

16. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or

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transferred by Mortgagor without Lender's prior written consent, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this Paragraph 16, and if Mortgagor's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall then release the Mortgagor from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Mortgagor notice of acceleration in accordance with Paragraph 13 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Mortgagor may pay the sums declared due. If Mortgagor fail to pay such sums prior to the expiration of such period, then Lender may, without further notice or demand on Mortgagor, invoke any remedies permitted by Paragraph 17 hereof.

#### MORTGAGOR AND LENDER FURTHER COVENANT AND AGREE AS FOLLOWS:

17. Acceleration; Remedies. Except as provided in paragraph 16 hereof, upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Mortgagor as is provided in paragraph 13 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Mortgagor, by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Mortgagor to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. The Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable costs of documentary evidence, abstracts and title reports and reasonable attorney's fees.

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18. Mortgagor's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Mortgagor shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Mortgagor pays Lender all sums which would be then due under this Mortgage, the Note and any Notes securing Future Advances, if any, had no acceleration occurred; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor contained in this Mortgage; (c) Mortgagor pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Mortgagor contained in this Mortgage and in enforcing Lender's remedies as provided in Paragraph 17 hereof, including, but not limited to, reasonable attorney's fees; and (d) Mortgagor takes such other action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Mortgagor, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

19. Assignment of rents; Appointment of Receiver. As additional security hereunder, Mortgagor hereby assigns to Lender the rents of the Property, provided that Mortgagor shall, prior to acceleration under Paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under Paragraph 18 hereof or abandonment of the Property, Lender shall be entitled, to the extent provided by applicable law, to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the rents of Property including those past due. All rents collected by 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 attorney's fees, and then to the sums secured by the Mortgage. The receiver shall be liable to account only for those rents actually received.

20. Future Advances. Upon request of Mortgagor, the Lender, at Lender's option, prior to release of this Mortgage, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Mortgage, not including sums advanced in accordance herewith to protect the security of this Mortgage, exceed the original amount of the Note.

21. Release. Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Mortgagor.

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IN WITNESS WHEREOF, Mortgagor has executed this Mortgage on the 6th day of April, 1990.

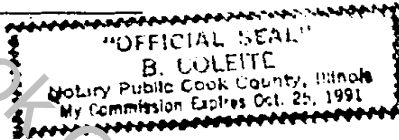
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STATE OF ILLINOIS )  
                          )  
COUNTY OF COOK    )

On this 6th day of April, 1990, before me, the undersigned a Notary Public in and for said county and state, personally appeared the above named persons and acknowledged the execution of the foregoing instrument.

WITNESS MY HAND AND OFFICIAL SEAL.

*[Handwritten signature]*  
\_\_\_\_\_  
Notary Public



MY COMMISSION EXPIRES ON:

This instrument was prepared by Brent E. Skoglund,  
6597 North Tahoma Avenue, Chicago, Illinois 60646.  
(312) 775-9612

MAIL TO

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