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SECOND MORTGAGE

This Second Mortgage is made as of May 1, 1990, by 1736 South Michigan Avenue Partnership, an Illinois general partnership (the Mortgagor), with an address of 1736 South Michigan Avenue, Chicago, Illinois to INDEPENDENCE BANK OF CHICAGO, (alternatively the "Lender" and "Mortgagee"), with a principal address at 7936 South Cottage Grove Avenue, Chicago, Illinois 60619, and pertains to the real estate described in Exhibit A, which is attached hereto and hereby made a part hereof.

RECITALS

1.01. Promissory Note. Whereas, AFAM Concept, Inc., an Illinois business Corporation ("AFAM") has executed and delivered to Lender a Promissory Note (the "Note") of even date herewith, wherein AFAM promises to pay to the order of Lender the principal amount of ONE HUNDRED THOUSAND and No/100 Dollars (\$100,000.00), (the "Loan") together with interest thereon;

1.02. Senior Mortgage. Mortgagor has executed and delivered to Independence Bank of Chicago (i) that certain note in the principal amount of THREE HUNDRED ELEVEN THOUSAND and No/100 DOLLARS (\$311,000.00), ("Senior Note"); (ii) that certain first mortgage executed by Mortgagor in favor of Independence Bank of Chicago in the original principal amount of THREE HUNDRED ELEVEN THOUSAND and No/100 DOLLARS (\$311,000.00), recorded on _____, 1990, as Document Number _____ with the Recorder of Deeds of Cook County, Illinois ("Senior Mortgage"). Lender acknowledges that this Mortgage is junior and subordinate to the lien of the Senior Mortgage.

II

THE GRANT

NOW, THEREFORE, to secure the payment of the principal amount of the Note and interest thereon and the performance of the agreements contained hereinbelow and to secure the payment of any and all other indebtedness, direct or contingent, that may now or hereafter become owing from AFAM to Lender and the performance of all other obligations under the Loan Documents, and in consideration of the matters recited hereinabove, Mortgagor hereby grants, bargains, sells, conveys, and mortgages to Lender and its successors and assigns forever the real estate, and all of its estate, right, title, and interest therein, situated in the County of Cook, State of Illinois, as more particularly described in Exhibit A, which is attached hereto and made a part hereof (the "Premises"), together with the following described property (the Premises and the following described property being hereinafter referred to collectively as the "Mortgaged Property");

BOX 333 - GG

Prepared by: William A. Miceli, Esq.
Davis, Miner, Barnhill & Galland
14 West Erie Street
Chicago, Illinois 60610

COOK COUNTY, ILLINOIS

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- (a) all buildings and other improvements of every kind and description now or hereafter erected or placed thereon and all materials intended for construction, reconstruction, alteration, and repair of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Mortgaged Property immediately upon the delivery thereof to the Premises;
- (b) all right, title, and interest of Borrower, including any after-acquired title or reversion, in and to the beds of the ways, streets, avenues, sidewalks, and alleys adjoining the Premises;
- (c) each and all of the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights, other rights, liberties, and privileges of the Premises or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity, as well as any after-acquired title, franchise, or license and the reversions or remainders thereof; and
- (d) all rents, issues, deposits, and profits accruing and to accrue from the Premises and the avails thereof;

To have and to hold the same unto Lender and its successors and assigns forever, for the purposes and uses herein set forth.

If and when the principal amount of the Note and all interest as provided thereunder, any and all other amounts required under the Loan Documents, and all of the agreements contained in the Loan Documents have been fully paid and performed, then this Mortgage shall be released at the cost of Borrower, but otherwise shall remain in full force and effect.

III

GENERAL AGREEMENTS

3.01. Principal and Interest. AFAM shall pay promptly when due the principal evidenced by the Note at the times and in the manner provided in the Note.

3.02. Insurance. Subject to the provisions of the Senior Mortgage, Mortgagor shall keep the buildings on the premises insured for loss by fire, public liability, and hazards for the benefit of Mortgagee; Mortgagor shall name the Mortgagee as co-insured and deliver the policies to Mortgagee; and Mortgagor shall reimburse Mortgagee for any premiums paid for insurance by Mortgagee on Mortgagor's default in so insuring the buildings or in so delivering the policies.

3.03. Payments. Subject to the provisions of the First Mortgage, Mortgagor shall pay all taxes, fire and other hazard insurance premiums, assessments, water rates and other governmental or municipal charges, fines, or impositions. In default thereof, Mortgagee may pay the same, and Mortgagor shall reimburse Mortgagee therefore.

3.04. Maintenance of Premises. No building on the premises shall be removed or demolished without the consent of Mortgagee.

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3.05. Default. The full amount of the principal sum and interest shall become due at the option of Mortgagee: (a) after default in the payment of any installment of principal or of interest due under the Senior Note or the payment of any sum due under the Senior Mortgage and beyond any cure period, if any, provided for in the Note or Senior Mortgage; (b) after any covenant default under the Senior Mortgage and beyond any cure period, if any, provided for in the First Mortgage; and (c) after any default under the provisions of this Mortgage and written notice of any such default in writing to Mortgagor.

3.06. Assignment of Rents and Leases. Subject to the prior collateral assignment pursuant to the Senior Mortgage, Mortgagor hereby assigns to Mortgagee the rents, issues and profits of the premises as further security for the payment of the obligations secured hereby, and grants to Mortgagee the right to enter on the premises for the purpose of collecting the same, to let the premises or any party hereof, and to apply the moneys received therefore, after payment of all necessary charges and expenses, to the obligation secured by the mortgage, on default under any of the covenants, conditions or agreements contained herein. In the event of any such default, Mortgagor shall pay to Mortgagee or to any receiver appointed to collect the rents, issues, and profits of the premises, the fair and reasonable rental value for the use and occupation of the same or of such part thereof as may be in the possession of Mortgagor; and on default in payment of such rental, to vacate and surrender possession of the premises, or that portion thereof occupied by Mortgagor, to Mortgagee or the receiver theretofore appointed.

3.07. Litigation Expenses. If any action or proceeding is commenced, except an action to foreclose this Mortgage or to collect the debt secured thereby, in which it becomes necessary to defend or assert the lien of this Mortgage, whether or not the Mortgagee is made or becomes a party to any such actions or proceedings, all expenses of Mortgagee incurred in and such action or proceeding to prosecute or defend the rights and lien created by this mortgage, including reasonable counsel fees, shall be paid by Mortgagor, and if not so paid promptly on request, shall be added to the debt secured hereby and become a lien on the mortgaged premises, and shall be deemed to be fully secured by this mortgage and to be prior and paramount to any right, title, interest, or claim to or on the premises accruing or attaching subsequent to the lien of this Mortgage, and shall bear interest at the rate provided for the obligations secured hereby. This covenant shall not govern or affect any action or proceeding to foreclose this mortgage or to recover or to collect the debt secured hereby, which action or proceeding shall be governed by the provisions of law respecting the recovery of costs, disbursements, and allowances in foreclosure actions.

3.08. Condemnation. If the premises or any part thereof shall be condemned and taken under the power of eminent domain, or if any award for any change of grade of streets affecting the premises shall be made, all damages and awards for the property so taken or damaged shall be paid to the holder of this Mortgage, up to the amount then unpaid on the indebtedness hereby secured, without regard to whether or not the balance remaining unpaid on the indebtedness may then be due and payable; and the amount so paid shall be credited against the indebtedness and, if it is insufficient to pay the entire amount thereof, it may, at the option of the holder of this mortgage, be applied to the last maturing installments. The balance of such damages and awards, if any, shall be paid to Mortgagor. Mortgagee and subsequent holders of this Mortgage are hereby given full power, right, and authority to receive and receipt for all such damages and awards.

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3.09. Bankruptcy/Insolvency. If Mortgagor or any obligor on the Note secured hereby: (1) files a voluntary petition in bankruptcy under the Bankruptcy Act of the United States, or (2) is adjudicated a bankrupt under such act, or (3) is the subject of a petition filed in federal or state court for the appointment of a trustee or receiver in bankruptcy or insolvency, or (4) makes a general assignment for the benefit of creditors, then and on the occurrence of any of such conditions, at the option of Mortgagee, the entire balance of the principal sum secured hereby, together with all accrued interest thereon, shall become immediately due and payable.

3.10. Waste. Mortgagor shall not commit, suffer, or permit any waste, impairment, or deterioration of the premises or any improvement thereon and shall maintain the premises and all improvements thereon in good condition and repair. If Mortgagor shall fail or neglect to make any necessary repair or replacement in any improvement for thirty days after notice to do so from Mortgagee, Mortgagee may effect such repair or replacement and the cost thereof shall be added to the debt secured hereby, shall bear interest at the rate provided in the Note secured hereby, and shall be covered by this mortgage and the lien hereof.

3.11. Compliance with Governmental Regulations. Mortgagor shall comply with all statutes, ordinances, and governmental requirements that affect the premises; and if Mortgagor shall neglect or refuse to so comply and such failure or refusal shall continue for a period of thirty days, then, at the option of Mortgagee, the entire balance of the principal sum secured hereby, together with all accrued interest, shall become immediately due and payable.

3.12. Subordination. The terms, conditions and provisions of this Second Mortgage are subject and subordinate to that Senior Mortgage made by Mortgagor and securing Mortgagee dated May __, 1990 and recorded at the office of the county recorder of Cook county, state of Illinois. It is expressly understood that Mortgagee shall not foreclose under this Second Mortgage unless and until it is entitled to foreclose under the Senior Mortgage. In the event the Senior Mortgage is assigned by the mortgagee, this Second Mortgage shall likewise be assigned. This Second Mortgage shall automatically terminate at such time as the Senior Mortgage is discharged or released.

3.13. Personal Liability. It is expressly understood and is a condition of the execution of this Note and the Mortgage securing the same that no personal liability is to attach to the undersigned or any partner of the undersigned, their heirs, successors and assigns, for the indebtedness created by reason of the execution of this Note and the Mortgage securing the same, and that the holder hereof, in the event of any nonpayment or default of the terms hereof, is to look solely to the proceeds of the sale of the mortgaged property, the rents, issues and profits thereof, for satisfaction of the debt, including the liability of those who may subsequently become liable to pay the same, either by operation of law or otherwise, and any other security theretofore or hereafter given for the payment of the Mortgage indebtedness; provided, however, that this sentence shall not be construed in any way so as to affect or impair the lien of the Mortgage securing this Note or the holder's right to foreclose thereon by judgment against the undersigned or otherwise, as provided by law, except that no personal judgment for any deficiency shall be sought of or be rendered against the undersigned or any partner of the undersigned; and further provided, that the language of this paragraph shall not be construed in any way so as to limit or restrict any of the rights and remedies of the holder hereof in any foreclosure proceeding or other enforcement of the payment of the indebtedness represented hereby, out of and from the security given therefor, including, but without limitation, the holder's right to the

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appointment of a receiver in foreclosure of the Mortgage securing this Note and to collect rents during such foreclosure proceedings and thereafter as may be permitted by law.

IN WITNESS WHEREOF, Borrower has caused this Second Mortgage to be executed as of the date hereinabove first written.

Attest:

1736 South Michigan Avenue
Partnership, an Illinois
general partnership.

By: Martin S. Hall

By: Wm A. Washington

William A. Washington
General Partner

Title: Attorney for Partnership

By: _____

By: Sandy Osei-Agyeman

Sandy Osei-Agyeman
General Partner

Title: Partner IBC

By: _____

By: Alfred Omar Daddy

Alfred Omar Daddy,
General Partner

Title: _____

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, THE UNDERSIGNED, a Notary Public, in and for said county, in the state aforesaid, DO HEREBY CERTIFY that SANDY USE AGYEMAN, a general partner of 1736 South Michigan Avenue Partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, and appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said partnership, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 1st. day of May, 1990.

Deborah Kerr Harris
Notary Public
- DEBORAH KERR HARRIS

My Commission expires:



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, THE UNDERSIGNED, a Notary Public, in and for said county, in the state aforesaid, DO HEREBY CERTIFY that ALFRED OMAR DADDY, a general partner of 1736 South Michigan Avenue Partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, and appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act and as the free and voluntary act of said partnership, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 1st. day of May, 1990.


Notary Public
DEBORAH KERR HARRIS

My Commission expires:



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, THE UNDERSIGNED, a Notary Public, in and for said county, in the state aforesaid, DO HEREBY CERTIFY that ~~WILLIAM A. WASHINGTON~~ a general partner of 1736 South Michigan Avenue Partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such general partner, and appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said general partner, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 1st. day of May, 1990.

Deborah Kerr Harris

Notary Public

My Commission expires:



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EXHIBIT A

LOTS 2 AND 3 IN S.N. DEXTER'S SUBDIVISION OF BLOCK 4 IN ASSESSOR'S DIVISION OF THE SOUTH WEST FRACTIONAL 1/4 OF SECTION 22, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. 17-22-301-044-0000
1736 South Michigan Avenue
Chicago, Illinois

Property of Cook County Clerk's Office

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