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This instrument was prepared by
Robert F. Simon
Sugar, Friedberg & Felsenthal
30 North LaSalle Street, Ste. 2600
Chicago, Illinois 60602

92448099

SECOND MORTGAGE

THIS SECOND MORTGAGE ("Mortgage") is made this 17th day of June, 1992, between the mortgagor, Steven A. Felsenthal and Carol J. Felsenthal, (herein "Borrower"), and the mortgagee, KVIP Mortgage Partners, an Illinois partnership, whose address is c/o Michael R. Friedberg, Esq., 30 North LaSalle Street, Suite 2600, Chicago, Illinois 60602 (herein "Lender")

WHEREAS, Borrower is indebted to Lender in the principal sum of ONE HUNDRED FIFTY THOUSAND and 00/100 Dollars (\$150,000.00), which indebtedness is evidenced by Borrower's note of even date herewith (herein "Note") providing for quarterly installments of interest with the balance of the indebtedness, if not sooner paid, due and payable on June 1, 1997.

TO SECURE to Lender (a) the repayment of the indebtedness evidenced by the Note, with interest thereon, the payment of all other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage, and the performance of the covenants and agreements of Borrower herein contained, and (b) the repayment of any future advances, with interest thereon, made to Borrower by Lender pursuant to paragraph 18 hereof (herein "Future Advances"), Borrower does hereby mortgage, grant and convey to Lender the following described property located in the County of Cook, State of Illinois:

SEE ATTACHED EXHIBIT A.

which has the address of 1720B North Cleveland Street, Chicago, Illinois 60614 (herein "Property Address"); PIN: 14-33-318-067

TOGETHER with all the improvements now or hereafter erected on the Property, and all easements, appurtenances, 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 are herein referred to as the "Property".

COOK COUNTY RECORDER

660844-26-448099
148888 18AN 7899 08/19/92 16:05:00

DEPT-01 RECORDING

535.00

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This Mortgage is subject and subordinate to that certain mortgage, dated May 22, 1992, made by Borrower as mortgagor to Chemical Bank, N.A. as mortgagee ("First Mortgage"), recorded June 1, 1992 in Cook County, Illinois (Recorder's No. 92378955). Borrower shall perform all obligations under the First Mortgage, including, without limitation, payments, when due, of all principal, interest, and other indebtedness secured thereby. Upon receipt of written request from Lender, Borrower shall promptly furnish Lender with copies of all notices Borrower receives from the mortgagee under the First Mortgage claiming the existence of a default thereunder, or giving notice of a condition which, with the passage of time, would constitute default thereunder.

UNIFORM COVENANTS, Borrower and Lender covenant and agree as follows:

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

2. **Application of Payments.** Unless applicable law provides otherwise, all payments received by Lender under the Note and Paragraph 1 hereof shall be applied by Lender first to Enforcement Expenses (as defined in the Note), then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

3. **Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, by Borrower making payment, when due, directly to the payee thereof. Upon receipt of a written request from Lender, Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage, excepting the lien of the First Mortgage; provided, that Borrower shall not be required to discharge any such lien so long as Borrower 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 any part thereof.

4. **Hazard Insurance.** Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards, and such other hazards as Lender may in writing require and in such amounts and for such periods as Lender may require; provided, that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

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The insurance carrier providing the insurance shall be chosen by Borrower. All premiums on insurance policies shall be paid by borrower making payments, when due, directly to the insurance carriers. Upon receipt of a written request from Lender, Borrower shall promptly furnish to Lender all renewal notices, and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and 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, then subject to the rights of the holder of the First Mortgage, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, then subject to the rights of the holder of the First Mortgage, 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.

5. **Preservation of Maintenance of Property; Leasholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property.

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

7. **Condemnation.** Subject to the First Mortgage, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the 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 Borrower. In the event of a partial taking of the Property, unless Borrower 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 amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within thirty (30) days after the date such notice is mailed, then subject to the rights of the holder of the First Mortgage, Lender is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums secured by this Mortgage. Unless Lender and

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Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in paragraph 1 hereof or change the amount of such installments.

8. **Borrower 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 Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. 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 Borrower and Borrower's successors in interest.

9. **Forbearance by Lender Not a Waiver.** Any forbearance by Lender in exercising any right or 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.

10. **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.

11. **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 Borrower, subject to the provisions of Paragraph 15 hereof. All covenants and agreements of Borrower 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.

12. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail, return receipt requested, addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender five (5) business days after the date when given in the manner designated herein.

13. **Uniform Mortgage; Governing Law; Severability.** This form of mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real Property. This Mortgage shall be governed by the law of the State of Illinois. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict

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shall not affect other provisions of this Mortgage or 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.

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

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

15. Acceleration; Remedies. Except as provided in Paragraph 15 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall mail notice to Borrower as provided in Paragraph 12 hereof specifying: (a) the breach; (b) the action required to cure such breach; (c) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be cured; and (d) 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 Borrower of the right to reinstate after 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, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower 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 Borrower 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. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports.

16. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower 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) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 15 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this

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Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

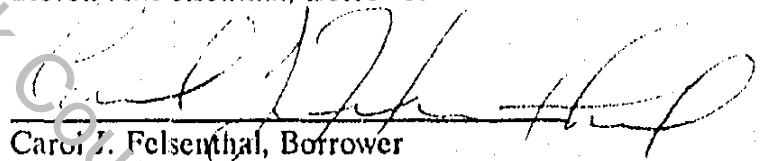
17. **Future Advances.** Upon the written request of Borrower, Lender at Lender's option prior to release of this Mortgage, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Mortgage when evidenced by promissory notes stating that said notes are secured hereby.

18. **Release.** Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

IN WITNESS WHEREOF, Borrower has executed this Mortgage as of the day and year first written above.



Steven A. Felsenthal, Borrower



Carol J. Felsenthal, Borrower

92-44007-2

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STATE OF ILLINOIS Cook County SS:

I, MAUREEN T. NOONAN, a Notary Public in and for said county and state, Steven A. Felsenthal and Carol J. Felsenthal, 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, and acknowledged that they signed and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 17th day of JUNE, 1992.

My Commission expires: 8/20/95

Maureen T. Noonan



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EXHIBIT A

LOT 17 AND THE EAST 8.00 FEET OF THE WEST 106.43 FEET OF THE NORTH 3.00 FEET OF LOT 18 IN HULL'S A SUBDIVISION OF BLOCK 52 IN CANAL TRUSTEE'S SUBDIVISION OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT FROM SAID LOTS 17 AND 18 THAT PART TAKEN FOR OPENING AND EXTENDING OGDEN AVENUE) IN COOK COUNTY, ILLINOIS.

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