

# UNOFFICIAL COPY

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## SECOND MORTGAGE

02

DEPT-01 RECORDING

\$31.50

T#5555 TRAN 5096 11/06/76 15:30:00

#0353 # J.I. \* - 96 - 851034

COOK COUNTY RECORDER

(The Above Space For Recorder's Use Only)

THIS SECOND MORTGAGE ("Mortgage") is given on October 31, 1976, by Lisa F. Silverman (the "Owner"), to the Village of Arlington Heights, an Illinois municipal corporation (the "Sponsor"). The Owner owes the Sponsor a maximum amount of Nine Thousand Eight Hundred Ninety-One and 91/100 Dollars (\$9,891.91) (the "Loan") of which Two Thousand Three Hundred Seventy-Five and 00/100 Dollars (\$2,375.00) is being provided by the Village of Arlington Heights and Seven Thousand Five Hundred Sixteen and 91/100 Dollars (\$7,516.91) is being provided by the Illinois Planning Development Authority HOME program. This debt is evidenced by Owner's promissory note dated the same date as this Mortgage (the "Note"), which provides that, except as provided in subparagraph 4C of that certain Homebuyer Program Agreement dated the same date as this Mortgage between the Owner and the Sponsor (the "Agreement"), twenty percent (20%) of the principal amount of the debt shall be forgiven each year for the five (5) year term of the Loan.

This Mortgage secures to the Sponsor: (a) all payment of the debt evidenced by the Note, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums advanced by the Sponsor pursuant to paragraph 6 of this Mortgage to protect the security of this Mortgage; and (c) the performance of Owner's covenants and agreements under this Mortgage, the Agreement and the Note.

For these purposes, the Owner hereby mortgages, grants and conveys to the Sponsor, its successors and assigns, the real property described on Exhibit A hereto located in the County of Cook, State of Illinois (the "Premises"), together with (a) all the improvements now or hereafter erected on the Premises and all easements, rights and appurtenances thereto and (b) all fixtures and equipment now or hereafter in or on the Premises. All replacements and additions shall also be covered by this Mortgage. The Premises and all of the foregoing property are referred to collectively in this Mortgage as the "Property."

The Owner covenants and warrants that the Owner is the lawful owner of the Property conveyed by this Mortgage, occupies the Property as its principal residence and has the full right and power to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record acceptable to the Sponsor (the "Permitted Encumbrances"). The Owner warrants and will defend generally the title to the Property against all claims and demands, subject to any Permitted Encumbrances.

*Rec. 12508-4*  
The Owner covenants to the Sponsor as follows:

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- 1. Payment under the Note.** The Owner agrees to promptly pay when due any amounts required to be paid by the Note.
- 2. Application of Payments.** Unless applicable law provides otherwise, all payments received by the Sponsor under paragraph 1 will be applied: first, to any late charges due under the Note; second, to any interest due under the Note; and last, to principal due under the Note.
- 3. Charges and Liens.** The Owner will pay all taxes, assessments, charges and fines attributable to the Property which may attain priority over this Mortgage. The Owner will pay these obligations on time directly to the person to whom payment is owed. Owner will promptly furnish to the Sponsor all notices of amounts required to be paid under this paragraph. After making such payments, the Owner will promptly furnish to the Sponsor receipts evidencing the payments.

The Owner will promptly discharge any lien which has priority over this Mortgage and is not a Permitted Encumbrance unless the Owner: (a) agrees in writing to pay the obligation secured by the lien in a manner acceptable to the Sponsor; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Sponsor's opinion, operate to prevent the enforcement of the

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lien or forfeiture of any part of the Property; or © secures from the holder of the lien an agreement satisfactory to the Sponsor subordinating the lien to this Mortgage. If the Sponsor determines that any part of the Property is subject to a lien which may stain priority over this Mortgage and is not a Permitted Encumbrance, the Sponsor may give the Owner a notice identifying the lien. The Owner will satisfy the lien or take one or more of the actions set forth above within 10 days of the Sponsor's giving of such notice.

4. Hazards and Flood Insurance. The Owner will keep the improvements now existing or hereafter erected on the Premises insured against loss by fire, hazards included within the term "extended coverage," and any other hazards for which the Sponsor requires insurance, including flood insurance to the extent required by applicable law. All policies of insurance hereunder will be from such companies and in such form and amounts as may be satisfactory to the Sponsor; will name the Sponsor as a loss payee and will include a provision requiring 30 days advance written notice to the Sponsor prior to the termination or modification of such policy.

All insurance policies and renewals must be acceptable to the Sponsor and must include a standard mortgage clause. The Sponsor may hold the policies and renewals and, if the Sponsor requires, the Owner will promptly give to the Sponsor all receipts of paid premiums and renewal notices. Upon the occurrence of a loss covered by insurance, the Owner will give prompt notice to the insurance carrier and the Sponsor. The Sponsor may make proof of loss if not made promptly by the Owner.

Insurance proceeds will be applied to restoration or repair of the Property damaged if the Sponsor determines that the restoration or repair is economically feasible and the Sponsor's security is not lessened by such restoration or repair. In such event, the Sponsor has the right to collect and hold the insurance proceeds and make the proceeds available to the Owner from time to time for the payment of the cost and expense of repair and restoration upon receipt of satisfactory evidence that such cost or expense has been incurred. If the Sponsor determines that the restoration or repair is not economically feasible or the Sponsor's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to the Owner. If the Owner abandons the Property or does not answer within 30 days a notice from the Sponsor that the insurance carrier has offered to settle a claim, then the Sponsor may settle the claim with the insurance carrier and collect the insurance proceeds from the insurance carrier and may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due.

If under paragraph 17 the Property is acquired by the Sponsor, the Owner's right to any insurance policies and all insurance proceeds resulting from damage to the Property prior to the Sponsor's acquisition shall pass to the Sponsor to the extent of the sums secured by this Mortgage immediately prior to such acquisition.

5. Preservation and Maintenance of Property. The Owner shall not destroy, damage or substantially change the Property, allow the Property to deteriorate, or commit waste.

6. Protection of the Sponsor's Rights in the Property; Mortgage Insurance. If the Owner fails to perform the covenants and agreements contained in this Mortgage or there is a legal proceeding that may significantly affect the Sponsor's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then the Sponsor may do and pay for whatever is necessary to protect the value of the Property and the Sponsor's rights in the Property. The Sponsor's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although the Sponsor may take action under this paragraph 6, the Sponsor does not have to do so. Any amount disbursed by the Sponsor under this paragraph 6 shall become additional debt of the Owner secured by this Mortgage.

7. Inspection. The Sponsor or its agents may make reasonable entries upon and inspections of the Property. The Sponsor shall give the Owner notice prior to the time of an inspection specifying reasonable cause for the inspection.

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 the Sponsor and shall be applied to the sums secured by this Mortgage as if the Note had been prepaid on the date the condemnation award is approved, whether or not then due, with any excess paid to the Owner. If the Property is abandoned by the Owner or if, after notice by the Sponsor to the Owner that the condemnor offers to make an award or settle a claim for damages, the Owner fails to respond to the Sponsor within 30 days after the date the notice is given, the Sponsor is authorized to accept such award or settlement and to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due.

9. Owner Not Released; Forbearance Not A Waiver. Extension of the time for payment or modification of payment of the sums secured by this Mortgage granted by the Sponsor to any successor in interest of the Owner shall not operate to release the liability of the original Owner or the Owner's successors in interest. The Sponsor shall not be required to commence proceedings against any successor in interest and may refuse to extend time for payment or otherwise modify payment of the sums secured by this Mortgage by reason of any demand made by the original Owner or the Owner's successors in interest. Any forbearance by the Sponsor in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

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10. Successors and Assigns Bound. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of the Sponsor and the Owner, subject to the provisions of paragraph 16.

11. Loan Charges. If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the 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 the Owner which exceeded permitted limits will be refunded to the Owner. The Sponsor may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to the Owner. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

12. Legislation Affecting the Sponsor's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, the Sponsor, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by paragraph 17. If the Sponsor exercises this option, the Sponsor shall take the steps specified in the second paragraph of paragraph 17.

13. Notices. Any notices, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing (at the addresses set forth below) by any of the following means: (a) personal service; (b) electronic communication, whether by telegram or telecopier, together with confirmation of receipt; (c) overnight courier; or (d) registered or certified United States mail, postage prepaid, return receipt requested.

The Owner: Lisa F. Savelman  
3300 Carriageway #114  
Arlington Heights, IL 60004

The Sponsor: Village of Arlington Heights  
33 South Arlington Heights Road  
Arlington Heights, Illinois 60005  
Attn: William C. Dixon  
Fax: (847) 590-7832

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to either subsection (a) or (b) hereof shall be served and effective upon such personal service or upon dispatch by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (d) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

14. Governing Law, Severability. This Mortgage shall be governed by the law of the State of Illinois (without giving effect to Illinois choice of law principles). In the event that any provision or clause of this Mortgage, the Agreement or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage, the Agreement or the Note, as the case may be, which can be given effect without the conflicting provision. To this end the provisions of this Mortgage, the Agreement and the Note are declared to be severable.

15. Owner's Copy. The Owner shall be given one conformed copy of the Note, the Agreement and this Mortgage.

16. Recapture Events. If a Recapture Event (as defined in the Agreement) occurs during the term of the Loan, the Sponsor may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by the Sponsor if exercise is prohibited by federal law as of the date of this Mortgage.

If the Sponsor exercises this option, the Sponsor shall give the Owner notice of acceleration. This notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which the Owner must pay all sums secured by this Mortgage. If the Owner fails to pay these sums prior to the expiration of this period, the Sponsor may invoke any remedies permitted by this Mortgage without further notice or demand on the Owner.

17. Acceleration Remedies. Prior to any acceleration of the amounts owed to the Sponsor under the Note, the Agreement or this Mortgage, as the case may be (other than an acceleration under paragraphs 12 and 16 unless applicable law provides otherwise), the Sponsor shall give notice to the Owner following the Owner's breach of any covenant or agreement in the Note, the Agreement or this Mortgage, as the case may be (each, a "Default"). The notice shall specify: (a) the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to the Owner, by which the Default must be cured; and (d) that failure to cure the Default 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

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sale of the Property. The notice shall further inform the Owner 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 the Owner to acceleration and foreclosure. If the Default is not cured on or before the date specified in the notice, the Sponsor at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. The Sponsor shall be entitled to collect all expenses incurred in pursuing the remedies provided in this paragraph 17, including, but not limited to, reasonable attorneys' fees and costs of title evidence, and such sums shall be immediately due and payable and shall be secured by this Mortgage. Upon any sale of the Property made by virtue of judicial proceedings or a decree of foreclosure and sale, the Sponsor may bid for and acquire the Property and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon the Owner's indebtedness secured by this Mortgage, the sale price, after first deducting from the sale price the expenses of the sale and the cost of the foreclosure. The proceeds of any foreclosure sale of the Property shall be distributed and applied in the following order of priority: first, on account of all costs and expenses of the foreclosure proceedings; second, to repayment of the indebtedness of the Owner secured by this Mortgage; and third, any excess to the Owner, its successors and assigns.

18. Possession. Upon acceleration under paragraph 17 or abandonment of the Property and at any time prior to the expiration of any period of redemption following judicial sale, the Sponsor (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. Any rents collected by the Sponsor or 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 attorneys' fees, and then to the sums secured by this Mortgage.

19. Release. Upon the satisfaction of the Note, the Sponsor shall release this Mortgage without charge to the Owner. The Owner shall pay any recordation costs.

20. Waiver of Homestead. To the extent permitted by law, the Owner waives all right of homestead exemption in the Property.

21. Filing and Recording Fees. Owner shall pay all title insurance premiums, escrow charges, filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county and municipal taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery and performance of this Mortgage.

By signing below, the Owner accepts and agrees to be bound by the terms and covenants in this Mortgage.

*Lisa E. Silverman*

Signature of Owner

Print Owner's Name: Lisa E. Silverman

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State of Illinois )

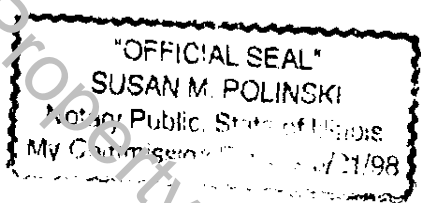
) SS

County of Cook )

I, Susan M. Polinski, a Notary Public in and for said county and state, do hereby certify that Lisa E. Silberman personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that she signed and delivered the said instrument as her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 31<sup>st</sup> day of October, 1998.

My commission expires: 3-21-98



Susan M. Polinski  
Notary Public

This document was prepared by and upon recording should be returned to:

William C. Dixon  
Village of Arlington Heights  
33 South Arlington Heights Road  
Arlington Heights, Illinois 60005



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## EXHIBIT A

### Legal Description

Parcel 1: Unit Number 114 as delineated on survey of the following described parcel of real estate (hereinafter referred to as "Parcel"): Part of Lot 41 in Frenchman's Cove Unit 1, being a subdivision in the Northeast Quarter (1/4) of Section 8, Township 42 North, Range 11 East of the Third Principal Meridian, in Cook County, Illinois which plat is attached as exhibit "b" to the Declaration of Condominium Ownership (hereinafter referred to as the declaration) made by LaSalle National Bank, as Trustee under the provisions of a trust agreement dated August 6, 1971, known as trust Number 42872 and Recorded in the Office of the Recorder of Deeds of Cook County, Illinois as Document Number 22645291 together with an undivided 1.229 percent interest in said parcel (excepting from said parcel all the property and space comprising all the units thereof as defined and set forth in said declaration and survey), Cook County, Illinois.

Parcel 2: Easement appurtenant to and for the benefit of Parcel 1 as set forth in Declaration of Covenants and Easement Dated May 22, 1973 and Recorded as Document Number 22339921 on May 25, 1975 and as created by Deed from LaSalle National Bank, as Trustee to Robert S. Field and Ruth E. Field, His Wife, Recorded as Document Number 22696607 for ingress and egress, all in Cook County, Illinois.

Common Address: 3300 Carriage Way Unit 114, Arlington Heights, IL 60004

PIN #: 03-08-215-005-1013

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