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This instrument was prepared by:
Karen E. Beckmann
NBD Elk Grove Bank
100 East Higgins Road
Elk Grove Village, IL 60007

SECOND MORTGAGE

THIS MORTGAGE is made this 1st day of June, 1988 between the Mortgagors, Carmen Caprio, Jr. and Pamela S. Caprio, husband and wife, (herein "Mortgagors"), and the Mortgagee, NBD Elk Grove Bank, an Illinois Banking Corporation, whose address is 100 East Higgins Road, Elk Grove Village, Illinois 60007 (herein "Lender").

WHEREAS, the lender has loaned the sum of ONE HUNDRED TWENTY-FIVE THOUSAND AND NO/100 Dollars (\$125,000) to The Spinsmith's Ltd. (herein "Borrower"), evidenced by two certain Notes of Borrower, one dated 6-1-88 and payable to Lender on Demand and one dated 6-1-88 and payable to Lender on 6-1-91;

WHEREAS, Carmen Caprio, Jr. has executed a Guaranty of said loans from Lender to Borrower in the amount of ONE HUNDRED TWENTY FIVE THOUSAND AND NO/100 DOLLARS (\$125,000), copies of which is attached hereto as Exhibit "A"; and

WHEREAS, it is a condition of said loans from the Lender to Borrower that the Mortgagors herein collateralize said Guaranty of the aforesaid loan and the Mortgagors have agreed to pledge their interest in the hereinafter described Real Estate in Cook County, Illinois to the Lender, and have further executed a certain Collateral Agreement to Secure Guaranty dated June 1, 1988, a copy of which is attached hereto as Exhibit "B";

NOW, THEREFORE, the Mortgagors, to secure the payment of said principal sum of money and said interest thereon, in accordance with the terms, provisions and limitations of the Mortgage and all other documents referenced hereinabove, and the performance of the covenants and agreements herein contained, by the Mortgagors to be performed, and also in consideration of the sum of ONE DOLLAR in hand paid, the receipt of which is hereby acknowledged, do by these presents CONVEY and WARRANT unto the Lender, its successors and assigns, the following described Real Estate and all of their estate, right, title and interest therein, situate, lying and being in the COUNTY OF COOK STATE OF ILLINOIS, to wit:

Lot 153 in Pleasant Manor Estates Unit 2, Subdivision of part lying North of Algonquin Road of the Southeast 1/4 of Northwest 1/4 of Section 24, Township 41 North, Range 11, East of the Third Principal Meridian in Cook County, Illinois.

Permanent Tax Identification #08-24-116-003-000
which has the address of 471 Dorothy Drive, Des Plaines, IL 60018
(Street) (City) (State & Zip Code)
(herein "Property Address");

Secure Guaranty Administered

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TOGETHER with all the improvements now or hereafter erected on 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 is on a leasehold) are herein referred to as the "Property".

Mortgagors covenant that Mortgagors are lawfully seized of the estate hereby conveyed and have the right to mortgage, grant and convey the Property, that the Property is unencumbered, and that Mortgagors will warrant and defend generally the title to the Property against all claims and demands, subject to any declarations, easements or restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Lender's interest in the Property.

UNIFORM COVENANTS. Mortgagors 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 Notes, prepayment and late charges as provided in the Notes, and the principal of and interest on any Future Advances secured by this Mortgage.

2. **Funds for Taxes and Insurance.** At the option of the Lender and subject to applicable law, Mortgagors shall pay to Lender on the day monthly installments of principal and interest are payable under the Notes, until the Notes is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays Mortgagors interest on the Funds and applicable law permits Lender to make such a charge. Mortgagors and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Mortgagors, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Mortgagors any interest or earnings on the Funds. Lender shall give to Mortgagors, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be,

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at Mortgagors' option, either promptly repaid to Mortgagors or credited to Mortgagors on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Mortgagors shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Mortgagors requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Mortgagors any Funds held by Lender.

3. **Renewal.** It is intended that this instrument shall also secure any extension or renewals of said Notes up to a total amount of \$125,000.

4. **Charges; Liens.** Mortgagors 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 in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Mortgagors making payments, when due, directly to the payee thereof. Mortgagors shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Mortgagor shall make payment directly, Mortgagors shall promptly furnish to Lender receipts evidencing such payments. Mortgagors shall promptly discharge any lien which has priority over this Mortgage; provided, that Mortgagors shall not be required to discharge any such lien so long as Mortgagors 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.

5. **Hazard Insurance.** Mortgagors 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 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.

The insurance carrier providing the insurance shall be chosen by Mortgagors subject to approval by Lender; provided, that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Mortgagors making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Mortgagors shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Mortgagors shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Mortgagors.

Unless Lender and Mortgagors 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

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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 Mortgagors. If the Property is abandoned by Mortgagors, or if Mortgagors fail to respond to Lender within 30 days from the date notice is mailed by Lender to Mortgagors that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds to Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Mortgagors 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 paragraphs 1 and 2 hereof or change the amount of such installments.

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Mortgagors 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. If this Mortgage is on a unit in a condominium or a planned unit development, Mortgagors shall perform all of Mortgagors obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Mortgagors and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

7. **Protection of Lender's Security.** If Mortgagors fail 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 Lender at Lender's option, upon notice to Mortgagors, may make such appearances, 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, Mortgagors shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Mortgagors' and Lender's written agreement or applicable law. Mortgagors shall pay the amount of all mortgage insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Mortgagors secured by this Mortgage. Unless Mortgagors and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Mortgagors requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Notes 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 7 shall require Lender to insure any expense or take any action hereunder.

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

9. **Condemnation.** 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 Mortgagors. In the event of a partial taking of the Property, unless Mortgagors 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 Mortgagors.

If the Property is abandoned by Mortgagors, or if, after notice by Lender to Mortgagors that the condemnor offers to make an award or settle a claim for damages, Mortgagors fail 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 restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Mortgagors 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 paragraphs 1 and 2 hereof or change the amount of such installments.

10. **Mortgagors 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 Mortgagors shall not operate to release, in any manner, the liability of the original Mortgagors and Mortgagors' 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 Mortgagors and Mortgagors' successors in interest.

11. **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.

12. **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.

13. **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 Mortgagors, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Mortgagors shall be joint and several. Notwithstanding anything to the contrary contained herein, all references to the plural "Mortgagors" shall include the singular "Mortgagor", when applicable. 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.

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14. **Notice.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Mortgagors or Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Mortgagors or Borrower at the Property Address or at such other address as Mortgagors or 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 Mortgagors or Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Mortgagors, Borrower or Lender when given in the manner designated herein.

15. **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 jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Notes conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Notes which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Notes are declared to be severable.

16. **Mortgagors' Copy.** Mortgagors shall be furnished a conformed copy of this Mortgage at the time of execution or after recordation hereof.

17. **Transfer of the Property; Assumption.** If all or any part of the Property or an interest therein is sold or transferred by Mortgagors 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 the 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 17, and if Mortgagors' successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Mortgagors from all obligations under this Mortgage.

If Lender exercises such option to accelerate, Lender shall mail Borrower and Mortgagors notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower or Mortgagors may pay the sums declared due. If Borrower or Mortgagors fail to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower or Mortgagors, invoke any remedies permitted by applicable law.

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

18. **Assignment of Rents; Appointment of Receiver; Lender in Possession.** As additional security hereunder, Mortgagors hereby assign to Lender the rents of the Property, provided that Mortgagors shall, prior to acceleration or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

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Upon acceleration hereof or abandonment of the Property, and at any time prior to the expiration of any period of redemption following judicial sale, Lender, 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. All rents collected by Lender 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 attorney's fees, and then to the sums secured by this Mortgage. Lender and the receiver shall be liable to account only for those rents actually received.

19. **Future Advances.** Upon request of Borrowers, Lender, at Lender's option prior to release of this Mortgage, may make Future Advances to Borrower in accordance with the terms and provisions of the Notes and Letter Agreement referenced above. Such Future Advances, with interest thereon, shall be secured by this Mortgage. 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 Notes plus US \$ -0-.

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

21. **Waiver of Homestead.** Mortgagors hereby waive all right of homestead exemption in the Property.

IN WITNESS WHEREOF, Mortgagors have executed this Mortgage.

Carmen Caprio, Jr.
Carmen Caprio, Jr. - Mortgagor

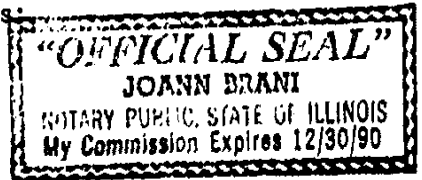
Pamela S. Caprio
Pamela S. Caprio - Mortgagor

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STATE OF ILLINOIS, Cook County ss:

I, *Joann Brani*, a Notary Public in and for said county and state, do hereby certify that Carmen Caprio, Jr. and Pamela S. Caprio, ^{his wife} personally known to me to be the same persons whose names they subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 1st day of June, 1988. My commission expires:



Joann Brani
Notary Public

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Property of Cook County Clerk's Office

Handwritten signature

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Submitted by _____
Address _____
Folio/Parcel _____
AUG 18 1891
HARRY J. COYNE
REGISTRAR OF TITLES

Address _____

Power of Attorney Trust

Number _____

Serial _____

Jeanne Brant
440 N 3D Hill Grove Bank
100 E Higgins Rd
Egg Grove, IL 60027