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REPAIRS/TRANSACTION COST Cook County Recorder

67.00

MORTGAGE

209447

THIS INDENTURE, made this 31ST day of March, 19 2000
 between LaSalle Bank National Association, successor Trustee to American National
 Bank and Trust Company of Chicago, not personally, but solely as Trustee
 under Trust No. 57734
 organized and existing under the laws of The United States of America, a corporation,
 and Secretary of Housing and Urban Development, Washington, D.C., Mortgagor,
~~a corporation organized and existing under the laws of~~, Mortgagee.

WITNESSETH: That whereas the Mortgagor is justly indebted to the Mortgagee in the principal sum of Two Million
 Five Hundred Thousand and no/ ----- Dollars (\$ 2,500,000.00), evidenced by its
 note of even date herewith, bearing interest from date on outstanding balances at seven per
 centum (7.0 %) per annum, said principal and interest being payable in monthly installments as provided in said note with a
 final maturity of October 1, 2023, which note is identified as being secured hereby by a certificate thereon. Said
 note and all of its terms are incorporated herein by reference and this conveyance shall secure any and all extensions
 thereof, however evidenced. *annual

Now, THEREFORE, the said Mortgagor, for the better securing of the payment of the said principal sum of money and interest
 and the performance of the covenants and agreements herein contained, does by these presents CONVEY, MORTGAGE, ~~and WARRANT~~
 unto the Mortgagee, its successors or assigns, the following-described real estate situate, lying, and being in the City of
 Chicago, in the County of Cook, and the State of Illinois, to wit:

Lots 155, 156 and 158 in Division 3 of South Shore Subdivision of the North
 Fractional Half of Section 30, Township 38 North, Range 15 East of the Third
 Principal Meridian, together with the Resubdivision of Lots 1, 2, 4, 64, 66,
 126, 127 and 128 in Division 1 of Westfall's Subdivision of 208 acres being the
 East Half of the Southwest Quarter and Southeast Fractional Quarter of Section
 30, Aforesaid, in Cook County, Illinois.

Property Address: 7447 South Shore Drive
 Chicago, Illinois

Index Number: 21-30-123-022

This Document Prepared By: James T. Buchholz
 222 N. LaSalle Street, Suite 1414
 Chicago, IL 60601

After Recording Return to:

Box 430

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TOGETHER with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents, issues, and profits thereof; and all apparatus and fixtures of every kind in, or that may be placed in, any building now or hereafter standing on said land, and also all the estate, right, title, and interest of the said Mortgagee in and to said premises; including but not limited to all gas and electric fixtures; all radiators, heaters, furnaces, heating equipment, steam and hot-water boilers, stoves, and ranges; all elevators and motors; all bathtubs, sinks, water closets, basins, faucets, and other plumbing fixtures; all mantels and cabinets; all refrigerating plants and refrigerators, whether mechanical or otherwise; all cooking apparatus; all furniture, shades, awnings, screens, blinds, and other furnishings; all of which apparatus, fixtures, and equipment, whether affixed to the realty or not, shall be considered real estate for the purposes hereof; and including all furnishings now or hereafter attached to or used in and about the building or buildings now erected or hereafter to be erected on the lands herein described which are necessary to the complete and comfortable use and occupancy of such building or buildings for the purposes for which they were or are to be erected, and all renewals or replacements thereof or articles in substitution thereof; together with all building materials and equipment now or hereafter delivered to said premises and intended to be installed therein;

TO HAVE AND TO HOLD the above-described premises, with the appurtenances and fixtures, unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth.

AND SAID MORTGAGOR covenants and agrees:

1. That it will pay the note at the times and in the manner provided therein;
2. That it will not permit or suffer the use of any of the property for any purpose other than the use for which the same was intended at the time this Mortgage was executed;
3. That the Regulatory Agreement, if any, executed by the Mortgagee and the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, which is being recorded simultaneously herewith, is incorporated in and a part of this Mortgage. Upon default under the Regulatory Agreement and upon the request of the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, the Mortgagee, at its option, may declare the whole of the indebtedness secured hereby to be due and payable;
4. That all rents, profits and income from the property covered by this Mortgage are hereby assigned to the Mortgagee to collect such rents, profits and income for use in accordance with the provisions of the Regulatory Agreement;
5. That upon default hereunder the Mortgagee shall be entitled to the appointment of a receiver by any court having jurisdiction without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom;
6. That at the option of the Mortgagee the principal balance secured hereby may be reamortized on terms acceptable to the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner if a partial prepayment results from an award in condemnation in accordance with provisions of paragraph 7 herein, where there is a resulting loss of project income;
7. That the Mortgagee will keep the improvements now existing or hereafter erected on the mortgaged property insured against loss by fire and such other hazards, casualties, and contingencies, as may be stipulated by the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner, and all such insurance shall be evidenced by standard Fire and Extended Coverage Insurance Policy or policies, in amounts not less than necessary to comply with the applicable Co-insurance Clause percentage, but in no event shall the amounts of coverage be less than eighty per centum (80%) of the Insurable Values or not less than the unpaid balance of the insured mortgage, whichever is the lesser, and in default thereof the Mortgagee shall have the right to effect insurance. Such policies shall be endorsed with standard Mortgage clause with loss payable to the Mortgagee and the Secretary of Housing and Urban Development as interest may appear, and shall be deposited with the Mortgagee;
8. That all awards of damages in connection with any condemnation for public use of or injury to any of said property are hereby assigned and shall be paid to Mortgagee, who may apply the same to payment of the installments last due under said note, and Mortgagee is hereby authorized, in the name of Mortgagee, to execute and deliver valid acquittances thereof and to appeal from any such award;
9. That it is lawfully seized and possessed of said real estate in fee simple, and has full right to convey same;
10. To keep said premises in good repair, and not to do, or permit to be done, upon said premises, anything that may impair the value thereof, or of the security intended to be effected by virtue of this instrument; to pay to the Mortgagee, as hereinafter provided, until said note is fully paid, a sum sufficient to pay all taxes and special assessments that hereafter or hereinafter may be lawfully levied, assessed or imposed by any taxing body upon the said land, or upon the Mortgagee or Mortgagee on account of the ownership thereof to the extent that provision has not been made by the Mortgagee for the payment of such taxes and special assessments as hereinafter provided in subparagraph 17 (b);
11. In case of the refusal or neglect of the Mortgagee to make such payments, or to satisfy any prior lien or encumbrance, or may make such repairs to the property herein mortgaged as in its discretion it may deem necessary for the proper preservation thereof, and any moneys so paid or expended together with any sums expended by the Mortgagee to keep the mortgage insurance in force, shall become so much additional indebtedness, secured by this mortgage, to be paid out of the proceeds of the sale of the mortgaged premises, if not otherwise paid by the Mortgagee and shall bear interest at the rate specified in the note from the date of the advance until paid, and shall be due and payable on demand;
12. It is expressly provided, however (all other provisions of this mortgage to the contrary notwithstanding), that the Mortgagee shall not be required to pay, discharge, or remove any tax, assessment, or tax lien upon or against the premises described herein or any part thereof or the improvements situated thereon, so long as the Mortgagee shall, in good faith, contest the same or the validity thereof by appropriate legal proceedings brought in a court of competent jurisdiction, which shall operate to prevent the collection of the tax, assessment, or lien so contested and the sale or forfeiture of the said premises or any part thereof to satisfy the same, but in the event of a tax contest, the Mortgagee shall deposit with the Mortgagee an amount estimated by the Mortgagee sufficient to satisfy all taxes, penalties, interest, and costs which may reasonably accrue during such contest;
13. That it will not voluntarily create or permit to be created against the property subject to this mortgage any lien or liens inferior or superior to the lien of this mortgage and further that it will keep and maintain the same free from the claim of all persons supplying labor or materials which will enter into the construction of any and all buildings now being erected or to be erected on said premises;

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14. That the improvements about to be made upon the premises above described and all plans and specifications comply with all municipal ordinances and regulations made or promulgated by lawful authority, and that the same will upon completion comply with all such municipal ordinances and regulations and with the rules of the applicable fire rating or inspection organization, bureau, association, or office. In the event the Mortgagor shall at any time fail to comply with such rules, regulations, and ordinances which are now or may hereafter become applicable to the premises above described, after due notice and demand by the Mortgagee, thereupon the principal sum and all arrears of interest and other charges provided for herein, shall at the option of the Mortgagee become due and payable;

15. The Mortgagor covenants and agrees that so long as this mortgage and the said note secured hereby are insured or held under the provisions of the National Housing Act, it will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color or creed;

~~16. That the funds to be advanced herein are to be used in the construction of certain improvements on the lands herein described, in accordance with a building loan agreement between the Mortgagor and Mortgagee dated _____, 19____, which building loan agreement (except such part or parts thereof as may be inconsistent herewith) is incorporated herein by reference to the same extent and effect as if fully set forth and made a part of this mortgage; and if the construction of the improvements to be made pursuant to said building loan agreement shall not be carried on with reasonable diligence, or shall be discontinued at any time for any reason other than strikes or lock-outs, the Mortgagee, after due notice to the Mortgagor or any subsequent owner, is hereby invested with full and complete authority to enter upon the said premises, employ watchmen to protect such improvements from depredation or injury and to preserve and protect the personal property therein, and to continue any and all outstanding contracts for the erection and completion of said building or buildings, to make and enter into any contracts and obligations wherever necessary, either in its own name or in the name of the Mortgagor, and to pay and discharge all debts, obligations, and liabilities incurred thereby. All such sums so advanced by the Mortgagee (exclusive of advances of the principal of the indebtedness secured hereby) shall be added to the principal of the indebtedness secured hereby and shall be secured by this mortgage and shall be due and payable on demand with interest at the rate specified in the note, but no such advances shall be insured unless same are specifically approved by the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner prior to the making thereof. The principal sum and other charges provided for herein shall, at the option of the Mortgagee or holder of this mortgage and the note securing the same, become due and payable on the failure of the Mortgagor to keep and perform any of the covenants, conditions, and agreements of said building loan agreement. This covenant shall be terminated upon the completion of the improvements to the satisfaction of the Mortgagee and the making of the final advance as provided in said building loan agreement;~~

~~17. That, together with, and in addition to, the monthly payments of interest or of principal and interest payable under the terms of the note secured hereby, the Mortgagor will pay to the Mortgagee, on the first day of each succeeding month after the date hereof, until the said note is fully paid, the following sums:~~

(a) An amount sufficient to provide the Mortgagee with funds to pay the next mortgage insurance premium if this instrument and the note secured hereby are insured, or a monthly service charge, if they are held by the Secretary of Housing and Urban Development, as follows:

(I) If and so long as said note of even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the Mortgagee one (1) month prior to its due date the annual mortgage insurance premium, in order to provide such Mortgagee with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder;

(II) Beginning with the first day of the month following an assignment of this instrument and the note secured hereby to the Secretary of Housing and Urban Development a monthly service charge which shall be an amount equal to one-twelfth of one-half percent ($\frac{1}{2}$ of $\frac{1}{2}\%$) of the average outstanding principal balance due on the note computed for each successive year beginning with the first of the month following such assignment, without taking into account delinquencies or prepayments.

(b) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other property insurance covering the premises covered hereby, plus water rates, taxes and assessments next due on the premises covered hereby (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, water rates, taxes and assessments will become delinquent, such sums to be held by Mortgagee to pay said ground rents, premiums, water rates, taxes, and special assessments.

(c) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied by Mortgagee to the following items in the order set forth:

- (I) premium charges under the Contract of Insurance with the Secretary of Housing and Urban Development, acting by and through the Federal Housing Commissioner or service charge;
- (II) ground rents, taxes, special assessments, water rates, fire and other property insurance premiums;
- (III) interest on the note secured hereby;
- (IV) amortization of the principal of said note.

~~18. Any excess funds accumulated under (b) of the preceding paragraph remaining after payment of the items therein mentioned shall be credited to subsequent monthly payments of the same nature required thereunder; but if any such item shall exceed the estimate therefor the Mortgagor shall without demand forthwith make good the deficiency. Failure to do so before the due date of such item shall be a default hereunder. In case of termination of the Contract of Mortgage Insurance by prepayment of the mortgage in full, or otherwise (except as hereinafter provided), accumulations under (a) of the preceding paragraph hereof not required to meet payments due under the Contract of Mortgage Insurance, shall be credited to the Mortgagor. If the property is sold under foreclosure or is otherwise acquired by the Mortgagee after default, any remaining balance of the accumulations under (b) of the preceding paragraph shall be credited to the principal of the mortgage as of the date of commencement of foreclosure proceedings or as of the date the property is otherwise acquired; and accumulations under (a) of the preceding paragraph shall be likewise credited unless required to pay sums due the Secretary of Housing and Urban Development, acting by and through the Commissioner under the Contract of Mortgage Insurance;~~

19. IN THE EVENT of default in making any monthly payment provided for herein or in the note secured hereby for a period of thirty (30) days after the due date thereof, or in case of a breach of any other covenant or agreement herein stipulated, then the whole of said principal sum remaining unpaid together with accrued interest thereon, shall, at the election of the Mortgagee, without notice, become immediately due and payable, in which event the Mortgagee shall have the right immediately to foreclose this mortgage;

20. AND IN CASE OF FORECLOSURE of this mortgage by said Mortgagee in any court of law or equity, a reasonable sum shall be allowed for the solicitor's fees of the complainant, not to exceed in any case five per centum (5%) of the amount of the principal indebtedness found to be due, and for stenographers' fees of the complainant in such proceeding, and costs of minutes of foreclosure, master's fees, and all other costs of suit, and also for all outlays for documentary evidence and the cost of a complete abstract of title for the purpose of such foreclosure; and in case of any other suit, or legal proceeding, instituted by the Mortgagee to enforce the pro-

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South Shore Beach Apartments
Chicago, Cook County, IL
FHA Project No. 071-94016

RIDER TO REPAIRS/TRANSACTION COSTS MORTGAGE

This Rider is attached to and made a part of that certain Repairs/Transaction Costs Mortgage dated March 31st, 2000 (this "Repairs/Transaction Costs Mortgage"), made by LaSalle Bank National Association, successor trustee to American National Bank and Trust Company of Chicago, not personally, but solely as trustee under Trust No. 57734, a national banking organization (the "Owner"), for the benefit of SECRETARY OF HOUSING AND URBAN DEVELOPMENT, WASHINGTON, D.C. (the "Secretary").

A. Owner's Right to Prepay. Privilege is reserved to pay the indebtedness evidenced by the Repairs/Transaction Costs Note, in whole or in part, prior to maturity thereof upon at least thirty (30) calendar days prior written notice to the holder of the Repairs/Transaction Costs Note.

B. Acceleration. The Repairs/Transaction Costs Note shall become immediately due and payable, at the option of the holder thereof, in the event that, prior to the repayment of the indebtedness evidenced thereby, (i) there occurs a Sale (as defined in the Repairs/Transaction Costs Note) of all or any part of the Project, (ii) there occurs a Refinancing (as defined in the Repairs/Transaction Costs Note) or other termination of the Loan (as hereinafter defined), (iii) the Owner defaults in its obligations under the Mortgage (as hereinafter defined) or the Note (as hereinafter defined) and such default is not cured within thirty (30) calendar days or any longer applicable cure period under the Mortgage of Note, (iv) the Owner defaults in its obligations under the Section 241(a) Mortgage (as hereinafter defined) or the Section 241(a) Mortgage Note (as hereinafter defined) and such default is not cured within thirty (30) calendar days or any longer applicable cure period under the Section 241(a) Mortgage or the Section 241(a) Mortgage Note, (v) the Owner defaults in its obligations under the Repairs/Transaction Costs Note and such default is not cured within thirty (30) calendar days after the date of the default (as defined in the Repairs/Transaction Costs Note), (vi) the Owner defaults in its obligations under that certain Escrow Deposit Agreement (Repairs Loan) of even date herewith by and among the Owner, the Secretary and the escrow agent named therein (the "Escrow Agreement"), and

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such default is not cured within the applicable cure period provided in the Escrow Agreement, or (vii) the Secretary notifies the Owner that the Owner has not maintained and/or operated the Project in accordance with any of the requirements set forth in the Use Agreement, and the owner fails to remedy such deficiency to the satisfaction of the Secretary within thirty (30) calendar days following the Owner's receipt of such notice. Failure to exercise any of the foregoing options shall not constitute a waiver of the right to exercise the same in the event of any subsequent occurrence thereof.

C. Nonrecourse Liability. Notwithstanding any other provision contained herein or in the Repairs/Transaction Costs Note, it is agreed that the execution of the Repairs/Transaction Costs Note shall impose no personal liability upon the Owner or South Shore Beach Associates (the "Partnership"), nor any of Owner's or Partnership's current or future general or limited partners, or officers, directors, shareholders or members, as applicable, for payment of the indebtedness evidenced thereby and, in the event of a default thereunder or hereunder, the holder of the Repairs/Transaction Costs Note shall look solely to the Property and to the rents, issues and profits thereof in satisfaction of the indebtedness evidenced by the Repairs/Transaction Costs Note and will not seek or obtain any deficiency or personal judgment against the Owner or Partnership, nor any of Owner's or Partnership's current or future general or limited partners, or officers, directors, shareholders or members, as applicable, except such judgment or decree as may be necessary to foreclose or bar its interest in the Property and all other property mortgaged, pledged, conveyed or assigned to secure payment of the Repairs/Transaction Costs Note; provided, however, that nothing in this condition and no action so taken shall operate to impair any obligation of the Owner or the Partnership under the Regulatory Agreement.

D. Subordinate Lien. Notwithstanding any provision of this Repairs/Transaction Costs Mortgage or the Repairs/Transaction Costs Note to the contrary, this Repairs/Transaction Costs Mortgage, and all of the parties' respective rights and powers hereunder, are subject and subordinate to:

1. the rights and obligations of the parties set forth in that certain Use Agreement of even date herewith (the "Use Agreement"), by and between the Owner and the Secretary, to be recorded among the Land Records prior to the recordation hereof.

2. that certain Section 241(a) Mortgage, granted by the Owner to TRI Capital Corporation, or any assignee thereof

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acceptable to the Secretary (the "241(a) Mortgagee") which is being recorded among the land records of the jurisdiction in which the Property is located as of the date this Repairs/Transaction Costs Mortgage is being recorded (the "Section 241(a) Mortgage"), which Section 241(a) Mortgage will secure a certain Section 241(a) Mortgage Note of even date therewith evidencing an indebtedness of the Owner to the Section 241(a) Mortgagee in the original principal amount of Two Million Five Hundred Sixty Four Thousand Seven Hundred and no/100 Dollars (\$2,564,700.00) (the "Loan").

OWNER:

LaSalle Bank National Association
as trustee aforesaid

By: David Gier
Name: David Gier
Title: Trust Officer

Property of Cook County Clerk's Office

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FHA EXCULPATORY RIDER FOR LAND TRUSTS

This Rider is attached to and made a part of that document or instrument created by LASALLE BANK NATIONAL ASSOCIATION, SUCCESSOR TRUSTEE TO AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under Trust No. 57734.

This document is executed by LASALLE BANK NATIONAL ASSOCIATION, not personally, but solely as trustee aforesaid, in the exercise of the power and authority conferred upon and vested in said Trustee as such, and it is expressly understood and agreed that nothing contained in this Agreement shall be construed as creating any monetary liability on said trustee personally to pay any indebtedness accruing thereunder, or any personal monetary liability on said trustee with respect to the performance of any warranty or covenant, either expressed or implied in said Agreement, all such personal monetary liability, if any, being expressly waived by the parties hereto and by every person now or hereafter claiming any right or security thereunder), except that the said trustee shall be liable for funds or property of the project coming into its hands which, by the provisions of the Regulatory Agreement, as amended it is not entitled to retain.