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MORTGAGE, SECURITY AND RECAPTURE AGREEMENT

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT ("Mortgage") is made as of this 10<sup>th</sup> day of April, 2002 from Danielle Mayfield ("Mortgagor") to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at City Hall, 121 N. LaSalle Street, Chicago, Illinois 60602 ("City" of "Mortgagee").

RECITALS

WHEREAS, the City Council of the City, by ordinance adopted October 2, 1995, established the City Lots for City Living Program ("Program") to facilitate the construction of affordable, new, high-quality, owner-occupied or rental housing within the City; and

WHEREAS, pursuant to the objectives of the Program, the City and Uptown Habitat for Humanity, Inc. ("Developer") executed that certain Redevelopment Agreement, dated as of June 26, 1996, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on July 1, 1996 as document # 95606115, ("Redevelopment Agreement"), whereby Developer redeveloped that certain real property legally described on Exhibit A attached hereto ("Land") by constructing a single family housing unit ("Single Family Home") improving the Land; and

WHEREAS, the Land was acquired by Developer from the City at a price equal to its market value of \$10,000.00 less a discount not to exceed Twenty Thousand Dollars ("Discount"), plus the City's transaction costs; and

WHEREAS, the Discount is not reflected in the sales price for the Single Family Home and the Land to be paid by the initial homebuyer to Developer at closing, in conjunction with the objective of the Program that the Single Family Homes be made affordable; and

WHEREAS, the lower sales price for the Single Family Home and the Land have therefore enabled potential homebuyers of low and moderate income levels to become homeowners; and

BOX 333-CTI

each unit and its undivided percentage ownership interest in the common elements in said condominium being individually referred to as

condominium consisting of 12 units

*(Handwritten initials)*

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Property of Cook County Clerk's Office

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WHEREAS, pursuant to the terms of the Redevelopment Agreement, Developer proposes to convey the ~~Land and the completed~~ Single Family Home to Mortgagor as the initial homebuyer; and

WHEREAS, Mortgagor has covenanted to Mortgagee herein that it meets the income eligibility requirements to participate as an initial homebuyer under the Program; and

WHEREAS, in consideration for the City's willingness to forego reimbursement of the City's funds at closing, Mortgagor has executed and delivered to the Mortgagee that certain covenant of residency ("Covenant of Residency") reflecting the recapture provisions described in the enabling ordinance for the Program and in the Mortgage solely in the event that the ~~Land is sold by~~ Mortgagor at a price in excess of the purchase price within the four (4) year period ("Affordability Period") commencing with the date of conveyance of the Land for Developer to Mortgagee ("Conveyance Date"); and  
Mortgagor

WHEREAS, the City is desirous of securing the recapture provision described in the Program, the covenant of Residency and in the Mortgage; and

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described in the Covenant of Residency and the Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered the Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "Mortgaged Property"):

(A) The ~~Land~~; Single Family Home;

in the Single Family Home

(B) All structures and improvements of every nature whatsoever now or hereafter situated ~~on the Land~~, including, without limitation, the Single Family Home, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("Improvements");

(C) All rents and issues of the ~~Land~~ Single Family Home and Improvements from time to time and all of the estate, right, title, interest,

Single Family Home

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property, possession, claim and demand at law, as well as in equity of Mortgagee, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the recapture provision evidenced by the terms of the Covenant of Residency and the Mortgage, and (b) performance of each and every one of the covenants, conditions and agreements contained in the Covenant of Residency and the Mortgage, and in any other agreement, document or instrument to which reference is expressly made in the Mortgage.

## ARTICLE I

### INCORPORATION OF RECITALS

The recitals set forth above constitute an integral of the Mortgage and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties.

## ARTICLE II

### COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that:

#### 2.01 Taxes and Assessments.

(a) Mortgagor will pay when due all general taxes and assessments, special assessments, water charges and all of the charges against the Mortgaged Property and shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

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(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

## 2.02 Insurance.

Mortgagor shall keep the Mortgaged Property continuously insured in such amounts and against such risks as required of Mortgagor by the Senior Lender (as hereinafter defined), paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be cancelled, except upon thirty (30) days prior written notice to Mortgagee.

## 2.03 Maintenance of the Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of the Mortgage and the Covenant of Residency.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor, subject to the rights of co-insurer, will promptly restore the Mortgaged

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Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

## 2.04 Subordination.

The Mortgage shall be subject and subordinate in all respects to that certain mortgage dated as of \_\_\_\_\_, 2001, between Mortgagor and Uptown Habitat for Humanity, Inc. ("Senior Lender"), recorded with the Office of the Recorder of Deeds of Cook County, Illinois on \_\_\_\_\_ as document # \_\_\_\_\_ to secure indebtedness in the original principal amount not to exceed the ceiling base price of \$119,000.00 (excluding options and extras) pursuant to the terms of the Redevelopment Agreement ("Senior Mortgage"), and shall also be subordinate to any mortgage that replaces the Senior Mortgage.

## 2.05 Income Eligibility.

Mortgagor covenants to Mortgagee that it meets the income eligibility requirements established by the City pursuant to the Program in order to participate as an initial homebuyer under the Program.

## ARTICLE III

### RECAPTURE OF PROFIT PROVISIONS

#### 3.01 Generally.

Mortgagor, as an initial homebuyer under the Program, covenants to the City that it shall own the Mortgaged Property and utilize the Single Family Home ~~improving the Mortgaged Property~~ as its primary residence during the Affordability Period, as evidenced by the execution of the Covenant of Residency for the benefit of the City.

#### 3.02 Recapture.

If Mortgagor conveys the Mortgaged Property, or executes a deed in lieu of foreclosure, prior to the expiration of the Affordability Period at a price in excess of the purchase price paid for the Mortgaged Property by Mortgagor to Developer on the Conveyance Date, the city shall be entitled to recapture, and Mortgagor shall be obligated to pay the City, an amount equal to the Discount, which will be reduced by an amount for each full expired year of the Affordability Period by an amount equal to



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the Discount divided by the number of years constituting the Affordability Period.

### 3.03 Release of Mortgage.

If, during the Affordability Period commencing with the Conveyance Date, Mortgagor: (a) retains ownership of the Mortgaged Property and use of the Single Family Home as its primary residence, (b) conveys the Mortgaged Property for a purchase price less than or equal to the purchase price that Mortgagor paid to Developer for the Mortgaged Property on the Conveyance Date, or (c) conveys the Mortgaged Property for a price in excess of said purchase price and pays the City the amount the City is entitled to receive pursuant to the provisions described in section 3.02 above, then Mortgagor shall be deemed to have fully complied with the provisions contained in the Mortgage, and Mortgagor shall be under no further obligation to Mortgagee. In such event, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage. Said release shall be in recordable form.

## ARTICLE IV

### DEFAULT

#### 4.01 Events of Default.

The Terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) Failure by Mortgagor to duly observe or perform any material term, covenant, condition, or agreement of the Covenant of Residency or the Mortgage after the expiration of all cure periods as provided herein); or

(b) A default continuing beyond all applicable cure periods under the Senior Financing and permitting foreclosure thereunder.

#### 4.02 Acceleration of Maturity.

(a) If an Event of Default due to a failure to make any payment when the same is due and owing ("Monetary Event of Default") shall have occurred under the Senior Lender's security documents, the covenant of Residency or the Mortgage, and shall have continued for ten (10) days following notice thereof from

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Mortgagee to Mortgagor, the entire amount of City funds described herein and secured hereby at Mortgagee's sole option, shall become immediately due and payable without further notice or demand.

(b) If an Event of Default (other than a Monetary Event of Default), shall have occurred under the Senior Lender's security documents, and shall have continued for sixty (60) days following the receipt of notice thereof from Mortgagee to Mortgagor, the City funds secured hereby, at Mortgagee's sole option, shall immediately become due and payable without further notice or demand; provided, however, that in the event such default cannot reasonably be cured within such sixty (60) day period and if Mortgagor has commenced efforts to cure, then the time to cure shall be extended so long as said party diligently continues to cure such default.

(c) Except as otherwise permitted by the terms of the Mortgage and as evidenced by Mortgagee's written consent, any sale, partial sale, refinancing, syndication or other disposition of the Mortgaged Property shall entitle the Mortgagee to declare the City funds secured hereby immediately due and payable without further notice or demand; provided, however, the replacement or substitution of any machinery, equipment or fixtures, now owned or hereafter acquired by Mortgagor, with machinery or equipment of like kind and value, whether or no such machinery or equipment is deemed a fixture under applicable provisions of the Illinois Uniform Commercial Code, will not be an Event of Default under the Mortgage, provided Mortgagor executes such documents as may be necessary to assure Mortgagee of a continuing perfected secured interest in such replacement or substituted machinery, equipment or fixtures.

#### 4.03 Remedies.

(a) Subject to the rights of the Senior Lender, when the City funds hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. The Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee under the Mortgage or the Covenant of Residency, there shall be allowed and included as additional indebtedness, all expenditures and



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expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this section 4.03 mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of the Mortgage including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting the Mortgage, the Covenant of Residency or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by the Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority; (i) on account of all costs and expenses incidental to the foreclosure proceedings, including all such items as are mentioned in this section; (ii) all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Covenant of Residency and the Mortgage; (iii) all principal and interest remaining to be paid pursuant to the recapture provisions described in the Covenant of Residency; and (iv) any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

(b) Mortgagor shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshalled

4.04 \_\_\_\_\_.

The city shall look only to its lien rights and not to Mortgagor personally for satisfaction of any claims arising hereunder.

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IN WITNESS WHEREOF, the undersigned has executed this Mortgage, Security and Recapture Agreement the day and year first above written.

*Danielle Mayfield*  
Danielle Mayfield

STATE OF ILLINOIS     )  
                                  )     ss.  
COUNTY OF COOK     )

The undersigned, a Notary Public in and for the above County and State, certifies that ~~Danielle Mayfield~~ *Danielle Mayfield, single woman* personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

*April* subscribed and sworn to before me this 20 day of \_\_\_\_\_, 2002.

*[Signature]*  
\_\_\_\_\_  
Notary Public

My commission expires  
**"OFFICIAL SEAL"**  
~~NOTARY PUBLIC, STATE OF ILLINOIS~~  
NOTARY PUBLIC, STATE OF ILLINOIS  
MY COMMISSION EXPIRES 5/26/2004

THIS INSTRUMENT PREPARED BY:  
  
Mark Lenz  
Assistant Corporation Counsel  
City of Chicago  
121 North LaSalle Street  
Chicago, Illinois 60602

AFTER RECORDING RETURN TO:  
  
K. O. Meehan  
Gould & Ratner  
222 North LaSalle St.,  
Eighth Floor  
Chicago, Illinois 60601

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## EXHIBIT A

### Legal Description

Unit C3 in Warren Boulevard Condominium as delineated on a survey of the following described real estate:

Parcel 1:

Lot 5 in Small and Others' Resubdivision of Lots 43 to 49 and Lots 72 to 78, all inclusive in Block 58 in Canal Trustees' Subdivision of Section 7, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded December 28, 1864 in Book 162 of Maps Page 80 as Document 85932, in Cook County, Illinois

Parcel 2:

Lot 50 in John H. Kedzie Subdivision of Block 58 in Canal Trustees' Subdivision of Section 7, Township 39 North, Range 14, East the Third Principal Meridian, in Cook County, Illinois

Parcel 3:

The east 22 feet of Lot 51 in John H. Kedzie Subdivision of Block 58 in Canal Trustees' Subdivision of Section 7, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

Parcel 4:

The west 8 feet of Lot 51 and the east 14 feet of Lot 52 in John H. Kedzie Subdivision of Block 58 in Canal Trustees' Subdivision of Section 7, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

which survey is attached as Exhibit "D" to the Declaration of Condominium recorded as document number 00851939, together with its individual percentage interest in the common elements.

**ADDRESS OF PROPERTY:**

Unit C3  
2229 West Warren Boulevard  
Chicago, Illinois 62612

PIN: Part of           17-07-329-011  
                              17-07-329-012  
                              17-07-329-013  
                              17-07-329-014