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This document prepared by
and when recorded mail to:

Donna Spicuzza, Housing Planner
City of Evanston
2100 Ridge
Evanston, IL 60201-2798



Doc#: 0506302122
Eugene "Gene" Moore Fee: \$50.00
Cook County Recorder of Deeds
Date: 03/04/2005 08:25 AM Pg: 1 of 14

RZ 38230
(50f5)

CITY OF EVANSTON

HOME PROGRAM

JUNIOR MORTGAGE

Name and Address of Borrower:

Reba Place Development Corporation
737 Reba Place B
Evanston, Illinois 60202

\$ 600,000.00

Date: February 28, 2005

This Junior Mortgage is made by and between Reba Place Development Corporation, an Illinois registered not-for-profit, as Borrower, and the City of Evanston, a municipal corporation in the State of Illinois acting through its Community Development Department with mailing address at 2100 Ridge Avenue, Evanston, Illinois 60201, "Lender."

I. BACKGROUND AND GRANTING CLAUSE

Borrower is indebted to Lender in the principal sum of \$ 600,000.00 (the "Loan") which indebtedness is evidenced by Borrower's Promissory Note of \$600,000.00 (the "Note"), providing for the repayment of the Loan under certain conditions and providing for other conditions of the Loan. The loan is provided from the Lender to the Borrower under the HOME Investment Partnership Program and the regulations issued thereunder and Title II, the Cranston-Gonzalez National Affordable Housing Act, Public Law No. 101-625 104 Stat. 4079 (1990), 24 C.F.R. Part 92 ("the HOME Program") subject to the conditions and covenants set forth herein.

This Document is subordinate to a mortgage made by First Bank and Trust dated February 28, 2005 and recorded as Document Number: _____

TO SECURE to Lender the repayment under the Note and the performance of the covenants and agreements of Borrower contained in this Mortgage, Borrower does hereby mortgage, grant, and convey to Lender, the following

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described property located in the County of Cook, which has address of 602 Mulford, Evanston, IL (the "Property Address"), as more particularly described on Exhibit A attached hereto;

TOGETHER with all the buildings and improvements now or hereafter erected on such real property, and all fixtures, easements, rights, licenses, appurtenances and rents, all of which shall be deemed and remain a part of the property covered by this Mortgage; and all of the foregoing, together with all real property are hereinafter referred to as the "Property".

Borrower covenants that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property, and that the Property is unencumbered, except for any other mortgages known to and consented to by Lender and shown on Exhibit B. Borrower warrants and covenants to defend at its own expense the title of the Property against all claims and demands, subject to encumbrances of record.

2. COVENANTS

Borrower covenants and agrees as follows:

1. **Payment of Principal and Interest**

Borrower shall promptly pay when due the principal evidenced by the Note and late charges as provided in the Note.

2. **Condition of Property**

Borrower shall ensure that prior to full occupancy of the renovated building, Borrower shall abate or mitigate any and all currently identified health and safety defects and lead-based paint hazards, as applicable, at the Property. Borrower shall also remedy or cause to be remedied any violation of the housing quality standards set forth in the regulations of the United States Department of Housing and Urban Development at 24 CFR §882.109 or any successor regulations and the City of Evanston Rehabilitation Standards. Lender shall have the right pursuant to paragraph 7 below, to inspect the Property from time to time to verify compliance by Borrower with the foregoing.

3. **Prior Mortgages; Charges; Liens**

Borrower shall perform all of Borrower's obligations under any Senior Mortgage, including Borrower's covenants to make payments when due. Borrower shall pay or cause to be paid 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.

4. **Hazard Insurance**

Borrower shall keep improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included with the term "extended coverage," subject to the terms and conditions of the Senior Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender; provided that such approvals shall not be unreasonably withheld. All insurance policies and renewals thereof shall include a standard mortgage clause in favor of Lender. Lender shall have the right to hold the policies and renewals thereof, subject to the terms of any mortgage or other security agreement with a lien which has priority over this Mortgage.

In the event of loss, Borrower shall give prompt notice to the insurance carrier and to Lender. Lender may make proof of loss if not made promptly by Borrower.

If the property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance

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benefits, subject to the rights of the mortgage under the Senior Mortgage, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

5. **Preservation and Maintenance of Property**

Borrower shall keep the property in good repair and shall not commit waste of, or permit impairment or deterioration of the Property. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium, the by-laws and regulations of the condominium, and constituent domains.

6. **Protection of Lender's Security**

If Borrower fails 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, then Lender, at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums, including reasonable attorneys' fees and take such actions as are necessary to protect Lender's interest, and any expense so incurred by Lender shall be secured by this Mortgage.

7. **Inspection**

Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection.

8. **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, subject to the terms and conditions of the Senior Mortgage.

9. **Borrower Not Released; Forbearance by Lender Not A Waiver**

Extension of the time for payment or modification of the conditions of the terms for payment of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor's refusal to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest. 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.

10. **Successors and Assigns Bound; Joint and Several Liability; Co-signers**

The Borrower's interest under the Note and this Mortgage and its interest in the Property may not be transferred, assigned, or assumed without the prior written consent of Lender. The Covenants and agreements herein contained shall bind, and the rights hereunder shall inure to the respective successors and assigns of the Lender and Borrower. All covenants and agreements of Borrower shall be joint and several.

11. **Notice**

Except for any given notice required under applicable law to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by delivering or mailing such notice by certified mail addressed to Borrower at its business address as referenced above or to such other address as Borrower may designate to Lender, and (b) any notice to Lender shall be given by hand-delivery or certified mail to Lender's address, below, or to such other address Lender may designate by notice to Borrower as provided herein. Mailed notice shall be deemed given on the third business day after mailing. Notice to Lender: City of Evanston, Director of Community Development, 2100 Ridge Avenue, Evanston IL 60201 with a copy to City of Evanston, Law Department, 2100 Ridge Avenue, Evanston, IL 60201.

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12. **Governing Law; Severability**

This Mortgage shall be governed by the laws of the State of Illinois. The foregoing sentence shall not limit the applicability of Federal law to this Mortgage. In the event that any provision or clause of the Mortgage or Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which shall be given effect without the conflicting provision, and to this end the provisions of this Mortgage and the Note are declared to be severable. As used herein "costs", "expenses" and "attorneys' fees" include all sums to the extent not prohibited by applicable law or limited herein.

13. **Breach; Remedies**

Subject to the terms and conditions of the Senior mortgage, upon Borrower's breach of any covenants or agreement of Borrower in the Note or this Mortgage, or the Loan Agreement or other Loan Documents, including the covenant to pay when due any sums secured by this Mortgage, Lender, prior to acceleration, shall give notice to Borrower specifying (1) the breach; (2) the action required to cure such breach; (3) a date by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage and sale of the Property. In the event of a monetary breach, the Borrower shall have at least 10 business days after the date on which the notice is mailed or delivered to the Borrower to cure such breach. In the event of a non-monetary breach, the Borrower shall have at least 30 business days after the date on which the notice is mailed or delivered to the Borrower to cure such breach. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to bring a court action to assert the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure.

If the breach is not cured on or before the date specified in the notice, Lender, at Lender's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, attorneys' fees and costs of documentary evidence, abstracts and title reports and court costs.

14. **Request for Notice of Default and Foreclosure Under Superior and Inferior Mortgages or Deeds of Trust.**

Borrower and Lender request the holder of any mortgage, deed of trust or other encumbrance with a lien which has priority over this Mortgage to give Notice to Lender, at Lender's address set forth herein, of any default under the superior encumbrance and of any sale or other foreclosure action. Lender also agrees to give notice to superior lender or its designee or any default under the inferior encumbrance and of any sale or other foreclosure action.

15. **Borrower's Right to Reinstate**

Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, subject to the terms and conditions of the Senior Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgement enforcing this Mortgage if: (a) Borrower pays lender all sums which would be then due under this Mortgage and the Note had no acceleration occurred; (b) Borrower cures all breaches of any covenants or agreements of Borrower contained in the Note and this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 13 hereof, including, but not limited to, reasonable attorneys' fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, the Note, and this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

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16. **Release**
Upon the expiration of the term of the Note or upon proper payment of all sums secured by this Mortgage, Lender shall release this Mortgage without cost to Borrower. Borrower shall pay all cost of recordation, if any.
17. **Payment of Taxes, Insurance Premiums and Utility Charges**
Borrower shall pay when due all real estate taxes, assessments, water rates, sewer, gas or electric charges, insurance premiums and any imposition or lien on the property. If Borrower fails to make any such payment, Lender may, at its option, after the expiration of any applicable cure period and upon reasonable prior notice to Borrower, pay them. The sum or sums so paid by Lender shall be added to the Mortgage Debt and shall bear interest at the Default Rate, as stated in the Note. Lender shall have the right to declare immediately due and payable the amount of any such payment made by Borrower, whether or not such payment has priority over this Mortgage. Borrower shall, upon written request of Lender, furnish to Lender duplicate receipts evidencing payment of taxes and assessments, insurance premiums and utility charges. Notwithstanding the foregoing, Borrower may contest the validity or amount of any real estate taxes in good faith; however, Borrower shall deposit with Lender, subject to the rights of the Senior Lender, an amount deemed reasonably necessary by Lender to pay such taxes should the Borrower's challenge fail.
18. **Rehabilitation Loan Agreement**
Borrower shall fulfill all of Borrower's obligations under any home rehabilitation, improvement, repair, or other loan agreement which Borrower enters into with Lender. Lender, at Lender's option, may require Borrower to execute and deliver to Lender, in a form acceptable to Lender, an assignment of any rights, claims or defenses which Borrower may have against parties who supply labor, materials or services in connection with improvements made to the Property.
19. **Transfer of the Property or a Legal or Beneficial Interest in Borrower**
If all or any part of the Property or any interest in it is sold or transferred (or if a legal or beneficial interest in Borrower is sold or transferred or modified without Lender's prior written consent) or if Borrower ceases to exist or fails to remain in good standing as a legal entity with the State of Illinois, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if exercise is prohibited by federal laws of the date of this Mortgage.
- If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.
20. **Subordination of Mortgage**
The rights of the City of Evanston under this Mortgage shall be and are subject and subordinate at all times to the lien of the first mortgage from First Bank and Trust its successors and/or assigns now or hereafter in force against the real estate, and to all advances made or hereafter to be made upon the security thereof, and the City of Evanston shall execute such further instruments subordinating this Mortgage to the lien or liens of mortgages as shall be requested by the Borrower necessary for the rehabilitation or operation of 602 Mulford and which meet reasonable credit and security interest standards determined by the City
21. **Assignment of Rents; Appointment of Receiver**
As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, subject to the rights of any Senior Mortgage, provided that Borrower shall, prior to acceleration under paragraph 13 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

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- 22. **To abide by the Affordable Housing Restrictions Attached as Exhibit B**
- 23. **Non-Recourse Loan.** Notwithstanding anything in this Mortgage to the contrary, the Loan is a non-recourse obligation of the Borrower. Except for losses, costs or damages incurred by Lender for fraud or breach of the Environmental Indemnity, neither Mortgagor nor any of its officers shall have any personal liability for repayment of the Loan or any other amounts evidenced or secured by the Loan Documents. The sole recourse of Mortgagee under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Project and the related security interests.

OWNERS:

By: Mary M...
 Its Project Manager

By: _____

Its _____

ATTEST: _____

MORTGAGEE:

CITY OF EVANSTON
a municipal corporation

By: [Signature]
 Its Courtesy Dev. Director

ATTEST:

Property of Cook County Clerk's Office

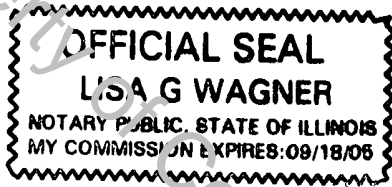
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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, Lisa Wagner, a notary public in and for said County and State aforesaid, DO HEREBY CERTIFY that James M. Wolinski personally known to me to be the Director of Community Development, and 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 severally 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 28th day of Feb, 2005.

Lisa G. Wagner
Notary Public



STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, Rachael A Britton, a notary public in and for said County and State aforesaid, DO HEREBY CERTIFY that Mary G. ... 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 severally 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 28th day of February, 2005.

Rachael A Britton
Notary Public



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EXHIBIT A - PROPERTY DESCRIPTION

Commonly known as: 602 Mulford
Evanston, Illinois 60202

Legal Description:

THAT PART OF THE SOUTH ½ OF THE NORTHEAST ¼ OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF MULFORD AVENUE WITH THE WEST LINE OF RIGHT OF WAY LINE OF CHICAGO AND NORTHWESTERN RAILROAD (FORMERLY CHICAGO AND MILWAUKEE RAILROAD); THENCE WEST ON THE SOUTH LINE OF SAID AVENUE 100 FT.; THENCE SOUTH 150 FT.; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID AVENUE TO THE WEST LINE OF SAID RAILROAD RIGHT OF WAY; THENCE NORTHERLY ALONG THE WEST LINE OF SAID RAILROAD TO THE POINT OF BEGINNING (EXCEPT FROM PREMISES THE WEST 33 FT THEREOF), IN COOK COUNTY, ILLINOIS.

P.I.N.: 11-30-207-021-0000

Clerk of Cook County Clerk's Office

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EXHIBIT B HOME PROGRAM

AFFORDABLE HOUSING RESTRICTIONS

Reba Place Development Corporation agrees to grant the City of Evanston an affordable housing restriction for the following described property:

commonly known as: 602 Mulford, Evanston, Illinois 60201

Legal Description:

THAT PART OF THE SOUTH ½ OF THE NORTHEAST ¼ OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF MULFORD AVENUE WITH THE WEST LINE OF RIGHT OF WAY LINE OF CHICAGO AND NORTHWESTERN RAILROAD (FORMERLY CHICAGO AND MILWAUKEE RAILROAD); THENCE WEST ON THE SOUTH LINE OF SAID AVENUE 100 FT.; THENCE SOUTH 150 FT.; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID AVENUE TO THE WEST LINE OF SAID RAILROAD RIGHT OF WAY; THENCE NORTHERLY ALONG THE WEST LINE OF SAID RAILROAD TO THE POINT OF BEGINNING (EXCEPT FROM PREMISES THE WEST 33 FT THEREOF), IN COOK COUNTY, ILLINOIS.

P.I.N. 11-30-207-021-0000

RECITALS

Reba Place Development Corporation has been approved for a loan of \$600,000.00 from the Federal HOME Program for a twelve unit property at 602 Mulford, Evanston, Illinois for the purpose of rehabbing units and converting them to condominium ownership, nine of which will be sold to households under 80% of area median income as defined by HUD and restricted upon resale so as to remain affordable to low income purchasers for 15 years.

AGREEMENTS

The terms of this Affordable Housing Restriction, authorized by G.L. c. 184-SS31-33 and otherwise by law, are as follows:

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- 1) The purpose of this Affordable Housing Restriction is to assure that the Premises will be retained as affordable housing for occupancy by low income households, defined as having household income under 80% of Area Median Income based on household size as determined annually by the U.S. Department of Housing and Urban Development (HUD).
- 2) The affordable Housing Restriction is an exhibit to the mortgage and will be recorded with the Cook County Recorder of Deeds.
- 3) The property shall be used as affordable ownership twenty (20) years following the completion of the rehabilitation. Borrower grants with quitclaim covenants to the City of Evanston, acting through its Community Development Department, (the "City"), having a mailing address of 2100 Ridge Avenue, Evanston, Illinois, 60201, its successors and assigns (the "Lender"), exclusively for the purpose of ensuring retention of housing for occupancy by low-income persons and families, the following described Affordable Housing Restriction on a parcel of land located at 602 Mulford, Evanston, Illinois.
- 4) The Borrower intends, declares and covenants, on behalf of itself and its successors and assigns, that the covenants and restrictions set forth in this Affordable Housing Restriction regulating and restricting the use, occupancy and transfer of the Premises and units therein (i) shall be and are covenants running with the Land, encumbering the Land for a term of twenty (20) years commencing with the date of of this document and ending the twentieth anniversary thereafter, binding upon the Borrower's successors in title and all subsequent owners of the Premises and units therein, (ii) are not merely personal covenants of the Borrower, and (iii) shall bind the Borrower and its successors and assigns (and the benefits shall inure to the Lenders and to any present or prospective tenant or owner of the Premises). The Borrower acknowledges that it has received assistance from the Lender in developing the Premises as affordable housing, which assistance includes a loan from the Lender under the Federal HOME Program. This Affordable Housing Restriction shall continue in force for its stated term regardless of the prior repayment of such loan.
- 5) The Borrower hereby agrees that any and all requirements of the laws of The State of Illinois be satisfied in order for this Affordable Housing Restriction to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full and that any requirements of privity of estate are intended to be satisfied, or in the alternative, that an equitable servitude has been created to insure that the Affordable Housing Restriction runs with the land.
- 6) Each and every contract, deed or other instrument hereafter executed conveying the Premises or portion thereof shall expressly provide that such conveyance is subject to this Affordable Housing Restriction, provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Premises or portion thereof provides that such conveyance is subject to this Affordable Housing Restriction.
- 7) Each unit in the Project shall contain complete facilities for living, sleeping, eating, cooking and sanitation which are to be used on other than a transient basis. Each unit in the Project shall meet

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the housing quality standards set forth in the regulations of the City of Evanston's Rehabilitation Standards.

- 8) The Borrower shall not discriminate on the basis of race, creed, color, sex, age, disability, familial status, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, use, sale, offering for sale, and occupancy of the Project or in connection with the employment or application for employment of persons for the construction, operation and management of the Project. The Borrower shall not discriminate against, or refuse to lease, rent or otherwise make available units in the Project to a holder of a certificate of family participation under the Federal Rental Certificate Program (24 C.F.R. Part 882) or a rental voucher under the Federal Rental Voucher Program (24 C.F.R. Part 887).
- 9) The Borrower may not sell, transfer, exchange, pledge or encumber all or any portion of the Project without the Lender's prior written consent during the Affordability Period.
- 10) If the subject property is sold prior to the end of its respective affordability period (as a rental building) then the HOME loan will be repaid to the City. Throughout the affordability period, the Borrower shall comply with affordability requirements of the HOME program as outlined in the Loan Agreement. These requirements include, without limitation, that units will be rented to households earning no more than 80% of area median income adjusted for family size. If the property is sold prior to the end of its affordability period, then any and all consecutive owners must agree to maintain the units as affordable until the affordability period expires. This will be ensured pursuant to deed restrictions and covenants running with the land without regard to the term of any mortgage or the transfer of ownership.
- 11) Failure to repay HOME loan as provided in this paragraph will, at Lenders discretion, constitute an event of default.
- 12) The Borrower shall not demolish any part of the Project or substantially subtract from any real or personal property of the Project except in conjunction with renovation or rehabilitation of the Project or construction of a new project on the Premises, in either case subject to the prior written consent of the Lenders, which consent may be granted or withheld in the Lender's sole judgment. The Borrower shall not permit the use of any residential unit for any purpose other than residential housing except for legal home occupations as allowed by the City of Evanston Revised Zoning Ordinance.
- 13) The Borrower represents, warrants and agrees that if the Project, or any part thereof, shall be damaged or destroyed, the Borrower (subject to the approval of the Lender(s) which will provide the financing) will use its best efforts to repair and restore the Project to substantially the same condition as existed prior to the event causing such damage or destruction, and the Borrower represents, warrants and agrees that the Project shall thereafter continue to operate in accordance with the terms of this Affordable Housing Restriction.
- 14) Any use of the Premises or activity thereon which is inconsistent with the purpose of this Affordable Housing Restriction is expressly prohibited. Borrower shall carry out each activity provided for in this Agreement in compliance with all applicable federal laws and regulations, i.e. equal opportunity, fair housing, affirmative marketing. Borrower hereby grants to Lender and its duly authorized representatives the right to enter the Premises (a) at reasonable times and in a reasonable manner for the purpose of inspecting the Premises to determine compliance with this Affordable Housing Restriction or any other agreement between Borrower and Lender and (b) after 30 days prior written

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notice, to take any reasonable and appropriate action under the circumstances to cure any violation of the provisions of this Affordable Housing Restriction. The notice referred to in clause (b) shall include a clear description of the course and approximate cost, including attorneys' fees, of the proposed cure.

Any such charges incurred by Lender shall be promptly paid by Borrower upon invoicing therefor. The failure to pay same promptly shall, at Lender's discretion, be an event of default.

- 15) The rights hereby granted shall include the right of Lender to enforce this Affordable Housing Restriction by appropriate court proceedings and to obtain injunctive and other equitable relief against any violations, including, without limitation, relief requiring restoration of the Premises to its condition prior to any such violation (it being agreed that the Lender will have no adequate remedy at law), and shall be in addition to, and not in limitation of, any other rights and remedies available to the Lender. Borrower covenants and agrees to reimburse Lender all reasonable costs and expenses (including without limitation Counsel fees) incurred in enforcing this Affordable Housing Restriction or in taking reasonable measures to cure any violation hereof, provided that a violation of this Affordable Housing Restriction is acknowledged by Borrower or determined by a court of competent jurisdiction to have occurred. By its acceptance of this Affordable Housing Restriction, Lender does not undertake any liability or obligation relating to the condition of the Premises. If any provision of this Affordable Housing Restriction shall to any extent be held invalid, the remainder shall not be affected.
- 16) The Lender is authorized to record or file any notices or instruments appropriate to assuring the enforceability of this Affordable Housing Restriction; and the Borrower on behalf of itself and its successors and assigns the Lender its attorney-in-fact to execute, acknowledge and deliver any such instruments upon request. The benefits of this Affordable Housing Restriction shall be in gross and shall be assignable by the Lender as authorized. The Borrower and the Lender intend that the restrictions arising hereunder take effect upon the date hereof, and to the extent enforceable by any person ever depends upon the approval of Governmental officials, such approval when given shall relate back to the date hereof regardless of the date of actual approval or the date of filing or recording of any instrument evidencing such approval.
- 17) Notwithstanding anything herein to the contrary, but subject to the next succeeding paragraph hereof, if the holder of record of a first mortgage- granted to a state or national bank, state or federal savings and loan association, cooperative bank, mortgage company, trust company, insurance company or other institutional tender shall acquire the Property by reason of foreclosure or similar remedial action under the provisions of such mortgage or upon conveyance of the Property in lieu of foreclosure, and provided that the holder of such mortgage (x) has given Lender not less than sixty (60) days' prior written notice of its intention to foreclose upon its mortgage or to accept a conveyance of the Property in lieu of foreclosure and (y) agrees to recognize any contractual or legal rights of public agencies, non-profit sponsors, or others to take actions that would avoid termination of low-income affordability of the Project, then the rights and restrictions herein contained shall not apply to such holder upon such acquisition of the Property or to any purchaser of the Property from such holder, and such Property shall, subject to the next two succeeding sentences, thereafter be free from all such rights and restrictions. The rights and restrictions contained herein shall not lapse if the Property is acquired through foreclosure or deed in lieu of foreclosure by (i) Borrower, (ii) any person with a direct or indirect financial interest in Borrower, (iii) any person related to a person described in clause (ii) by blood, adoption or marriage, (iv) any person who is or at any time was a business associate of a person described in clause (ii), and (v) any entity in which any of the foregoing have a direct or indirect financial interest (each a "Related Party"). Furthermore, if the Premises are subsequently acquired by a Related Party during the period in which this Affordable Housing Restriction would have remained in

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effect but for the provisions of this Section, this Affordable Housing Restriction shall be revived and shall apply to the Property as though it had never lapsed.

- 18) Any notice, request or other communication which either party hereto may be required or may desire to give hereunder shall be made in writing, and shall be deemed to have been properly given if hand-delivered or if mailed by United States registered or certified mail, postage prepaid, return receipt requested, addressed as follows:

If to Borrower:

Reba Place Development Corporation
737 Reba Place B
Evanston, Illinois 60201

If to Lender:

City of Evanston
2100 Ridge Avenue
Evanston, Illinois 60201
Attn: Community Development Director

With a copy to:

City of Evanston

2100 Ridge Avenue
Evanston, Illinois 60201
Attn: Legal Department

or such other address as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice. A notice sent by certified or registered mail shall be deemed given three business days after the day on which it was mailed; a notice delivered by hand shall be deemed given upon receipt.

This Affordable Housing Restriction may not be amended, nor may any obligation hereunder be waived or released, without first obtaining the written consent of the Lender, which consent shall not be unreasonably withheld or delayed.

No documentary stamps are required as this Affordable Housing Restriction is not being purchased by the Lender,

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**DANIEL F. HOFSTETTER LTD As An Agent For
Fidelity National Title Insurance Company
1941 Rohlwing Road Rolling Meadows, IL 60008**

ALTA Commitment Schedule A1

File No.: RTC38230

Property Address: 602 MULFORD STREET,
EVANSTON IL 60202

Legal Description:

THAT PART OF THE SOUTH 1/2 OF THE NORTHEAST 1/4 OF SECTION 30, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE INTERSECTION OF THE SOUTH LINE OF MULFORD AVENUE WITH THE WEST LINE OF RIGHT OF WAY LINE OF CHICAGO AND NORTHWESTERN RAILROAD (FORMERLY CHICAGO AND MILWAUKEE RAILROAD); THENCE WEST ON THE SOUTH LINE OF SAID AVENUE 100 FT.; THENCE SOUTH 150 FT.; THENCE EAST PARALLEL WITH THE SOUTH LINE OF SAID AVENUE TO THE WEST LINE OF SAID RAILROAD RIGHT OF WAY; THENCE NORTHERLY ALONG THE WEST LINE OF SAID RAILROAD TO THE POINT OF BEGINNING (EXCEPT FROM PREMISES THE WEST 33 FT THEREOF), IN COOK COUNTY, ILLINOIS.

Permanent Index No.: 11-30-207-021