



Doc#: 0520826008
Eugene "Gene" Moore Fee: \$40.00
Cook County Recorder of Deeds
Date: 07/27/2005 09:46 AM Pg: 1 of 9

FIRST AMERICAN TITLE
ORDER #

JUNIOR MORTGAGE

HOME INVESTMENT PARTNERSHIPS PROGRAM

Project Number: POpp-010

THIS MORTGAGE ("Security Instrument") is given on 4/26/, 2005. The mortgagors are Estil M. McKinney and Patricia A. McKinney, whose address is 15467 S. Millard, Markham, IL 60428 ("Borrowers"). This Security Instrument is given to the County of Cook, Illinois, a body politic and corporate which is organized and existing under the laws of Illinois, and whose address is 69 W. Washington Street, Department of Planning and Development, Suite 2900, Chicago, Illinois 60602 ("Lender").

Borrowers owe Lender the initial principal sum of Forty Thousand and no/100 U.S. Dollars (\$40,000.00) and for any additional principal loan amount advanced under the HOME Investment Partnerships Loan Agreement ("Loan Agreement") bearing the same date as this Security Instrument. This debt is evidenced by Borrowers' Note dated the same date as this Security Instrument ("Note"), which provides for monthly payments, with the full debt, if not paid earlier, due and payable on the sale, transfer, or alienation of the Property mortgaged by this Security Instrument.

This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note and the Loan Agreement, with interest and all renewals, extensions and modifications of the Note and the Loan Agreement; (b) the payment of all other sums, with interest, advanced to protect the security of this Security Instrument; (c) the performance of Borrowers' covenants and agreements under this Security Instrument, the Note and the Loan Agreement; and (d) Borrowers' compliance with the provisions of the HOME Investment Partnerships Program, 24 CFR, Part 92, as amended, ("HOME Program") and all applicable laws, ordinances, rules, regulations, Office of Management and Budget circulars and executive orders applicable to the HOME Program. For this purpose, Borrowers do hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

RETURN TO BOX 183

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LEGAL DESCRIPTION:

LOT 8 (EXCEPT THE SOUTH 12 FEET THEREOF) IN BLOCK 5 IN THORNTON, BEING A SUBDIVISION OF PART OF THE NORTHWEST ¼ OF SECTION 34, TOWNSHIP 36 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PERMANENT INDEX NUMBER(S): 29-34-102-013-0000

COMMON STREET ADDRESS: 307 N. WILLIAMS ST., THORNTON, IL 60476

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, claims or demands with respect to insurance, any and all awards made for the taking by eminent domain, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property".

BORROWERS COVENANTS that Borrowers are lawfully seized of the estate hereby conveyed and have the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrowers warrant and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record. There is a prior mortgage from Borrowers to LASALLE BANK, an Illinois banking corporation, dated _____ and recorded as document number _____ and a prior mortgage from Borrowers to ILLINOIS HOUSING DEVELOPMENT AUTHORITY, dated _____ and recorded as document number _____ and these Security Instruments may not be subordinated to any other liens.

COVENANTS. Borrowers and Lender covenant and agree as follows:

1. Payment of Principal and Interest. Borrowers shall promptly pay when due the principal and interest on the debt evidenced by the Note and the Loan Agreement.

2. Application of Payments. All payments received by Lender shall be applied first to interest, then to other charges, and then to principal.

3. Charges; Liens. Borrowers shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property, and leasehold payments or ground rents, if any. Upon Lender's request, Borrowers shall make these payments directly, and upon Lender's request, promptly furnish to Lender receipts evidencing the payments.

Borrowers shall pay, or cause to be paid, when due and payable all taxes, assessments, water charges, sewer charges, license fees and other charges against or in connection with the Property and shall, upon request, promptly furnish to Lender duplicate receipts. Borrowers may, in good faith and with due diligence, contest the validity or amount of any such taxes or assessments, provided that (a) Borrowers shall notify Lender in writing of the intention of Borrowers to contest the same

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before any tax or assessment has been increased by any interest, penalties or costs, (b) Borrowers shall first make all contested payments, under protest if Borrowers desire, unless such contest shall suspend the collection thereof, (c) neither the Property nor any part thereof or interest therein are at any time in any danger of being sold, forfeited, lost or interfered with, and (d) Borrowers shall furnish such security as may be required in the contest or as requested by Lender. During the term of this Agreement, Borrowers shall pay all obligations that if unpaid might result in a lien, except those obligations that are being contested in good faith, as long as Borrowers take all steps necessary to prevent the imposition of or to contest the validity of a lien.

4. Hazard Insurance. Borrowers 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 any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrowers subject to Lender's approval which shall not be unreasonably withheld. If Borrowers fail to maintain coverage described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Paragraph 6.

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

Unless Lender and Borrowers otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged if the restoration or repair is economically feasible, Lender's security is not lessened and Borrowers are not in default under this Security Instrument, the Note or the Loan Agreement. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrowers. If Borrowers abandon the Property, or do not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

If under paragraph 19 the Property is acquired by Lender, Borrowers' right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

5. Preservation and Maintenance of Property; Construction under Rehabilitation Project; Borrowers' Application; Leaseholds. Borrowers shall not destroy, damage, substantially change the Property, allow the Property to deteriorate, or commit waste. Borrowers shall maintain the Property in compliance with applicable municipal codes and with Property standards under the HOME Investment Partnerships Program, 24 CFR Part 92, §92.251, or as amended. Borrowers shall complete on or before the construction deadline contained in the Loan Agreement for the rehabilitation project any building or buildings now or at any time in process of erection, construction, alteration, repair or rehabilitation upon said Property. Borrowers shall be in default if any forfeiture action or proceeding, whether civil or criminal, is begun that in Lender's good faith judgment could result in forfeiture of the Property or otherwise materially impair the lien created by this Security Instrument or Lender's security interest. Borrowers may cure such a default and reinstate, as provided in paragraph 16, by causing the action or proceeding to be dismissed with a

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ruling that, in Lender's good faith determination, precludes forfeiture of the Borrowers' interest in the Property or other material impairment of the lien created by this Security Instrument or Lender's security interest. Borrowers shall also be in default if Borrowers, during the loan application process, gave materially false or inaccurate information or statements to Lender (or failed to provide Lender with any material information) in connection with the loans evidenced by the Note and Loan Agreement. If this Security Instrument is on a leasehold, Borrowers shall comply with the provisions of the lease, and if Borrowers acquire fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

6. Protection of Lender's Rights in the Property. If Borrowers fail to perform the covenants and agreements contained in this Security Instrument, the Note, the Loan Agreement or fails to comply with the provisions of the HOME Program, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over his Security Instrument, appearing in court, paying reasonable attorneys' fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so.

Any amount disbursed by Lender under this paragraph shall become additional debt of Borrowers secured by this Security Instrument. Unless Borrowers and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrowers requesting payment.

As additional security hereunder the Borrowers hereby assign to Lender the rents of the Property, provided that the Borrowers shall, prior to acceleration under this Junior Mortgage hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

7. Inspection. The Lender shall have the right to inspect or may cause the inspection of the Property at all reasonable times and access thereto shall be permitted for that purpose.

8. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrowers. In the event of a partial taking of the Property, unless Borrowers and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrowers.

If the Property is abandoned by Borrowers, or if, after notice by Lender to Borrowers that the condemnor offers to make an award or settle a claim for damages, Borrowers fail to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

9. Borrowers Not Released; Forbearance By Lender Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by this Security Instrument granted by Lender to any successor in interest of the Borrowers shall not operate to release the liability of the original Borrowers or Borrowers' successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise

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modify amortization of the sums secured by this Security Instrument by reason of any demand made by the original Borrowers or Borrowers' successors in interest. A waiver in one or more instances of any of the terms, covenants, conditions or provisions hereof, or of the Note, the Loan Agreement, or any part thereof, shall apply to the particular instance or instances and at the particular time or times only, and no such waiver shall be deemed a continuing waiver but all of the terms, covenants, conditions and other provisions of this Security Instrument and of the Note and Loan Agreement shall survive and continue to remain in full force and effect. No waiver shall be asserted against Lender unless in writing signed by Lender.

10. Successors and Assigns Bound; Joint and Several Liability; Co-Signers. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrowers, subject to the provisions of paragraph 15. If there is more than one party as Borrowers, each of Borrowers' covenants and agreements shall be joint and several. Any Borrowers who co-sign this Security Instrument but does not execute the Note or Loan Agreement: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrowers' interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrowers may agree to extend, modify, forbear or make any accommodations with regard to the terms of this Security Instrument, the Note or the Loan Agreement without that Borrowers' consent.

11. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrowers which exceeded permitted limits will be refunded to Borrowers. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrowers. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

12. Notices. Any notice provided for in this Security Instrument shall be deemed to have been given by delivering it or by mailing it by certified mail, unless applicable law requires use of another method. The notice shall be directed to the recipient's address stated herein or any other address Borrowers or Lender designates by notice to the other.

13. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of Illinois. In the event that any provision or clause of this Security Instrument or the Note or Loan Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note or Loan Agreement which can be given effect without the conflicting provision. To this end, the provisions of this Security Instrument and the Note or Loan Agreement are declared to be severable.

14. Assignment by Lender. Lender may assign all or any portion of its interest hereunder and its rights granted herein and in the Note and Loan Agreement to any governmental entity, or to any person, trust, financial institution or corporation as Lender may determine and upon such assignment, such assignee shall thereupon succeed to all the rights, interests, and options of Lender herein and in the Note and Loan Agreement, and Lender shall thereupon have no further obligations or liabilities thereunder.

15. Transfer of the Property or a Beneficial Interest in Borrowers; Due on Sale. If all, any part of, or any interest in the Property or a beneficial interest in a land trust in which the Property is held or a beneficial interest in Borrowers is sold or transferred or otherwise alienated without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all

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sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrowers notice of acceleration if applicable. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrowers must pay all sums secured by this Security Instrument. If Borrowers fail to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument or the Note or Loan Agreement without further notice or demand on Borrowers.

16. Borrowers' Right to Reinstate. If Borrowers meet certain conditions, Borrowers shall have the right to have enforcement of this Security Instrument discontinued at any time prior to the entry of a judgment enforcing this Security Instrument. Those conditions are that the Borrowers: (a) pay Lender all sums which then would be due under this Security Instrument and the Note and the Loan Agreement had no acceleration occurred; (b) cure any default of any other covenants or agreements or provisions contained in this Security Instrument, the Note, Loan Agreement, or the HOME Program; (c) pay all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; (d) take such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrowers' obligation to pay the sums secured by this Security Instrument shall continue unchanged; and (e) not use the provision more frequently than once every five years. Upon reinstatement by Borrowers, this Security Instrument and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under paragraph 15.

17. Hazardous Substances. Borrowers shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrowers shall not do, nor allow anyone else to do anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to the presence, use or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Borrowers shall promptly give Lender written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Borrowers have actual knowledge. If Borrowers learn, or are notified by any governmental or regulatory authority, that any removal or other remediation of any hazardous Substance affecting the Property is necessary, Borrowers shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this paragraph 17, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this paragraph 17, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

18. Prior Mortgage. Borrowers shall not be in default of any provision of any prior mortgage.

19. Acceleration; Remedies. Lender shall give notice to Borrowers prior to acceleration following Borrowers' breach of any covenant or agreement or provision in the Security Instrument, the Note, the Loan Agreement or the HOME Program (but not prior to acceleration under Paragraph 15 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrowers, by which the default must be cured; and (d) that failure to cure the default on or before

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the date specified in the notice may result in acceleration of the sums secured by this Security Instrument, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrowers of the right to reinstate, if applicable, after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrowers to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Security Instrument without further demand and may foreclose this Security Instrument by judicial proceeding. Lender shall be entitled to collect all expenses incurred in proceedings pursuing the remedies provided in this Paragraph 19 including, but not limited to, reasonable attorneys' fees and costs of title evidence.

20. Lender in Possession. Upon acceleration under Paragraph 19 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. Any 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 attorneys' fees, and then to the sums secured by this Security Instrument. Nothing herein contained shall be construed as constituting Lender a mortgagee in possession in the absence of the taking of actual possession of the Property by Lender pursuant to this Paragraph 20. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Borrowers.

21. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrowers. Borrowers shall pay all costs of recordation if any.

22. Waiver of Homestead. Borrowers waive all right of homestead exemption in the Property.

23. No Offsets by Borrowers. No offset or claim that Borrowers now have or may have in the future against Lender shall relieve Borrowers from paying any amounts due under the Note, the Loan Agreement or this Security Instrument or from performing any other obligations contained therein.

24. Riders to this Security Instrument. If one or more riders are executed by Borrowers and recorded together with this Security instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were a part of this Security Instrument.

25. Incorporation of Note, Loan Agreement and HOME Investment Partnerships Program. The covenants or agreements of the Loan Agreement and the Note are incorporated herein. The provisions of the HOME Program, as amended, are incorporated herein as are the laws, ordinances, rules, regulations, Office of Management and Budget circulars and executive orders which are applicable to the HOME Program. A failure to comply with any covenant or agreement or provision of this Security Instrument, the Loan Agreement, the Note or the HOME Program is a default. All remedies provided for in this Security Instrument, the Loan Agreement or the Note are distinct and cumulative to any other right or remedy under this Security Instrument, the Loan Agreement, the Note or afforded by law or equity and may be exercised concurrently, independently, or successively.

26. Acknowledgement of Debt. Borrowers shall furnish from time to time within fifteen (15) days after Lender's written request, a written statement, duly acknowledged, setting forth the amount

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secured by this Security Instrument and whether any alleged offsets or defenses exist against the indebtedness secured by this Security Instrument.

BY SIGNING BELOW, Borrowers accept and agree to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrowers and recorded with the Security Instrument.

ESTIL M. MCKINNEY AND PATRICIA A. MCKINNEY,

By: Estil M McKinney
Name:
Title:

By: Patricia A McKinney
Name:
Title:

Attest: _____
Name:
Title:

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STATE OF ILLINOIS, CDM County ss:


I, The undersigned, a Notary Public in and
for said county and state, do hereby certify that
Estil M. McKinney + Patricia A. McKinney

_____, personally known to me to be the same person(s) whose name(s) is (are) 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, including the release and waiver of all right of homestead.

Given under my hand and official seal, this 26 day of April 2005.

My Commission expires:




Notary Public

This Document Prepared By:

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