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Doc#: 0521345074  
Eugene "Gene" Moore Fee: \$36.00  
Cook County Recorder of Deeds  
Date: 08/01/2005 02:04 PM Pg: 1 of 7

This instrument prepared by :

Charles E. Rodgers Jr.  
Assistant Corporation Counsel  
City of Chicago  
Office of Corporation Counsel  
121 North LaSalle Street  
Room 600  
Chicago, Illinois 60602

**After recording, please mail to:**

Holland & Knight LLP  
131 South Dearborn  
30<sup>th</sup> Floor  
Chicago, Illinois 60603  
Attn.: Grant McCorkhill

MAXIMUM INDEBTEDNESS SECURED: \$3,000.00

## SECOND MORTGAGE

THIS SECOND MORTGAGE ("Mortgage") is made as of this 27<sup>th</sup> day of July, 2005, by SUSANNE MIREK and PAUL MIREK, residing at 4228 South Champlain, Unit 1N, Chicago, Illinois (collectively, jointly and severally referred to herein as the "Mortgagor"), to the CITY OF CHICAGO, Illinois, together with its successors and assigns, having its principal office at 121 North LaSalle Street, Chicago, Illinois 60602 (the "Mortgagee").

## WITNESSETH:

WHEREAS, the Mortgagor and Mortgagee have concurrently herewith executed a Promissory Note ("Note") pursuant to the Teacher Housing Assistance Program ("Program"), as approved by the City Council in an ordinance dated May 6, 2005, under which the Mortgagee provides Mortgagor an amount of funds in the form of a forgivable loan ("Loan") to provide for down payment and/or closing cost assistance in the purchase of Mortgagor's primary residence ("Residence"); and

*QSTM*

FREEDOM TITLE CORP. 6707391 4074

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WHEREAS, the total amount granted to the Mortgagor under the Note shall not exceed \$3,000.00 ("Loan Amount"). The Loan is subject to recapture for a period of sixty (60) months beginning on the first day of the first month following the date of the Note. The Loan Amount shall be forgiven and reduced by one-sixtieth (1/60th) for each full month of occupancy of the Residence by Mortgagor pursuant to the terms and conditions in the Note. The Loan shall not bear interest except as specified in the Note; and

WHEREAS, in the event of an Election to Recover, the Mortgagee desires to secure recovery of the then-outstanding portion of the Loan Amount pursuant to the terms of the Note;

NOW, THEREFORE, in order to secure recovery, in the event of an Election to Recover, of any outstanding portion of the Note, and of all other payments due to the Mortgagee by the Mortgagor under any of the Loan Documents, and to secure performance of the covenants and agreements contained in this Mortgage, including any substitutions, extensions or modifications hereto, the Mortgagor does grant, assign, convey, warrant and mortgage to the Mortgagee, its successors and assigns, and grants to the Mortgagee and its successors and assigns a continuing security interest in and to all of the following rights, interests, claims and property in all of the real estate, as more particularly described in Exhibit A attached hereto and hereby made a part hereof, (the "Premises");

To protect the security of this Mortgage the Mortgagor further covenants and agrees as follows:

(1) Preservation, Restoration and Use of Premises. The Mortgagor shall:

(a) keep and maintain the Premises in good condition and repair, free from mechanics' liens and other liens and claims except for real estate taxes and assessments not yet due and payable and the lien of the Senior Mortgage ("Permitted Encumbrances"), pay all operating costs of the Premises when due not permit any unlawful use or nuisance; and

(b) not abandon the Premises, nor do anything whatsoever to depreciate or impair the value of the Premises or the security of this Mortgage.

(2) Taxes and Charges. The Mortgagor agrees to pay or cause to be paid, prior to delinquency, all Charges (as hereinafter defined) which are assessed or imposed upon the Premises or upon any of the Loan Documents or become due and payable, and which create a lien upon the Premises or any part thereof or upon any of the Loan Documents.

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(3) Insurance. The Mortgagor shall procure and maintain, or cause to be maintained, at all times throughout the term hereof, at the expense of the Mortgagor, with insurance companies authorized to do business in the State of Illinois, until final repayment of the indebtedness secured hereby: (a) general liability/homeowners insurance or equivalent with limits of not less than \$100,000 per occurrence for bodily injury, personal injury, and property damage liability; and (b) all risk property/homeowners insurance including improvements and betterments covering damage to or loss of the Premises by fire or other casualty for their full replacement value.

The Mortgagor shall furnish the Mortgagee certificates of insurance evidencing the required coverage to be in force on the date of this Mortgage. All insurance policies shall provide that the Mortgagee shall be given 30 days' prior written notice of any modification, nonrenewal or cancellation.

The Mortgagee maintains the right to modify, delete, alter or change these requirements.

(4) Transfer and Encumbrance of Premises. The Mortgagor shall not create, consent to or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing), directly or indirectly, by willful act, by operation of law or otherwise, of all or any portion of the Premises or any interest therein, other than Permitted Encumbrances and the Senior Mortgage (defined below), or any interest in the Mortgagor thereof (each of the foregoing being referred to herein as a "Prohibited Transfer"), without the Mortgagee's prior written consent.

If the Mortgagor shall do or allow any of the foregoing Prohibited Transfers without the Mortgagee's prior written consent, the Mortgagee at its option may declare an Election to Recover under the Loan Documents, causing any outstanding principal of the Loan Amount to be immediately due and payable without notice to the Mortgagor. Any waiver by the Mortgagee of the provisions of this paragraph shall not be deemed to be a waiver of the right of the Mortgagee to insist upon strict compliance with the provisions of this paragraph in the future.

(5) Events of Default; Remedies. The occurrence of (i) an Event of Default under the terms and provisions of the Note, or (ii) non-compliance by the Mortgagor with, or failure by the Mortgagor to perform, any agreement contained herein, or (iii) any material representation or warranty made herein that is or proves to be false or inaccurate, shall constitute an "Event of Default" hereunder. Upon, or at any time after, the occurrence of an Event of Default hereunder, subject to the rights of the Senior Lender, the Mortgagee may declare an Election to Recover, causing any outstanding principal of the Loan Amount to become immediately due and payable, and the Mortgagee may proceed to foreclose this Mortgage and to exercise any rights and

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remedies available to the Mortgagee at law, in equity, hereunder or under any of the other Loan Documents.

(6) Subordination. The Mortgage shall be subject and subordinate in all respects to that certain mortgage dated as of 7/27/2005, between Mortgagor and \_\_\_\_\_ ("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 \_\_\_\_\_ (excluding options and extras) pursuant to the terms of the first mortgage ("Senior Mortgage") and this Mortgage shall also be subordinate to any subsequent mortgage that replaces the Senior Mortgage. The term "Senior Lender" shall include any successor lender replacing the original Senior Lender as the holder of a Senior Mortgage.

If Senior Lender acquires title to the Residence pursuant to a deed in lieu of foreclosure, the lien of this Mortgage shall automatically terminate upon the Senior Lender's acquisition of title to the Residence, provided that: (i) the Senior Lender has given written notice to Mortgagor of a default under the Senior Mortgage in accordance with its terms, (ii) the Mortgagor (or other party) shall not have cured the default under the Senior Mortgage within the applicable cure period(s) provided for in the Senior Mortgage and the Mortgagor shall be deemed in default thereof; and (iii) any proceeds from the sale of the Residence as a result of such foreclosure, if any, which Mortgagee is entitled to receive pursuant to this Mortgage, subject to the rights of superior lien holders, are paid to Mortgagee.

(7) Waiver. No delay or omission of Mortgagee or any holder of the Note to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Event of Default or acquiescence therein. No consent or waiver, expressed or implied, or failure to complain of any act, by Mortgagee to or of any breach or Event of Default by Mortgagor in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or Event of Default in the performance of the same or any other obligations of Mortgagor hereunder.

(8) General.

(a) All capitalized terms, unless defined herein, shall have the same meanings as are set forth in the Note.

(b) The Recitals to this Mortgage are incorporated herein as an integral part of this Mortgage.

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(c) The Mortgage shall inure to the benefit of and be binding upon the Mortgagor and Mortgagee and their respective legal representatives, successors and assigns.

(d) If any provision of the Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of the Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

(e) No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

(f) Unless Mortgagee agrees otherwise in writing in an appropriate document duly recorded, the Mortgage and the lien hereof shall not merge in the fee simple title, and this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

(g) The Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois.

[SIGNATURE PAGE FOLLOWS]

*Handwritten initials: STM*



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## EXHIBIT A

### LEGAL DESCRIPTION:

#### Parcel 1:

UNIT 4228-1NORTH IN THE 4220-28 S. CHAMPLAIN CONDOMINIUM, AS DELINEATED AND DEFINED IN THE DECLARATION RECORDED AS DOCUMENT NO. 0431027083 AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN SECTION 3, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

#### Parcel 2:

THE EXCLUSIVE RIGHT TO USE PARKING SPACE P-4, A LIMITED COMMON ELEMENT, AS DELINEATED ON THE SURVEY ATTACHED TO THE AFORESAID DECLARATION RECORDED AS DOCUMENT NO. 0431027083.

### ADDRESS COMMONLY KNOWN AS:

4228 South Champlain, Unit 1N, Chicago, Illinois 60653

### PERMANENT INDEX NO.:

20-03-224-039-0000 (Part)  
20-03-224-040-0000 (Part)

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