

MORTGAGE

THIS INDENTURE, made July 26, 1990 between the City of Harvey, a body politic and municipality of the State of Illinois, 15320 Broadway, Harvey, Illinois, 60426, herein referred to as "Mortgagee", and Bertha Smith divorced and not since remarried herein referred to as "Mortgagor(s)", witnesseth:

THAT WHEREAS the Mortgagor(s) is justly indebted to Mortgagee upon a Promissory Note of even date herewith, and on extensions and renewals in the principal sum of Twenty Five Thousand Three Hundred Twenty Five and No Cents

DOLLARS (\$25,325), payable to the order of and delivered to the Mortgagee, in and by which Note the Mortgagee agrees to forgive the repayment of said principal sum or so much thereof as may be forgiven from time to time, only if the following events do not occur during the term of this Mortgage and Note: (a) if the Mortgaged Property is sold, transferred, or is otherwise conveyed; (b) is no longer used as Mortgagor's primary residence; (c) if Mortgagor(s) dies during the term hereof and the Property is distributed by an estate to a person who is not a blood relative; or (d) the Premises is used for a purpose for which H.U.D. Funds may not be utilized. If any of the above events occur, all of said principal which remains unpaid and therefore unforgiven shall be payable at such place as the Holders of the Note may, from time to time, in writing appoint and in absence of such appointment, then at the offices of the Mortgagee at 15320 Broadway, Harvey, Illinois 60426.

NOW THEREFORE, the Mortgagor(s) to secure to Mortgagee the repayment of the indebtedness, if required, by the terms of the Note and the Mortgage and the payment of all other sums, in accordance with the terms, provisions and limitations of this Mortgage, and the performance of the covenants and agreements herein contained by the Mortgagor(s) to be performed, and also in consideration of the sum of Twenty Five Thousand Three Hundred Twenty Five and No Cents

DOLLARS (\$25,325) in hand paid, the receipt whereof is hereby acknowledged, do by these presents MORTGAGE, CONVEY AND WARRANT unto the Mortgagee, and the Mortgagee's successors assigns, the following described Real Estate and all of its estate, right, title and interest therein, situated, lying and being in the City of Harvey, COUNTY OF COOK AND STATE OF ILLINOIS, to wit:

Legal Description: LOT 9 (EXCEPT THE NORTH 5 FEET THEREOF) AND ALL OF LOT 10 IN BLOCK 184 IN HARVEY, BEING A SUBDIVISION IN SECTIONS 6, 7, 8, 17 AND 18, TOWNSHIP 36 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Common Address: 14822 ASHLAND AVE., HARVEY, IL. Permanent Index No.: 29-07-414-048

TOGETHER with all improvements, tenements, easements and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times now or hereafter erected or acquired as Mortgagor(s) may be entitled thereto (which are pledged primarily and on a party which said real estate and not secondarily) and all apparatus or equipment now or hereafter therein used to supply heat, gas, air conditioning, water, light, power, refrigeration and ventilation, shall be considered as constituting part of real estate.

Mortgagor(s) shall be required to repay the unforgiven portion of the principal hereby secured, if any of the following events occur during the fifteen (15) year term of the Mortgage and as provided in the Note executed on even date herewith: (a) if the Mortgaged Property is sold, transferred, or is otherwise conveyed during the term of this Mortgage; (b) is no longer used

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as Mortgagor's primary residence; (c) if Mortgagor(s) dies during the term hereof and the Property is distributed by estate to a person who is not a blood relative; or, (d) the Premises is used for a purpose for which H.U.D. Funds may not be utilized.

TO HAVE AND TO HOLD the premises unto the Mortgagee, and the Mortgagee's successors and assigns, forever, for the purposes, and upon the uses herein set forth.

The record owner is Bertha Smith, divorced and not since remarried and the Mortgagor(s) covenants that the Mortgagor(s) is lawfully seized of the estate hereby conveyed and has the right to Mortgage, Convey and Warrant the Property, and that the Property is unencumbered, except for encumbrances of record. Mortgagor(s) at his/her expense, covenants that the Mortgagor(s) warrants and will defend the title to the Property against all claims and demands, subject to encumbrances of record.

This Mortgage consists of 9 pages. The covenants, conditions and provisions appearing on Pages 3-8 are incorporated herein by reference and are a part hereof and shall be binding on Mortgagor(s), their successor(s) and assign(s).

Mortgagor(s) hereby waives to the extent authorized by law, any and all right of homestead and other exemption rights which would otherwise apply to the debt set out herein.

WITNESS THE HAND(S) AND SEAL(S) OF MORTGAGOR(S) THE DAY AND YEAR FIRST ABOVE WRITTEN.

*Bertha Smith*  
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**COVENANTS, CONDITIONS AND PROVISIONS**

1. Mortgagor(s) shall promptly pay, when due, the principal indebtedness evidenced by the Note and other charges as provided in the Note, if the Mortgaged Property is sold, transferred, or is otherwise conveyed; is no longer used as Mortgagor's primary residence; if Mortgagor(s) dies during the term hereof, the Property is distributed by estate to person who is not a blood relative; or the premises is used for a purpose for which H.U.D. Funds may not be utilized.

Unless applicable law provides otherwise, all payments required to be paid by Mortgagor(s) and received by Mortgagee under the Note and this Mortgage shall be applied by Mortgagee first to principal and secondly to any other cost charges accrued thereon.

2. Mortgagor(s) shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Premises which may become damaged or be destroyed; (b) keep said Premises in good condition and repair, without waste, and free from mechanic's or other liens or claims for lien not expressly subordinate to a lien hereof; (c) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to the Mortgagee; (d) complete within a reasonable time any building or buildings now or at any time in process of erection, construction, alteration, repair or rehabilitation upon said Premises; (e) comply with all requirements of law or municipal ordinances with respect to the Premises and the use thereof; (f) make no material alterations in said Premises except as required by law or municipal ordinance without the prior written consent of Mortgagee.

3. Eminent Domain: (A) Any and all awards heretofore or hereafter made or to be made to the present and all subsequent owners of the Premises, by any governmental or other lawful authority for taking, by condemnation or eminent domain, the whole or any part of the Premises or any improvement located thereon or any tenements, easements therein or appurtenances thereto (including any award from the United States Government at any time after the allowance of the claim therefor, the ascertainment of the amount thereof and the issuance of the warrant for payment thereof), are hereby assigned by Mortgagor(s) or Mortgagee, which award Mortgagee is hereby authorized to collect and receive from the condemnation authorities, and Mortgagee is hereby authorized to give appropriate receipts and acquittances therefor, and Mortgagee may use or apply the proceeds of such award or awards at its option, as follows: (1) a credit upon any portion of the indebtedness secured hereby; or (2) to deliver same to Mortgagor(s). Mortgagor(s) covenants and agrees that Mortgagor(s) will give Mortgagee immediate notice of the actual or threatened commencement of any such proceedings under condemnation or eminent domain, affecting all or any part of the said premises or any tenements, easements therein or appurtenances thereto, including severance and consequential damage and change in grade of streets and will deliver to Mortgagee copies of any and all papers served in connection with any such proceedings. Mortgagor(s) further covenants and agrees to make, execute and deliver to Mortgagee, at any time or times upon request, free, clear, and discharged of any encumbrances of any kind whatsoever, any and all further assignments and/or instruments deemed necessary by Mortgagee for the purpose of validity and sufficiently assigning all awards and other compensation heretofore and hereinafter to be made to Mortgagor(s) for any taking either permanent or temporary, under any such proceeding. At Mortgagee's option, any such award may be applied to restoring the improvements, in which event the same shall be paid out in the same manner as is provided in Subsection (A) of this Paragraph.

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(B) Application of Eminent Domain Proceeds: Notwithstanding any provision herein to the contrary and in particular the above Subsections of this Paragraph, in the event of any damage or taking as therein described by eminent domain of less than the entire Mortgaged Premises, it is hereby agreed the Mortgagee shall make available the proceeds of any reward received in connection with and in compensation for such damage or taking for the purpose of rebuilding and restoring so much of the improvements within the Premises affected thereby, subject to the following conditions: (1) the Mortgagor(s) is not then in default under any of the terms, covenants and conditions hereof; (2) that all then existing leases affected in any way by such damage or taking shall continue in full force and effect without reduction or abatement of rental (except during the period of untenability); (3) That Mortgagee shall first be given satisfactory proof that such improvements have been fully restored or that by the expenditure of such money will be fully restored, free and clear of all liens, except as to the lien of this Mortgage; (4) that in the event such award shall be sufficient to restore and rebuild the said Premises; (5) that in the event Mortgagor(s) shall fail within a reasonable time, subject to delays beyond their control, to restore or rebuild the said improvements, Mortgagee, at its option, may restore or rebuild the said improvements for or on behalf of the Mortgagor(s) and for such purpose may do all necessary acts including using said funds deposited by Mortgagor(s) as aforesaid; (6) that the excess of said award which is not necessary for completing such restoration shall be applied as hereinbefore provided as a credit upon any portion, as selected by Mortgagee, of the indebtedness secured hereby. In the event any of the said conditions are not or cannot be satisfied, then the alternate disposition of such award as provided herein shall again become applicable. Under no circumstances shall Mortgagee become personally liable for the fulfillment of the terms, covenants and conditions contained in any of the said Leases nor obligated to take any action to restore the said improvements.

4. Mortgagor(s) shall be responsible for and pay the yearly taxes and assessments plus yearly premium installments for hazard insurance. If Mortgagor pays the above monies to a Mortgagee, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or State agency. The Mortgagee shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents.

If Mortgagor(s) assumes responsibility for payment of taxes and insurance without Mortgagee, Mortgagor(s) on demand, agree to provide evidence of such payment in full of any and all amounts for annual insurance premiums and bi-annual real estate taxes. If Mortgagor(s) is unable to present timely evidence of payment, Mortgagee, at its option may declare default under the terms provided herein.

5. If applicable, Mortgagor(s) shall perform all of Mortgagor's obligations under any Mortgage, Deed of Trust or other Security Agreement with a lien which may have priority over this Mortgage, including Mortgagor's covenants to make payments when due. Mortgagor(s) shall pay or cause to be paid all taxes, assessments or other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leave hold payments or ground rents, if any.

6. Mortgagor(s) 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 such other hazards as Mortgagee may require and in such amounts and for such periods as Mortgagee may require.

7. In the event of loss, Mortgagor(s) shall give prompt notice to the insurance carrier and Mortgagee. Mortgagee may make proof of loss if not made promptly by Mortgagor(s).

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If the Property is abandoned by Mortgagor(s), or if Mortgagor(s) fails to respond to Mortgagee within thirty (30) days from the date notice is mailed by Mortgagee to Mortgagor that the insurance carriers offers to settle a claim for insurance benefits, Mortgagee is authorized to collect and apply the insurance proceeds at Mortgagee's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

8. The following events, in addition to any others specified herein, shall constitute a default in the terms of this Mortgage:

(A) Discovery by the Mortgagee of any material misrepresentation or falsity in any representation, statement, affidavit, certificates, exhibit or instrument given or delivered by Mortgagor(s), to the Mortgagee in connection with the making of this Mortgage; or,

(B) The bankruptcy of Mortgagor(s), or the exchange, disposition, refinancing, or sale under foreclosure of the Property; or

(C) The acquisition in whole or in part, voluntary or involuntary, of title, the beneficial interest, or the equity of redemption in the Property by any party other than Mortgagor(s), except where transfer is approved in writing by the Mortgagee.

9. In case of default therein, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor(s) in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest of prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said Premises or contest any tax or assessment, and, if appearances, disburse such sums, including but not limited to reasonable attorney's fees, and take such action as is necessary to protect Mortgagee's interest. All monies paid or incurred in connection therewith, including attorney's fees, and any other monies advanced by Mortgagee to protect the Mortgaged Premises and the lien hereof, shall become immediately due and payable without notice and with interest thereon at the highest rate now permitted by Illinois Law. Inaction of the Mortgagee shall never be considered as a waiver of any right accruing to the Mortgagee on account of any default hereunder on the part of the Mortgagor(s).

10. Mortgagor(s) shall pay each item of the Mortgage herein mentioned, including but not limited to the indebtedness evidenced by the Note when due according to the terms hereof and of the Note. At the option of the Mortgagee and without notice to Mortgagor(s), all unpaid indebtedness secured by this Mortgage to the contrary, become due and payable, when default, as defined herein and more particular in Paragraph 1 and Paragraph 8 herein, shall occur and continue for ten (10) days.

11. When the indebtedness hereby secured shall be due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclosure the lien hereof. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee of attorney's fees, appraiser's fees outlays for documentary and expert evidence, stenographers' charges, publication costs (which may be estimated as to items to be expended after entry of the decree), of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar dates and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true

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condition of the title to or the value of the Premises. All expenditures and expenses of the nature in this Paragraph mentioned shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon at the highest rate now permitted by Illinois Law (or in the absence of such limit at twelve percent (12%)), when paid or incurred by Mortgagee in connection with (a) any proceeding, including probate and bankruptcy proceedings, to which the Mortgagee shall be a party, either as Plaintiff, Claimant or Defendant, by reason of this Mortgage or any indebtedness hereby secured; or (b) preparations for the commencement of any suit for foreclosure hereof, after accrual of such right to foreclosure whether or not actually commenced; or (c) preparations for the defense of actual or threatened suit or proceeding which might affect the Premises or the security hereof.

12. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority. First, on account of all costs and expenses incident to the foreclosure proceedings; including all such items as are mentioned in the preceding Paragraph hereof; second all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal remaining unpaid on the Note; fourth, any remaining sums to Mortgagor(s), its successors or assigns, as their rights may appear.

13. Upon or at any time the filing of a complaint to foreclosure this Mortgage, the court in which such complaint is filed may appoint a receiver of said Premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor(s) at the time of the application for such receiver and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not, and the Mortgagee may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of said Premises during any further times when Mortgagor(s), except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The Court from time to time may authorize the receiver to apply the net income to his hands in payment in whole or in part of: (A) The indebtedness secured hereby, or by any decreed foreclosure this Mortgage, or any tax, special assessment or other lien which may become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (B) the deficiency in case of a sale and deficiency.

14. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the note hereby secured.

15. The Mortgagee shall have the right to inspect or may cause the inspection of the Premises at all reasonable times and access thereto shall be permitted for that purpose.

16. Mortgagor(s) shall fulfill all of Mortgagor's obligations under any home rehabilitation, improvement, repair or other loan agreement which Mortgagor(s) enters into with Mortgagee. Mortgagee at Mortgagee's option, may require Mortgagor(s) to execute and deliver to Mortgagee, in a form acceptable to Mortgagee, an assignment of any rights, claims or defenses, which Mortgagor(s) may have against parties who supply labor, materials or services in connection with improvements made to the Property. The Mortgagor(s) further expressly acknowledges that the funds advanced in accordance with the Note and Mortgage are limited to use for the rehabilitation of owner-occupied homes

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only. Any transfer of title, without consent of Mortgagee, constitutes a breach of this Agreement and the Mortgagee may declare the entire balance due and payable.

17. If the payment of said indebtedness or any part thereof be extended, varied or, if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in said premises, shall be held to assent to such extension, variation or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by the Mortgagee, notwithstanding such extension, variation or release.

18. Mortgagee shall release this Mortgage and lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby and payment of a reasonable fee to Mortgagee for the execution of such release.

19. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and all persons claiming under or through Mortgagor and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the indebtedness of any part thereof, whether or not such persons shall have executed the Mortgage Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein and the holder or holders, from time to time, of the Note secured hereby.

20. The state and local laws applicable to this Mortgage shall be the laws of the jurisdiction in which the Property is located. The foregoing sentence shall not limit the applicability of Federal Law to this Mortgage. In the event that any provisions or clause of this Mortgage or of the Note conflicts with applicable law, such conflict shall not affect other provisions, and to this end the provisions of this Mortgage and the Note are declared to be severable.

21. Upon Mortgagor's breach of any covenant or agreement of Mortgagor(s) in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Mortgagee prior to the acceleration shall give notice to Mortgagor specifying: (a) the breach; (b) the action required to cure such breach; (c) a date, not less than ten (10) days from the date of notice is mailed to Mortgagor(s), by which such breach must be cured; and (d) that failure to cure such breach on or before the date specified by this Mortgage, foreclosure by judicial proceeding, and sale of Property shall occur. The notice shall further inform Mortgagor(s) of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Mortgagor(s) to acceleration and foreclosure. If the breach is not cured on or before the date specified in the Notice, Mortgagee, at Mortgagee's option, may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may obtain all costs in pursuit of foreclosure, including, but not limited to, reasonable attorney's fees and costs of documentary evidence, abstracts and title reports.

22. Notwithstanding Mortgagee's acceleration of the sums secured by this Mortgage due to Mortgagor's breach, Mortgagor(s) shall have the right to have any proceedings begun by Mortgagor(s) to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Mortgagor(s) pays Mortgagee all sums which would be then due under this Mortgage and Note as if no acceleration occurred; (b) Mortgagor cures all breaches of any other covenants or agreements of Mortgagor(s) contained in this Mortgage; (c) Mortgagor(s) pays all reasonable expenses incurred by Mortgagee in enforcing the covenants and agreements of Mortgagor(s) contained in this Mortgage, and in enforcing Mortgagee's remedies as provided herein, including but not limited to, reasonable attorney's fees; and (d) Mortgagor(s) takes such action as Mortgagor(s) may

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reasonably require to assure that the life of this Mortgage. Mortgagee's interest in the Property and Mortgagor's obligation to pay the sums secured by this Mortgage, upon a default, shall continued unimpaired. Upon such payment or cure by Mortgagor(s), this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

23. As additional security hereunder, Mortgagor(s) hereby assigns to Mortgagee the rents of the Property, provided that Mortgagor(s) shall, prior to acceleration under this Mortgage or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Upon acceleration under this Mortgage or abandonment of the Property, Mortgagor(s) shall be entitled to have a receiver appointed by a Court to enter upon, take possession of and manage the Property and to collect the rents of the Property including those past due. All rents collected by 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 attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

24. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or affordable by law or equity and may be exercised concurrently, independently or successively.

25. If the Mortgagor(s) resides in the Subject and Mortgaged Property continuously, without interruption, or otherwise complies with the covenants and agreements in this Note for a period of fifteen (15) years and during such period does not transfer, sell or convey all or any part of the Property, or otherwise complies with the terms and conditions herein, the Mortgagee agrees to forgive One Hundred Percent (100%) of the principal amount of the Note at a rate of approximately Six and Two Thirds Percent (6-2/3%) per annum.

26. This Mortgage and Note were executed and delivered to secure monies advanced in full to the Mortgagor(s) by the Mortgagee as or on account of a loan evidenced by the Note for the purpose of making the improvements described in the Contract between the owner and contractor dated July 26, 1990, to or on the Mortgaged Property, which improvements are hereinafter collectively referred to as the "Improvements". If the construction or installation of huge improvements shall not be carried out with reasonable diligence or shall be discontinued at any time for any reason, other than strikes, lock-outs, Acts of God or similar catastrophes, the Mortgagee after notice to the Mortgagor(s) is hereby authorized (a) to enter upon the Mortgaged Property and employ watchman to protect the Improvements; (b) to carry out any or all then existing Contracts between the Mortgagor(s) and other parties for the purpose of making any of the Improvements; (c) to make and enter into additional Contracts and incur obligations for the purposes of completing the improvements pursuant to the obligations of the Mortgagor(s) hereunder, either in the name of the Mortgagee or the Mortgagor(s) and (d) to pay and discharge all debts, obligations and liabilities incurred by reason of any action taken by the Mortgagee as provided in this section, all of which amount shall be payable by the Mortgagor(s) to the Mortgagee on demand and shall be secured by this Mortgage.

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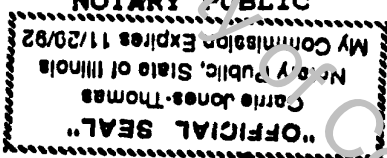
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Bartha Smith ~~is~~<sup>are</sup> personally known to me to be the same persons whose names ~~is~~<sup>are</sup> subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that <sup>she</sup> signed, sealed and delivered the said instrument as her free and voluntary act for uses and purposes therein set forth.

Given under my hand and official seal, this 24th day of July, 1990.

Commission expires 11/29, 1992

Carrie Jones Thomas



This instrument was prepared by:  
MICHAEL O. BROWN, ESG.  
ATTORNEY AT LAW  
Burnham Park Plaza  
40 East 9th Street  
Suite 1918  
Chicago, Illinois 60605

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PROMISSORY NOTE

July 26, 19 90

City of Harvey  
State of Illinois

SINGLE FAMILY REHAB PROGRAM

1. BORROWER'S PROMISE TO PAY

Bertha Smith, Divorced and  
For Value Received, not since remarried, of the City  
of Harvey, ("Borrower(s)" or "Property Owner(s)") promises to pay  
U.S. \$ 25,325 (this amount is called "Principal"),  
with Zero Percent (0%) interest to the order of the Lender. The  
Lender is the City of Harvey, a body politic and municipality of  
the State of Illinois. Borrower(s) understands that the Lender  
may transfer this Note. The Lender or anyone who takes this Note  
by transfer and who is entitled to receive payments under this  
Note is called (the "Note Holder").

2. REPAYMENT RELIEF

If the Borrower(s) resides on the subject and Mortgaged  
Property continuously, without interruption, or otherwise  
complies with the Covenants and Agreements in this Note and  
Mortgage executed on even date herewith for a period of fifteen  
(15) years, and during such period does not transfer, sell or  
convey all or any part of the Property or any interest in it to  
any party without consent of Lender, and otherwise complies with  
all other terms of this Note and the Mortgage referred to herein,  
Lender agrees to forgive up to One Hundred Percent (100%) of the  
principal amount of the Note which shall be forgiven on an annual  
basis at a rate of approximately Six and Two Thirds Percent (6-  
2/3%), of the principal amount per annum.

3. PAYMENTS

The Principal shall become payable upon the sale or transfer  
of the Mortgaged Property or upon its being put to a use which is  
inconsistent with the terms of this Note, the Mortgage securing  
this Note, the Subgrantee Agreement under which this money was  
provided to the City of Harvey, or under Federal Laws, Rules or  
Regulations under which this grant is made.

4. DEFAULT

If, however, Borrower(s), sells or transfers or otherwise  
conveys any or all of the Property or any interest thereto to any  
party; the Mortgaged Property is no longer used as Mortgagor's  
primary residence; if Mortgagor(s) dies during the term hereof  
and the Property is distributed to a person who is not a blood  
relative; or the Property is used for a purpose for which the  
Department of Housing (H.U.D.) Funds may not be utilized, the  
Lender may at its option, require immediate payment in full, of  
all sums that remain outstanding and unforgiven under this Note.

The Borrower(s) agrees in the case of a breach of any  
covenants stipulated in this Note or in the Mortgage securing  
this Note, the principal sum, or any balance due or that may be  
unpaid therein shall at the option of the City of Harvey, or its  
successor or assigns, become immediately due and payable with ten  
(10) days notice as provided in the Mortgage.

If Lender exercises this option, Lender shall subsequent to  
the running of the notice period to Borrower(s) accelerate the  
payment of the loan. If Borrower fails to pay, Lender may invoke  
any remedies permitted by this Security Interest without further  
notice or demand on Borrower(s).

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## 5. PAYMENTS

A) If default occurs, all payments on account of the indebtedness evidenced by this Note shall be applied first to principal amounts due under this Note.

B) Payments of principal, if required, shall be payable in lawful money of the United States of America and shall be made payable to the City of Harvey - Department of Planning, 15320 Broadway, Harvey, Illinois 60426, or at such other place as the legal holder of the Note may from time to time in writing appoint.

## 6. SECURITY

The payment of this Note is secured by a Mortgage to the City of Harvey, on the subject real estate in the County of Cook, State of Illinois, bearing an even date herewith.

The terms of the Mortgage are incorporated herein by reference as if fully set forth.

## 7. FORECLOSURE

In the event the undersigned shall fail to repay the principal amount of this Note, when due, the City of Harvey, with notice to the undersigned, shall at its option institute foreclosure proceedings. If this Note is reduced to judgment, such judgment should bear the statutory interest rate on judgments.

If suit is instituted by the City of Harvey to recover this Note, the undersigned agree(s) to pay all costs of such collection, including but not limited to reasonable attorney's fees and court costs.

## 8. BORROWER'S RIGHT TO PREPAY

Borrower(s) has a right to prepay this Note at any time without penalty.

## 9. NOTICE

All parties hereto severally waive demand, presentment for payment, notice of dishonor, protest and notice of protest, and to the extent authorized by law, any and all redemption rights which would otherwise apply to the debt evidenced by this Note.

WITNESS THE HAND(S) AND SEAL(S) OF THE UNDERSIGNED

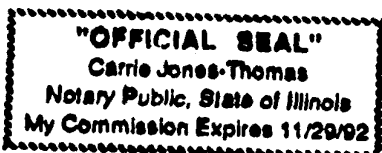
*Beth Smith*  
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SIGNED and SWORN TO

BEFORE ME THIS 26th

DAY OF July, 1990.

*Carrie Jones-Thomas*  
NOTARY PUBLIC



DEPT OF RECD  
14444 TRAN 5385 08/09/90 12:02:00  
\$490 + D \*--90-387494  
BOOK COUNTY RECORDER

22-  
-90-387494

90387494