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## JUNIOR MORTGAGE AND NOTE

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This mortgage is made this 18th day of December, 1992 between the Mortgagor, First Bank of Oak Park UTA #12799, dtd 2/1/85, whose address is 111 West Madison St. Oak Park, IL ("Borrower"), and the Mortgagee, Chicago Rehab Network, 53 W. Jackson Blvd., Chicago, Illinois ("Lender").

WHEREAS, this Mortgage and Note is made to encourage the preservation of rental housing in the City of Chicago affordable to low and very low income households; and

WHEREAS, Borrower has secured financing in the amount of Seven Hundred Thousand (\$ 700,000 ) from First National Bank of Chicago ("Senior Lender") for the property described below;

NOW THEREFORE, Lender hereby grants to Borrower, payable to Senior Lender on Borrower's behalf and with Borrower's herein acknowledged consent the sum of Seventy-seven Thousand (\$ 77,000 ) in exchange for the covenants which Borrower does hereby make.

FURTHER, to secure to Lender Borrower's performance under certain covenants as described herein, Borrower does hereby mortgage, grant, convey and assign to Lender the following described property in County of Cook, State of Illinois

The north 13 feet of Lot 150, all of lots 151 & 152 and the South 2 feet of lot 153 in Prairie Avenue addition to Austin in the SE 1/4 of Section 8, Township 39 north, range 13, east of the 3rd Principal Meridian in Cook County, Illinois.

DEPT. OF RECORDING \$25.00  
TRAN 3866 01/06/93 15:34:00  
A \* -93-011733  
COOK COUNTY RECORDER

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PIN: 16-08-420-019  
Common Address: 36-50 North Menard, Chicago, IL

Together with all buildings, improvements and tenements now or hereafter erected on the Property and all heretofore or hereafter vacated alleys and streets abutting the Property and all easements, rights, appurtenances, rents, royalties, profits, and all machinery, equipment, personal property and fixtures located on the Property and used in connection with the real property.

Borrower covenants that Borrower is lawfully seized of the Property covered by this mortgage and that it has the right to mortgage, grant, convey and assign the Property, that Borrower will warrant and defend title to the Property against all claims and demands, subject to easements and restrictions listed in a schedule of exceptions to coverage under a title insurance policy accepted by Lender.

### TERMS OF GRANT.

1. Lender has granted to Borrower the sum stated above, from which Borrower will accrue interest relief on Senior Lender's mortgage in projected amounts which have been disclosed to Borrower.
2. If Borrower at any time is in default under any of the covenants described below, or if Borrower pre-pays any senior debt on the Property in full or in substantial part before due, re-finances any senior debt or divests control or ownership of the Property, Borrower shall become obligated to pay to Lender the greater of:
  - (a) the amount of the grant made to Senior Lender on Borrower's behalf; or
  - (b) the amount of the interest relief realized by Borrower on Senior Lender's debt from the date of default until the date of repayment under this Mortgage and Note.
3. If Borrower does not pre-pay the senior debt on the Property in full or in substantial part before due, re-finance the senior debt or otherwise divest control or ownership of the Property, after twenty-five (25) years this instrument shall be cancelled and released; provided, however that if the initial term of the senior debt on the Property is less than twenty-five (25) years, this instrument shall be cancelled and released at the same time as the senior debt.

Box 430

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## COVENANTS.

1. Borrower covenants and agrees that it will perform its duties as required by Senior Lender under mortgage instrument dated December 18, 19 92, executed by and between Borrower and Senior Lender. Borrower's covenants with senior lender are hereby incorporated into this Mortgage and Note and made a part hereof.

2. Borrower shall at all times keep and maintain complete and accurate books and records which correctly reflect the income and expenses of the Property and copies of all written instruments which affect the Property. Such books, records and instruments shall be kept in a place reasonably available to Lender and shall be subject to examination by Lender upon reasonable notice (not less than seven days) by Lender to Borrower.

3. As a condition of this financing, Borrower shall rent not less than Eighty percent (80%) of the total units available for rent at the Property to households of low and very low income, as defined by the City of Chicago Department of Housing and the U.S. Department of Housing and Urban Development (HUD). The rent charged to each low or very low income household shall not exceed thirty percent (30%) of that household's monthly income, based on income guidelines published by HUD from time to time for the Chicago metropolitan area. Borrower shall at all times during the term of this financing maintain records for review by Lender indicating the income for each household, which Borrower shall certify are true and accurate.

4. At the end of each calendar year, Borrower shall furnish to Lender a statement of income and expense and changes in financial condition of the Property, certified by Borrower to be true and accurate. In addition, Borrower shall furnish a rent schedule for the property, certified by Borrower to be true and accurate, indicating for each unit leased the name of the tenant(s), the total household size and income for each unit leased, the lease expiration date, the rent payable and the rent paid.

5. If the income of any household(s) increases so that it no longer qualifies as low or very low income, and such increase results in the percentage of units rented to low and very low income households falling below 60%, Borrower shall not be deemed in default under the terms of this instrument; provided, however, that Borrower leases the next available unit(s) to a household(s) of low or very low income and is again in compliance with the terms of this instrument. If Borrower fails to rent the next available unit(s) to households of low and very low income, Borrower shall be deemed in default.

6. Borrower shall pay to Lender, for administrative costs of this review the sum of one hundred fifty dollars (\$150.00), payable at the time of submission of Borrower's annual reports to Lender.

## DEFAULT.

1. Borrower shall be in default under this instrument if:

(a) is in default under the terms and conditions of any senior debt

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(b) is in default under the covenants described above

2. Upon Borrower's breach of any covenant or agreement contained in this instrument, Lender at its sole option may declare the amount stated in TERMS OF GRANT §2 immediately due and payable without further notice and may foreclose this instrument by judicial proceeding and may invoke any other remedies permitted by applicable law. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including but not limited to reasonable attorney's fees, costs of documentary evidence, abstracts and title costs.

3. Any forbearance by Lender in exercising any right or remedy hereunder shall not be a waiver of or preclude the exercise of that right or remedy or any other right or remedy at any other time.

4. The covenants contained in this instrument shall bind, and the rights and remedies here to respective successors and assigns of Borrower and Lender. All covenants and agreements of Borrower are joint and several. Covenants and agreements herein shall bind any receiver appointed by a court of law or by any senior lender, and to any lender in possession of the Property.

5. Borrower does hereby waive all right of homestead exemption in the Property. If Borrower is a corporation, Borrower hereby waives all right of redemption on behalf of Borrower and on behalf of all persons acquiring any interest or title in the Property subsequent to the date of this instrument, except decree or judgment creditors of Borrower.

6. Notices shall be provided to the parties at the following addresses, postage pre-paid, unless either party is notified in writing of a change in address:

Borrower: First Bank of Oak Park  
11 West Madison Street  
Oak Park, IL

and

People's Re-Investment Development  
Effort  
342 South Laramie Street  
Chicago, IL 60644

Lender: Chicago Rehab Network  
53 W. Jackson Blvd.  
Chicago, Illinois 60604  
Attn: IRBD Program

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WHEREFOR, the Borrower has executed this instrument or has caused it to be executed by its authorized representatives as of the date written above.

[Signature]  
Borrower

\_\_\_\_\_  
Borrower

### INDIVIDUAL ACKNOWLEDGEMENT

COUNTY OF COOK )  
STATE OF ILLINOIS )

The undersigned, a Notary Public in and for the aforesaid county in the state aforesaid, does hereby certify that before me this date appeared \_\_\_\_\_ and \_\_\_\_\_ personally known to me to be the same persons whose names are subscribed to the foregoing instrument, and swore that they signed the above instrument as their free and voluntary act and deed for the uses and purposes set forth therein, including the waiver of rights of homestead under the laws of the State of Illinois.

Given under my hand and notarial seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_

My commission expires:

\_\_\_\_\_  
Notary Public

This instrument prepared by:

93011733

Mail To: Chicago Rehab Network  
53 West Jackson  
Suite 742  
Chicago, IL 60604  
Attn: Aqhati Gibson

The undersigned Trustee executes this instrument not in its personal or individual capacity but solely as Trustee, pursuant to the terms of that certain Trust Agreement dated February 1, 1985 and bearing Trust No. 12799 and does not obligate itself hereunder, anything herein contained to the contrary notwithstanding, to the performance of any of the terms, conditions and representations made and contained in the within instrument, it being specifically understood by any and all parties dealing with this instrument that it has affixed its signature hereto as such Trustee by direction in behalf of the beneficiary or beneficiaries under the said trust without any intention of binding the said Trustee in its individual capacity.

FIRST BANK OF OAK PARK, not personally but solely as Trustee under that certain Trust Agreement dated Feb. 1, 1985 and bearing Trust No. 12799

By: [Signature]  
Vice President

ATTEST:

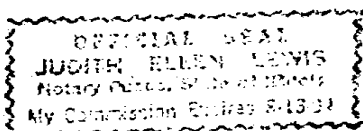
[Signature]  
Assistant Secretary

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State of Illinois )  
County of Cook ) SS

I, Judith Ellen Lewis a Notary Public, in and for said County, in the State aforesaid, do hereby certify that Fredric W. Meek Vice-President of the FIRST BANK OF OAK PARK and John Mach Assistant Secretary of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President, and Assistant Secretary, respectively appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said Bank as Trustee as aforesaid; for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that he, as custodian of the corporate seal of said bank, did affix the corporate seal of said Bank to said instrument as his own free and voluntary act and as the free and voluntary act of said Bank as Trustee as aforesaid for the uses and purposes therein set forth.

Given under my hand and notarial seal this 17th day of December A.D. 1992.



[Signature]  
Notary Public

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