

# UNOFFICIAL COPY

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#0010 # KB # -97-581330  
COOK COUNTY RECORDER

Prepared by: Housing Rehabilitation  
City of Evanston  
2100 Ridge Avenue  
Evanston, Illinois 60201

## MORTGAGE

THIS MORTGAGE is made this 8th day of August, 1997, between the Mortgagor,  
Mark D. Seef  
and

City of Evanston - Housing Rehabilitation Department

(herein "Borrower"), and the Mortgagee,

existing under the laws of the State of Illinois, a corporation organized and  
2100 Ridge Avenue, Room #3300, Evanston, Illinois 60201-2798, whose address is

(herein "Lender").

WHEREAS, Borrower is indebted to Lender in the principal sum of U.S. \$ 27,260.32, which  
indebtedness is evidenced by Borrower's note dated August 8, 1997, and extensions and renewals  
thereof (herein "Note"), providing for monthly installments of principal and interest, with the balance of indebtedness, if not  
sooner paid, due and payable on September 1, 2014;

TO SECURE to Lender the repayment of the indebtedness evidenced by the Note, with interest thereon; the payment of all  
other sums, with interest thereon, advanced in accordance herewith to protect the security of this Mortgage; and the  
performance of the covenants and agreements of Borrower herein contained, Borrower does hereby mortgage, grant and convey  
to Lender the following described property located in the County of Cook, State of Illinois:

Lot 3 in Case Place Subdivision A Resubdivision of Lots 1 and 2 in Howard Terminal  
Addition in South West 1/4 of the North East 1/4 of Section 30, Township 41 North,  
Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

P.I.N. Number: 11-30-207-018

ATTORNEYS' NATIONAL TITLE NETWORK  
799 ROOSEVELT ROAD SUITE 9  
GLEN ELLYN, ILLINOIS 60137

which has the address of 231-233 Callan Avenue, Evanston  
(Street) 60202 (City)  
Illinois (ZIP Code) (herein "Property Address");

ILLINOIS SECOND MORTGAGE 180 FNMA/FHLMC UNIFORM INSTRUMENT

1078(IL) (0802) Form 3814  
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VAP MORTGAGE FORMS (FORM 25 720)



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then which has priority over this Mortgage.

to hold the policies and renewals thereof, subject to the terms of any mortgage, deed of trust or other security agreement with a Lender and shall include a standard mortgage clause in favor of and in a form acceptable to Lender. Lender shall have the right to such approval shall not be unreasonably withheld. All insurance policies and renewals thereof shall be in a form acceptable to the insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided, that such amounts and for such periods as Lender may require.

5. Hazard Insurance. Borrower 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 Lender may require and in such amounts and for such periods as Lender may require.

4. Prior Mortgages and Deeds of Trust; Charges; Taxes. Borrower shall perform all of Borrower's obligations under any mortgage, deed of trust or other security agreement with a lien which has priority over this 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.

3. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, and then to the principal of the Note.

2. Funds for Taxes and Insurance. Subject to applicable law or a written waiver by Lender, Borrower shall pay to Lender on the day monthly payments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments (including condominium and planned unit development assessments, if any) which may attain priority over this Mortgage and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof. Borrower shall not be obligated to make such payments of Funds to Lender to the extent that Borrower makes such payments to the holder of a prior mortgage or deed of trust if such holder is an institutional lender.

If Borrower pays Funds to Lender, the Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents, unless Lender pays Borrower interest on the Funds, analyzing said account or certificate and computing said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debt to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installment of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency in one or more payments as Lender may require.

1. Payment of Principal and Interest. Borrower shall promptly pay when due the principal and interest indebtedness evidenced by the Note and late charges as provided in the Note.

TOGETHER with all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances and rents all of which shall be deemed to be and remain a part of the property covered by this Mortgage; and all of the foregoing, together with said property (or if leasehold) 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 encumbrances of record. Borrower covenants that Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to encumbrances of record.

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In the event of loss, Borrower shall give prompt notice to the insurance carrier and 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 benefits, 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.

**6. Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. 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 or planned unit development, the by-laws and regulations of the condominium or planned unit development, and constituent documents.

**7. 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 action as is necessary to protect Lender's interest. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, at the Note rate, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof. Nothing contained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

**8. 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 specifying reasonable cause therefor related to Lender's interest in the Property.

**9. 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 of any mortgage, deed of trust or other security agreement with a lien which has priority over this Mortgage.

**10. Borrower Not Released; Forbearance By Lender Not a Waiver.** Extension of the time for payment or modification of amortization 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 or refuse 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 and 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.

**11. Successors and Assigns Bound; Joint and Several Liability; Co-signers.** The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 16 hereof. All covenants and agreements of Borrower shall be joint and several. Any Borrower who co-signs this Mortgage, but does not execute the Note, (a) is co-signing this Mortgage only to mortgage, grant and convey that Borrower's interest in the Property to Lender under the terms of this Mortgage, (b) is not personally liable on the Note or under this Mortgage, and (c) agrees that Lender and any other Borrower hereunder may agree to extend, modify, forbear, or make any other accommodations with regard to the terms of this Mortgage or the Note without that Borrower's consent and without releasing that Borrower or modifying this Mortgage as to that Borrower's interest in the Property.

**12. Notice.** Except for any 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 it or by mailing such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given by certified mail to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

**13. Governing Law; Severability.** 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 provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to

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Initials MS  
Form 3814

14. Borrower's Copy: Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time of execution or after recordation hereof.

15. 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.

16. Transfer of the Property or a Beneficial Interest in Borrower: If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, 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 law as of the date of this Mortgage.

17. 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.

18. Acceleration, Remedies, Except as provided in paragraph 16 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to acceleration shall give notice to Borrower as provided in paragraph 12 hereof specifying: (1) the breach; (2) the action required to cure such breach; (3) a date, not less than 10 days from the date the notice is mailed to Borrower, 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, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower 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 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, reasonable attorneys' fees and costs of documentary evidence, abstracts and title reports.

19. Borrower's Right to Reinstate: Notwithstanding Lender's acceleration of the sums secured by this Mortgage due to Borrower's breach, 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 judgment 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 other covenants or agreements of Borrower contained in 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 17 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, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rights: Appointment of Receiver: As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 17 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable. Lender 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 attorneys' fees, and then to the sums secured by this Mortgage. The receiver shall be liable to account only for those rents actually received.

21. Release: Upon payment of all sums secured by this Mortgage, Lender shall release this Mortgage without charge to Borrower. Borrower shall pay all costs of recordation, if any.

22. Waiver of Homestead: Borrower hereby waives all right of homestead exemption in the Property.

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1. This mortgage is a junior mortgage subordinate to a MORTGAGE NOTE to LA SALLE Bank FSB, in the PRINCIPAL AMOUNT of \$198,750.00.
2. \$27,260.32 amortized at 2.10% for twenty (20) years with MONTHLY PAYMENTS of \$152.83.
3. Mortgagor agrees to rent a minimum of 51% of the residential units at 231-233 Callan Avenue to households with income at or below 80% of PRIMARY METROPOLITAN STATISTICAL AREA (PMSA) MEDIAN INCOME for not less than ten (10) years.
4. Mortgagor agrees to provide to mortgagee annual verification of gross family income (in a form approved by Mortgagee) for all residential units at 231-233 CALLAN AVENUE for ten (10) years.
5. Mortgagor agrees that 231-233 CALLAN AVENUE shall not be converted to condominiums for ten (10) years unless balance of loan is paid off.
6. Agree to the TENANTS ASSISTANCE POLICY and other applicable laws, rules, or regulations. (SEE EXHIBIT I)
7. Agree to comply with the U.S. Department of HOUSING & URBAN DEVELOPMENT JUNE 6, 1988, FINAL RULE on LEAD BASED PAINT HAZARD ELIMINATION. (SEE EXHIBIT II)

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## REQUEST FOR NOTICE OF DEFAULT AND FORECLOSURE UNDER SUPERIOR 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 on page one of this Mortgage, of any default under the superior encumbrance and of any sale or other foreclosure action.

IN WITNESS WHEREOF, Borrower has executed this Mortgage.

*Mark D Seef*  
Mark D Seef

(Seal)  
Borrower

(Seal)  
Borrower

(Seal)  
Borrower

(Seal)  
Borrower

(Sign Original Only)

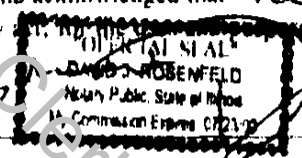
STATE OF ILLINOIS,

*De Page* County ss: *Cook*

I, *the undersigned*  
a Notary Public in and for said county and state do hereby certify that *Mark D Seef*

personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the purposes therein set forth. (Given under my hand and official seal, this

*8th* day of *August* 199*7*



Notary Public

My Commission Expires

*7-23-00*

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Property of COOK COUNTY Notary's Office

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## EXHIBIT 1

### NONDISCRIMINATION, EQUAL OPPORTUNITY & AFFIRMATIVE MARKETING

#### Nondiscrimination and Equal Opportunity

The City of Evanston will follow a policy of nondiscrimination and equal opportunity in compliance with 24 CFR 511.10 (a) (2). The public will be notified of the availability of the program in public notices placed in area newspapers. A series of public meetings have already been held to explain the program guidelines and to solicit public comments and suggestions. Owners and potential tenants will be informed about Fair Housing laws and the grantee's affirmative marketing policy.

#### Affirmative Marketing

Each owner must adhere to the following affirmative marketing procedures and requirements for a period of not less than seven (7) years:

- 1) Conduct outreach to inform and solicit proposals from persons in the housing market area who are not likely to apply for the housing. Outreach shall include the notification of community organizations, fair housing groups and housing counseling agencies.
- 2) When a vacancy occurs the owner must notify the Public Housing Authority (PHA). The owner may also place a public advertisement and/or notify community agencies of the vacancy. The PHA will notify certificate or voucher holders currently seeking housing. During annual inspections the PHA is required to verify whether or not the current occupants are lower income families. In the event new tenants are placed in the unit without notification to the PHA, the owner will be prohibited from further participation and invited to discuss the issue. A determination will be made whether such action was done willfully. Upon determining the owner willfully failed to comply with affirmative marketing requirements, appropriate action will be taken including but not limited to, debarring from future participation in Rental Rehab Program and other grantee-funded programs. Upon determining the owner did not willfully fail to notify the PHA, the PHA will require the owner to seek guidance from appropriate equal opportunity agencies, i.e., Local Fair Housing Center, Council for Open Metropolitan Communities.
- 3) Files will be kept recording affirmative marketing efforts by the PHA and owners and will include copies of correspondence, public advertisements, lists of areas in which flyers have been distributed, contacts with other Equal Opportunity agencies, and any other relevant documents. The assessment of affirmative marketing efforts of owners and the results of these actions, will take place and be made a part of the annual project inspection by the PHA.
- 4) In the event an owner refuses to honor program obligations the entire amount of the grant must be repaid. In addition, if an owner sells or assigns interest in the property to another owner who refuses to honor the program obligations, the entire amount of the grant must be repaid.

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Exhibit 17

**PART 35—LEAD-BASED PAINT POISONING PREVENTION IN CERTAIN RESIDENTIAL STRUCTURES**

1. The authority citation of Part 35 continues to read as follows:

Authority: Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4818); sec. 17(d), Department of Housing and Urban Development Act (42 U.S.C. 3533(d)).

2. Section 35.5 is amended by revising paragraph (b) and adding a new paragraph (c) to § 35.5 to read as follows:

**§ 35.5 Requirements.**

(b) Each Assistant Secretary shall take necessary actions to implement the requirements of paragraph (a) of this section with respect to the HUD programs within his/her administrative jurisdiction. Such actions shall include providing the required notification (prepared by the Secretary after consultation with the National Institute of Building Sciences) and establishing procedures for:

(1) Provide evidence that the required notification has been received by purchasers and tenants of HUD-associated housing constructed prior to 1978; and

(2) Require the inclusion of appropriate provisions in contracts of sale, rental or management of HUD-associated housing to assure that purchasers and tenants receive the required notification.

(c) Any requirement of this section, except use of the required notification, shall be deemed superseded by a regulation promulgated by an Assistant Secretary with respect to any program under his or her jurisdiction which states expressly that it is promulgated pursuant to the authorization granted in this section and superseded, with respect to programs within its defined scope, the notification requirements prescribed by this section. See e.g., 24 CFR 570.860(b) (Community Development Block Grants).

3. Section 35.23 is amended by revising the definition of applicable surface to read as follows:

**§ 35.23 Definitions.**

As used in this subpart:

*Applicable surface* means all intact and nonintact interior and exterior painted surfaces of a residential structure.

4. Section 35.24 is amended by revising paragraphs (b)(1), (b)(2)(II) and (b)(4) to read as follows:

**§ 35.24 Requirements.**

(b)

(1) All applicable surfaces of HUD-associated housing constructed prior to 1978 shall be inspected to determine whether defective paint surfaces exist.

(2)

(II) Covering may be accomplished by such means as adding a layer of wallboard to the wall surface. Depending on the wall condition, wallcoverings which are permanently attached may be used. Covering or replacing trim surfaces is also permitted. Paint removal may be accomplished by such methods as scraping, heat treatment (infra-red or cold type heat guns) or chemicals. Machine sanding and use of propane or gasoline torches (open-flame methods) are not permitted. Washing and repainting without thorough removal or covering does not constitute adequate treatment in the case of defective paint spots. Scraping and repainting the defective area is considered adequate treatment.

(4) Any requirements of this section shall be deemed superseded by a regulation promulgated by an Assistant Secretary with respect to any program under his or her jurisdiction which states expressly that it is promulgated under the authorization granted in this section and superseded, with respect to programs within its defined scope, the requirements prescribed by this section. See e.g., 24 CFR Part 200, Subpart C (Mortgage Insurance and Property Disposition); § 570.804 (Community Development Block Grant); § 822.108(f) (Section 8 Existing Housing); Part 982, Subpart H (Public and Indian Housing).

5. Sections 35.56(a)(1) and (2) are revised to read as follows:

**§ 35.56 Requirements.**

(a)

(1) All applicable surfaces of residential structures constructed prior to 1978 shall be inspected to determine whether defective paint surfaces exist. For this purpose all defective paint surfaces shall be assumed to be immediate hazards and

(2) Treatment necessary to eliminate hazards of lead-based paint shall consist of covering or removal of defective paint surfaces. Covering may be accomplished by such means as adding a layer of wallboard to the wall surface. Depending on the wall condition, wallcoverings which are permanently attached may be used. Covering or replacing trim surfaces is also permitted. Paint removal may be accomplished by such methods as scraping, heat treatment (infra-red or cold type heat guns) or chemicals. Machine sanding and use of propane or gasoline torches (open-flame methods) are not permitted. Washing and repainting without thorough removal or covering does not constitute adequate treatment. In the case of defective paint spots, scraping and repainting the defective area is considered adequate treatment.

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