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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



1111904031

Doc#: 1111904031 Fee: \$74.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/29/2011 09:04 AM Pg: 1 of 20

at American Title

Order # 2146785

Report Mortgage Fraud

800-532-8785

The property identified as:

PIN: 11-31-114-023-1029

Address:

Street: 6960 N. Bell Avenue, Unit 310

Street line 2:

City: Chicago

State: IL

ZIP Code: 60645

Lender: City of Chicago

Borrower: NICU C BEZMAN AND ELENA A. BEZMAN

Loan / Mortgage Amount: \$23,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

S Y
P 20
S N
SC Y
INT D

Certificate number: B15E4C90-4A76-43AF-9824-25696EB33039

Execution date: 04/20/2011

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**This Document Prepared by
and after Recording Return to:**

Grant McCorkhill
Holland & Knight LLP
131 South Dearborn
30th Floor
Chicago, IL 60603
312/715-5743

FMPS Code: 54662024/ Res. #064

(Above Space For Recorder's Use Only)

**MORTGAGE, SECURITY AND RECAPTURE AGREEMENT,
INCLUDING RESIDENCY, TRANSFER AND FINANCING AND REFINANCING
COVENANTS, AND INCLUDING DUE ON SALE PROVISION
(City of Chicago Home Purchase Assistance Program)
--NOT FOR USE WITH FEDERAL HOME FUNDS--**

Household is at or below 66-80% of PMSA Median Income

Base Purchase Price: \$92,000

Maximum Base Purchase Prices:

One Unit - \$398,315

Two Units - \$443,629

Three Units - \$545,063

Four Units - \$628,919

25% of Base Purchase Price: \$23,000

Purchase Price Assistance (check one only and fill in dollar amount):

- A. household is 81% - 100% PMSA Median Income.
Purchase Price Assistance = lesser of \$10,000 and 25% of Base
Purchase Price
= \$_____.
- B. household is 60% - 80% PMSA Median Income.
Purchase Price Assistance = lesser of \$30,000 and 25% of Base
Purchase Price
= \$23,000.
- C. household is 59% or less PMSA Median Income.
Purchase Price Assistance = lesser of \$40,000 and 25% of Base
Purchase Price

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= \$ _____.

Term of Mortgage: Thirty (30) years plus Zero days.

THIS MORTGAGE, SECURITY AND RECAPTURE AGREEMENT, INCLUDING RESIDENCY, TRANSFER AND FINANCING COVENANTS, AND INCLUDING DUE ON SALE PROVISION ("**Mortgage**") is made as of this ____ day of April, 2011 from NICU C. BEZMAN and ELENA A. BEZMAN (collectively "**Mortgagor**"), to the CITY OF CHICAGO, an Illinois municipal corporation, having its principal office at 121 N. LaSalle Street, Chicago, Illinois 60602 ("**City**" or "**Mortgagee**"). Capitalized terms not otherwise defined herein shall have the meaning set forth in Section 1.

RECITALS

A. The City Council of the City, by ordinance adopted December 2, 2009, and published in the Journal of Proceedings of the City Council for such date at pages 78837-78887 (the "**Program Ordinance**"), established the Home Purchase Assistance Program (the "**HPA Program**") to promote the sale of owner-occupied housing units with a maximum base purchase price equal to the applicable maximum base purchase price for existing, non-target homes set forth by the City's Department of Housing and Economic Development, or any successor department (the "**Department**"), from time to time, for the City's TaxSmart Mortgage Credit Certificate Program, or any successor program (such price, the "**Maximum Base Purchase Price**").

B. Concurrent with the execution of this Mortgage, Mortgagee is purchasing (i) a single family Housing Unit (as defined below) that will be Mortgagee's Principal Residence (as defined below) or (ii) a multiple-family building which is used exclusively for residential purposes and contains no more than four (4) housing units, one of which will be the Mortgagee's Principal Residence (the single-family Housing Unit described in B.(i) or the multi-family building described in B.(ii), as applicable, the "**Home**"), and (iii) the real property legally described on Exhibit A attached hereto (the "**Land**").

C. Pursuant to the HPA Program, the City, simultaneously with the execution and recording of this Mortgage, has agreed to provide to the Mortgagor Purchase Price Assistance (as defined below) in the amount of **Twenty Three Thousand and No/100 Dollars (\$23,000)**, which amount the City will disburse to Greater Illinois Title Company, 120 North LaSalle Street, Chicago, Illinois 60602 ("**GITC**"), and, if applicable, GITC thereafter will disburse to such other title company as may be selected by the seller of the Home. The source of such Purchase Price Assistance is City corporate funds (i.e., non-federal funds).

D. The City's agreement to provide the Purchase Price Assistance was conditioned upon the Mortgagor's execution of this Mortgage in favor of Mortgagee, which secures certain performance and payment covenants intended to assure that the City achieves the objectives of the HPA Program.

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E. Mortgagor has covenanted to Mortgagee herein that it meets the income eligibility requirements specified in the Program Ordinance in order to participate under the HPA Program, is a First-Time Homebuyer (as defined below), is purchasing the Home to live in as Mortgagor's Principal Residence and will occupy the Home within sixty (60) days following the Purchase Date (as defined below).

F. Mortgagor has covenanted to Mortgagee herein that Mortgagor and its spouse (if any) or domestic partner (if any) and any entity in which Mortgagor has a financial interest, as that term is defined in Section 2-156-010 of the Municipal Code of Chicago, has not received purchase price or closing cost assistance from another City, Board of Trustees of Community College District 508, Chicago Transit Authority, Chicago Park District, or Chicago Board of Education program, including, but not limited to, the New Homes for Chicago Program, the City Lots for City Living Program, the City of Chicago Affordable Housing Ordinance, the Chicago Partnership for Affordable Neighborhoods Program, the Public Safety Officer Homeownership Incentive Program or the Teacher Housing Resource Center, or any successor programs thereto.

NOW, THEREFORE, to secure the performance and observance by Mortgagor of all the terms, covenants and conditions described herein, and in order to charge the properties, interests and rights hereinafter described with such consideration, Mortgagor has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto Mortgagee and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as "**Mortgaged Property**"):

(A) The Land;

(B) All structures and improvements of every nature whatsoever now or hereafter situated on the Land, including, without limitation, the Home, all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by Mortgagor, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing ("**Improvements**");

(C) All rents and issues of the Land and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of Mortgagor, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

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WITHOUT limitation of the foregoing, Mortgagor hereby further grants unto Mortgagee, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the all recapture amounts described herein, (b) performance of residency, occupancy, transfer and financing covenants described herein and in **Exhibit B** attached hereto, and (c) the payment and performance of all other obligations, covenants, conditions and agreements contained herein and in any other agreement, document or instrument to which reference is expressly made in the Mortgage.

SECTION I

INCORPORATION OF RECITALS; DEFINITIONS

The recitals set forth above constitute an integral part of the Mortgage and are hereby incorporated herein by this reference with the same force and effect as if set forth herein as agreements of the parties. As used herein, the following capitalized terms shall be defined as follows:

"Base Purchase Price" means the purchase price of Housing Unit, exclusive of any upgrades, before giving effect to any purchase price reduction resulting from any homebuyer financial assistance provided pursuant to the HPA Program. The Base Purchase Price for the Housing Unit is **\$92,000**, which is less than or equal to the Maximum Base Purchase Price.

"Closing Costs" shall mean reasonable and customary costs, not to exceed 3% of the Base Purchase Price, associated with the closing of the purchase of the Home and Land, including, but not limited to, transfer taxes, title company charges and recording fees.

"Commissioner" shall mean the Commissioner of the Department.

"Department" has the meaning set forth in Recital A.

"Eligible Buyer" means a First-Time Homebuyer approved by the Department as eligible for Purchase Price Assistance pursuant to the HPA Program.

"Eligible Property" means any residential building, as that term is defined in section 17-17-02146: (i) the construction of which has been completed by December 8, 2009 (as evidenced by a Certificate of Occupancy issued by the City and dated on or before December 8, 2009) or is Under Construction; (ii) that is located within the City; (iii) that contains, as one of the housing units in the building, the Eligible Buyer's Principal Residence; and (iv) in the case of a multiple-family building owned by the

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Eligible Buyer, the building is used exclusively for residential purposes and contains no more than four housing units, one of which is the Eligible Buyer's Principal Residence.

"First-Time Homebuyer" shall mean any person who has not had any ownership interest in a Housing Unit during the three years prior to applying for Purchase Price Assistance pursuant to the HPA Program.

"Housing Unit" means a room or suite of rooms designed, occupied or intended for occupancy as a separate living quarter with cooking, sleeping and sanitary facilities provided within the unit for the exclusive use of the occupants of the unit; provided that a "housing unit" does not include dormitories or hotels as that term is defined in Section 13-4-010 of the Municipal Code of Chicago.

"Mortgagor's Total Purchase Price" shall mean the sum of (a) the Base Purchase Price paid by the Mortgagor on the Purchase Date, plus (b) the cost of extras and upgrades paid for by the Mortgagor on the Purchase Date, plus (c) the cost of additional capital improvements made by the Mortgagor to the Mortgaged Property after the Purchase Date, provided reasonable evidence of the cost of such additional improvements is submitted to an approved by the Department.

"Net Transfer Proceeds" shall mean the gross sales proceeds arising from a direct or indirect sale or transfer of the Mortgaged Property, minus (a) the amount of any permitted Senior Mortgage indebtedness or any permitted refinancing thereof repaid at the time of such sale or transfer, (b) any commercially reasonable, third party brokerage fee paid by Mortgagor with respect to such sale or transfer, (c) any transfer taxes which, pursuant to applicable law, are paid by the Mortgagor, (d) customary title, escrow and recording charges paid by the Mortgagor, (e) customary pro rations or credits made pursuant to the contract for such sale or transfer, and (f) such other amounts, if any, as the Commissioner, in the Commissioner's sole discretion, may agree are necessary, appropriate and equitable, but in no event an amount shall the Net Transfer Proceeds be greater than the Purchase Price Assistance Recapture Amount.

"PMSA Median Income" means the Primary Metropolitan Statistical Area median income, for the Chicago-Naperville-Joliet, Illinois, Metropolitan Fair Market Rent Area, as determined by the United States Department of Housing and Urban Development ("HUD") from time to time.

"Principal Residence" means an owner's primary or chief residence that the owner actually occupies on a regular basis. A "Principal Residence" does not include any housing unit used as an investment property, as a recreational home or a home in which fifteen percent (15%) or more of its total area is used for a trade or business.

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"Purchase Date" shall mean the date on which the Mortgagor purchased the Mortgaged Property, which shall be deemed to be the date on which this Mortgage is recorded.

"Purchase Price Assistance" means financial assistance awarded by the Department to Eligible Buyers to be used for purchase price and Closing Costs associated with the purchase of an Eligible Property.

"Purchase Price Assistance Amount" means the initial principal dollar amount of the Purchase Price Assistance as set forth in Recital C.

"Purchase Price Assistance Recapture Amount" shall mean an amount, determined as of any applicable determination date, which shall initially equal the Purchase Price Assistance Amount, plus simple interest thereon at the rate of three percent (3%) per annum, through the later to occur of (a) the event giving rise to Purchase Price Assistance Recapture Amount repayment obligation, and (b) the City's receipt of the Purchase Price Assistance Recapture Amount, but which:

- (a) for a Mortgage with an initial Term of five (5) years plus sixty (60) days shall decline by twenty percent (20%) on each of the first four anniversary dates of the Purchase Date, and after the date that is five (5) years plus sixty (60) days following the Purchase Date shall equal zero dollars (\$0.00); or
- (b) for a Mortgage with an initial Term of thirty (30) years shall decline by three and 33/100 percent (3.33%) on each of the first twenty-nine anniversary dates of the Purchase Date, and after the date that is thirty (30) years days following the Purchase Date shall equal zero dollars (\$0.00).

"Term" shall mean the initial: **Thirty (30) years plus Zero days** of this Mortgage.

"Under Construction" means, as of December 8, 2009, some phase of the construction, such as excavation, erection, enlargement, alteration, repair, removal or demolition has started at the residential housing, but construction has not yet been completed.

SECTION II

GENERAL COVENANTS, REPRESENTATIONS AND WARRANTIES

Mortgagor covenants and agrees with Mortgagee that:

2.01 Taxes and Assessments.

(a) Mortgagor will pay when due all general taxes and assessments, special assessments, water charges and all of the charges against the Mortgaged Property and

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shall, upon written request, furnish to Mortgagee receipts evidencing payment thereof, provided that Mortgagor, in good faith and with reasonable diligence, may contest the validity or amount of any such taxes, assessments or charges, provided that during any such contest the enforcement of the lien of such taxes, assessments or charges is stayed.

(b) Mortgagor will not suffer (unless bonded or insured over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property. Mortgagor may contest such lien, provided that Mortgagor shall first post a bond in the amount of the contested lien, or provide title insurance over such contested lien, and further provided that Mortgagor shall diligently prosecute the contested lien and cause the removal of the same.

2.02 Insurance.

Mortgagor shall keep the Mortgaged Property continuously insured in such amounts and against such risks as required of Mortgagor by the Senior Lender (as hereinafter defined), paying the premiums for said insurance as they become due. Policies of insurance shall name Mortgagee as an additional insured. All policies of insurance shall provide that the same shall not be canceled, except upon thirty (30) days prior written notice to Mortgagee.

2.03 Maintenance of the Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. Mortgagor shall not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, Mortgagor will immediately give written notice of the same to Mortgagee.

(c) Mortgagee or its representatives shall have the right to inspect the Mortgaged Property to assure compliance with the terms of this Mortgage.

(d) Mortgagor shall promptly comply, and cause the Mortgaged Property to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property or any part thereof.

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(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, Mortgagor, subject to the rights of co-insurer, will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Mortgagor for that purpose.

2.04 Subordination.

The Mortgage shall be subject and subordinate in all respects to that certain mortgage dated as of _____, 20____, 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 Base Purchase Price ("**Senior Mortgage**"). This Mortgage shall also be subordinate to any subsequent mortgage that refinances the Senior Mortgage, so long as such refinancing is not in an original principal amount greater than the Base Purchase Price, unless the Commissioner, in the Commissioner's sole discretion, agrees to senior financing in a greater amount. **EXHIBIT B EXPLAINS IN GREATER DETAIL THE ADDITIONAL REFINANCING RESTRICTIONS THAT APPLY TO THE MORTGAGOR AND ANY LENDERS MAKING LOANS SECURED BY THE MORTGAGED PROPERTY.**

2.05 Foreclosure of Senior Mortgage.

In the event of a transfer of title of the Mortgaged Property through foreclosure or recording of deed in lieu of foreclosure to the Senior Lender pursuant to the Senior Mortgage, Mortgagee acknowledges and agrees that the residency, transfer and financing covenants set forth in **Exhibit B** attached hereto, and any other provisions contained herein restricting the sale and occupancy of the Mortgaged Property to buyers or occupants which meet the income eligibility requirements of the HPA Program shall be released and shall have no further force or effect; provided, however, that all such covenants and affordability restrictions shall be revived according to the original terms if, during the applicable affordability period, the Mortgagor or any member of Mortgagor's household or family reacquires an ownership interest in the Mortgaged Property. Any other person (including the successors and/or assigns of Senior Lender) receiving title to the Mortgaged Property through a foreclosure or deed in lieu of foreclosure of the Senior Mortgage shall also receive title to the Mortgaged Property free and clear of such restrictions, but only if such transfer of title pursuant to such foreclosure or deed in lieu of foreclosure did not involve collusion between the Senior Lender and the Mortgagor for the purpose of avoiding low-income affordability restrictions pertaining to the Mortgaged Property or of avoiding payment of the recapture amounts due under this Mortgage.

Further, if Senior Lender acquires title to the Mortgaged Property pursuant to a deed in lieu of foreclosure, the lien of this Mortgage and the restrictions contained herein shall automatically terminate upon the Senior Lender's acquisition of title to the

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Mortgaged Property, 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 shall not have cured the default under the Senior Mortgage within any applicable cure period(s) provided for therein; (iii) any proceeds from any subsequent sale of the Mortgaged Property, if any, which Mortgagee is entitled to receive after payment of all amounts due pursuant to the Senior Mortgage and pursuant to this Mortgage, are paid to Mortgagee, and (iv) such acquisition of title by the Senior Lender did not involve collusion between the Senior Lender and the Mortgagor for the purpose of avoiding low-income affordability restrictions pertaining to the Mortgaged Property or of avoiding payment of the recapture amounts due under this Mortgage.

2.07 No Other Purchase Price or Closing Cost Assistance.

Mortgagor covenants to Mortgagee that Mortgagor and its spouse (if any) or domestic partner (if any) and any entity in which Mortgagor has a financial interest, as that term is defined in Section 2-156-010 of the Municipal Code of Chicago, has not received purchase price or closing cost assistance from another City, Board of Trustees of Community College District 508, Chicago Transit Authority, Chicago Park District, or Chicago Board of Education program, including, but not limited to, the New Homes for Chicago Program, the City Lots for City Living Program, the City of Chicago Affordable Housing Ordinance, the Chicago Partnership for Affordable Neighborhoods Program, the Public Safety Officer Homeownership Incentive Program or the Teacher Housing Resource Center, or any successor programs thereto.

SECTION III

ELIGIBILITY, PRINCIPAL RESIDENCY, TRANSFER, FINANCING AND REFINANCING COVENANTS

Mortgagor also covenants to comply with the residency, transfer and financing covenants set forth in **Exhibit B**, which covenants are all materially related to the City's achievement of the objectives of the HPA Program.

SECTION IV

DEFAULT

4.01 Events of Default.

The terms "Event of Default" or "Events of Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) Mortgagor's breach of one or more of the residency, transfer or financing covenants set forth in **Exhibit B**, which breach is not cured by Mortgagor within ten (10) days of Mortgagor's receipt of written notice from Mortgagee of such breach; or

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(b) Mortgagor's breach of any other material term, covenant, condition, or agreement of this Mortgage, which breach is not cured by Mortgagor within thirty (30) days of Mortgagor's receipt of written notice from Mortgagee of such breach; provided, however, that in the event such default cannot reasonably be cured within such thirty (30) day period and if Mortgagor has commenced efforts to cure, then the time to cure shall be extended so long as said party diligently continues to cure such default; or

(c) Any default continuing beyond all applicable cure periods under the Senior Mortgage that permits the Senior Lender to foreclose its lien thereunder.

4.02 Remedies

(a) If prior to the expiration of the Term, an Event of Default arising from a breach of one or more of the covenants set forth in **Exhibits B** occurs (and unless the last paragraph of such Exhibit applies) (such a default, a "**Recapture Default**"), the Purchase Price Assistance Recapture Amount shall become immediately due and payable and subject to recapture without further notice or demand, and Mortgagee shall be entitled to immediate payment of the Purchase Price Assistance Recapture Amount.

(b) If a Recapture Default or any other Event of Default occurs, Mortgagee shall also be entitled to declare all other amounts secured hereby immediately due and payable without further notice or demand and shall have such rights and remedies as may be available at law or at equity, including, without limitation, and subject to the rights of the Senior Lender, the right to foreclose the lien hereof. The Mortgage and the right of foreclosure hereunder shall not (to the extent permitted by law) be impaired or exhausted by any foreclosure of the Senior Mortgage, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee hereunder, there shall be allowed and included as additional indebtedness, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this section 4.02(b) mentioned, and such expenses and fees as may be incurred in the protection of the Mortgaged Property and the maintenance of the lien of the Mortgage, including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting the Mortgage, or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the lesser of the highest rate permitted by law or fifteen percent (15%) per annum, and shall be secured by the Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incidental to the

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foreclosure proceedings, including all such items as are mentioned in this section; (ii) repayment of any indebtedness secured by any permitted Senior Mortgage or a permitted refinancing thereof; (iii) all recapture amounts and other amounts due under this Mortgage; and (iv) any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

4.03 Mortgagor Waivers.

Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of the Mortgage on its behalf and on behalf of each and every person, except decree or judgment creditors of Mortgagor, acquiring any interest in or title to the Mortgaged Property subsequent to the date of the Mortgage.

4.04 Additional Mortgagee Rights.

Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default other than by means of a foreclosure, Mortgagee, subject to the rights of the Senior Lender, may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of Mortgagor to the same extent as Mortgagor could in its own name or otherwise with respect to the same; and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to Mortgagee, all as Mortgagee from time to time may reasonably determine to be to its best advantage. Mortgagee may collect and receive all the rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable: (aa) expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and

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acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as Mortgagee may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of Mortgagee, shall apply the remainder of the monies and proceeds so received by Mortgagee first to payment of accrued interest; and second to the payment of principal. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts (including, without limitation, the entire outstanding principal balance under this Mortgage) shall be paid to Mortgagor.

4.05 Right to Receiver.

Subject to the rights of the Senior Lender, if an Event of Default shall have occurred, Mortgagee, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall otherwise have all of the rights and powers to the fullest extent permitted by law.

4.06 Purchase by Mortgagee.

Upon any foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price; provided, however, that the Senior Lender has been paid in full.

4.07 Remedies Cumulative.

No right, power or remedy conferred upon or reserved to Mortgagee by the Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law, in equity or by statute.

4.08 No Waiver By Mortgagee.

No delay or omission of Mortgagee or of any holder of this Mortgage 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; and every right, power and remedy given by the Mortgage to Mortgagee may be exercised from time to time as often as may be deemed expedient by Mortgagee. No consent or waiver, expressed or implied, by Mortgagee to

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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. Failure on the part of Mortgagee to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by Mortgagee of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by Mortgagor.

SECTION V

MISCELLANEOUS PROVISIONS

5.01 Successors and Assigns.

The Mortgage shall inure to the benefit of and be binding upon Mortgagor and Mortgagee and their respective legal representatives, successors and assigns. Whenever a reference is made in the Mortgage to Mortgagor or to Mortgagee, such reference shall be deemed to include a reference to legal representatives, successors and assigns of Mortgagor or Mortgagee, as applicable.

5.02 Terminology.

All personal pronouns used in the Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of the Mortgage, and all references herein to sections shall refer to the corresponding sections of the Mortgage unless specific reference is made to such sections of another document or instrument.

5.03 Severability.

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.

5.04 Security Agreement.

The Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. Mortgagee shall have all the rights with respect to such fixtures

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afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded Mortgagee by the Mortgage or any other agreement.

5.05 Modification.

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. Mortgagor shall have no right to convey the Land into a land trust without obtaining the prior written consent of the Mortgagor.

5.06 No Merger.

It being the desire and intention of the parties that the Mortgage and the lien hereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should Mortgagee acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by Mortgagee as evidenced by an appropriate document duly recorded, the Mortgage and the lien hereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

5.07 Applicable Law.

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

5.08 Release of Mortgage.

If: (a) Mortgagor is not then in default under this Mortgage and retains ownership of the Mortgaged Property until the expiration of the last applicable affordability period, or (b) Mortgagor conveys the Mortgaged Property, giving rise to an Event of Default, and Mortgagor pays Mortgagee the amount Mortgagee is entitled to receive pursuant to the provisions of Section 4.02 above, then Mortgagor shall be deemed to have fully complied with the provisions contained in this Mortgage. In such event, within thirty (30) days of receipt of a written request from Mortgagor, Mortgagee shall execute a release of the Mortgage. Said release shall be in recordable form.

5.09 Further Assurances, Duty to Cooperate.

Mortgagor, on request of Mortgagee, from time to time, covenants and agrees to execute and deliver such additional documents, amendments, agreements and undertakings as may be necessary to: correct any scrivener's error contained herein or in any related document; to perfect or to maintain as perfected valid lien(s) upon the Mortgaged Property any lien granted to Mortgagee under this Mortgage or any under

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any other agreement or undertaking; or to more fully and accurately set forth and reflect the affordability requirements of the HPA Program.


5.10 Program Ordinance Discretionary Authority.

Consistent with Section 3(f) of the Program Ordinance, depending on market conditions, interest rates or other circumstances related to a given resale of the Home, the Commissioner, in the Commissioner's sole discretion may determine that a lesser recapture amount shall be due and payable hereunder than as specified elsewhere in this Mortgage

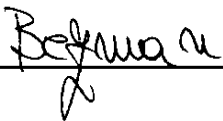
[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, the undersigned has caused this Mortgage to be executed as of the day and year first above written.



Nicu C. Bezman



Elena A. Bezman

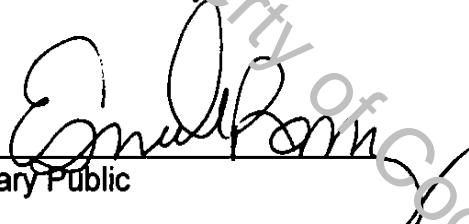
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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that NICU C. BEZMAN and ELENA A. BEZMAN, individually, personally known to me as the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and being first duly sworn by me acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 26th day of April, 20 11.



Notary Public

My commission expires _____



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EXHIBIT A

LEGALLY DESCRIBED AS:

UNIT NO. 310 AS DELINEATED ON SURVEY OF LOTS 13 AND 14 AND THE EAST 1/2 OF VACATED ALLEY LYING WEST OF AND ADJOINING LOTS 13 AND 14 IN BLOCK 3 IN KEENEY'S ADDITION TO ROGERS PARK, BEING A SUBDIVISION OF PART OF THE NORTHWEST 1/4 OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO DECLARATION MADE BY LASALLE NATIONAL BANK, AS TRUSTEE UNDER TRUST NO. 28832 RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS, AS DOCUMENT 19163657; TOGETHER WITH AN UNDIVIDED 2.937% INTEREST IN SAID LOTS 13 AND 14 AND THE EAST 1/2 OF VACATED ALLEY LYING WEST OF AND ADJOINING LOTS 13 AND 14 IN KEENEY'S ADDITION TO ROGERS PARK AFORESAID (EXCEPTING THEREFROM ALL THE PROPERTY AND SPACE KNOWN AS UNITS 101 TO 103, BOTH INCLUSIVE, 105 TO 110, BOTH INCLUSIVE; 201 TO 210, BOTH INCLUSIVE; 301 TO 310, BOTH INCLUSIVE AND 401 TO 410, BOTH INCLUSIVE, AS SAID UNITS ARE DELINEATED ON SAID SURVEY).

Commonly known as: 6960 N. Bell Avenue, Unit 110, Chicago, IL 60645

Permanent Index Number: 11-31-114-023-1029

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EXHIBIT B

Eligibility, Principal Residency, Transfer, Financing and Refinancing Covenants

In consideration of the Purchase Price Assistance that has been provided by the City, and that has enabled the Mortgagor to purchase the Mortgaged Property for the Base Purchase Price, and as a condition to Mortgagor's receipt of such assistance, Mortgagor covenants to Mortgagee that:

(a) Mortgagor meets the income eligibility requirements established by the City pursuant to the HPA Program in order to participate as an Eligible Buyer of the Mortgaged Property under the HPA Program.

(b) Mortgagor shall own the Mortgaged Property and shall occupy the Mortgaged Property not later than sixty (60) days after the Purchase Date, shall not lease the Mortgaged Property and shall utilize the Home as its Principal Residence.

(c) Mortgagor shall not directly or indirectly sell or otherwise transfer the Mortgaged Property, or execute a deed in lieu of foreclosure.

(d) Mortgagee is a First-Time Homebuyer.

(e) Mortgagee has attended a homebuyer education seminar provided by a HUD-approved, pre-purchase counseling agency, and, if applicable, a condominium-owner education seminar provided by a City delegate agency.

(f) Mortgagor shall not refinance the Mortgaged Property, except to refinance the Senior Mortgage in an amount not greater than the Base Purchase Price, or except as otherwise consented to by the Commissioner, in the Commissioner's sole discretion. **THIS REFINANCING RESTRICTION MEANS THAT THE HOMEOWNER IS RESTRICTED FROM USING THE MORTGAGED PROPERTY AS COLLATERAL FOR GETTING ADDITIONAL LOANS, INCLUDING, WITHOUT LIMITATION, LOANS TO REPAY CREDIT CARD DEBT, LOANS TO PURCHASE AUTOMOBILES, HOME EQUITY LOANS, DEBT CONSOLIDATION LOANS OR LOANS TO FINANCE THE PURCHASE OF OTHER PERSONAL OR REAL PROPERTY, UNLESS SUCH LOANS MEET THE REFINANCING REQUIREMENTS OF THE PREVIOUS SENTENCE. IF MORTGAGOR DESIRES TO GET A HOME IMPROVEMENT LOAN THAT WILL USE THE MORTGAGED PROPERTY AS COLLATERAL, AND IF THE COMMISSIONER CONSENTS TO SUCH LOAN, SUCH CONSENT MAY BE CONDITIONED UPON, AMONG OTHER THINGS, THE HOMEOWNER'S SUBMISSION TO THE CITY OF CHICAGO - DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT, AND THE DEPARTMENT OF HOUSING AND ECONOMIC DEVELOPMENT'S APPROVAL OF, CONSTRUCTION CONTRACTS, BUDGETS AND ESCROW OR OTHER FUNDING AGREEMENTS FOR SUCH HOME IMPROVEMENT PROJECT.**

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