

# UNOFFICIAL COPY

## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption



1521722038

Doc#: 1521722038 Fee: \$58.00

RHSP Fee: \$0.00 RPRF Fee: \$1.00

Karen A. Yarbrough

Cook County Recorder of Deeds

Date: 08/05/2015 09:28 AM Pg: 1 of 11

150072038  
2015  
2015

Report Mortgage Fraud  
800-532-8785

The property identified as: **PIN:** 16-09-116-015-0000

**Address:**

**Street:** 5341 WEST OHIO STREET

**Street line 2:**

**City:** CHICAGO

**State:** IL

**ZIP Code:** 60644

**Lender:** MERCY PORTFOLIO SERVICES

**Borrower:** PROPERTY HOLDINGS, LLC

**Loan / Mortgage Amount:** \$40,000.00

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.

**Certificate number:** 9971839A-88A4-4727-BBA1-7CB7EF125749

**Execution date:** 7/16/2015

CCRD REVIEWER

RW

Box 334

11

**UNOFFICIAL COPY****Recording Return To:**

[Eva L. Garrett, Esq.  
**Mercy Portfolio Services**  
**120 South LaSalle Street; Suite 1850**  
**Chicago, IL 60603]**

3  
 \_\_\_\_\_  
**SPACE ABOVE THIS LINE FOR RECORDING PURPOSES ONLY**

**RECAPTURE MORTGAGE**  
**MICRO MARKET RECOVERY PROGRAM**

1. THIS MORTGAGE is made as of this 16<sup>th</sup> day of **July, 2015** from **PROPERTY HOLDINGS, LLC**, an Illinois, limited liability company ("Mortgagor") having an office at 2125 South Laramie Avenue, Cicero IL 60804 to **MERCY PORTFOLIO SERVICES**, a Colorado nonprofit corporation ("Mortgagee"), having its principal office at 120 S LaSalle, Chicago, IL 60603.

Mortgagor owes Mortgagee the principal sum equal to \$40,000, to the extent available from excess proceeds of the resale of the Property to an Eligible Buyer, subject to payment of Mortgagor's developer fees (not to exceed 15% of total development costs) and satisfaction of resale closing costs, as set forth in the final owner's sworn statement.

This debt is evidenced by Mortgagor's promissory note executed and delivered in favor of Mortgagee, dated as of even date herewith ("Note"). Mortgagor promises to pay at closing with the Eligible Buyer (as defined herein) the principal balance of the Note, together with any interest thereon and all other sums which may or shall become due under this Mortgage or the Note ("Maturity Date"), if (1) not otherwise satisfied in accordance with the provisions of this Mortgage, or (2) there is an Event of Default (defined hereafter).

The Maturity Date may be extended in the event of casualty or condemnation, pursuant to Section 4 of this Mortgage, subject to the discretion of Mortgagee.

The City of Chicago is a third party beneficiary of this Mortgage and is hereby granted a direct right of enforcement hereunder.

TO SECURE THE PERFORMANCE and observance by Mortgagor, of all the terms covenants and conditions described herein, Mortgagor has executed and delivered the Mortgage and does hereby mortgage, warrants, grant, and convey a security interest in, and confirm unto Mortgagee and its successors and assigns, the property legally described on Exhibit A, attached hereto, together with the improvements now or hereafter

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erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "Property." MORTGAGOR COVENANTS that Mortgagor 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. Mortgagor warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

Mortgagor and Mortgagee covenant and agree as follows:

1. **Payment of Principal and Interest.** Mortgagor shall pay, when due and payable, the principal sum, interest, and all other sums due on the Note and/or this Mortgage.
2. **Payment of Taxes, Insurance, and Other Charges.** Mortgagor shall pay all (a) taxes and special assessments levied or to be levied against the Property; (b) leasehold payments or ground rents on the Property; (c) Community Association Dues, Fees, and Assessments, (c) governmental or municipal charges, fines, and impositions; (d) other items which can attain priority over this Mortgage on the Property. The phrase "Community Association Dues, Fees, and Assessments" means all dues, fees, assessments and other charges that are imposed on Mortgagor or the Property by a condominium association, homeowners association or similar organization. Mortgagor shall pay these obligations on time directly to the entity owed the payment. If failure to pay would adversely affect Mortgagee's interest in the Property, upon Mortgagee's request Mortgagor shall promptly furnish to Mortgagee receipts evidencing these payments.

If Mortgagor fails to make these payments, fails to perform any other covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Mortgagee's rights in the Property (such as a proceeding in bankruptcy, for condemnation, or to enforce laws or regulations), the Mortgagee may do and pay whatever is necessary to protect the value of the Property and Mortgagee's rights in the Property, including payment of taxes and hazard insurance.

Any amounts disbursed by Mortgagee under this Paragraph 2 shall become an additional debt of Mortgagor and be secured by this Mortgage, and, at the option of Mortgagee, shall be immediately due and payable.

Mortgagor shall promptly discharge any lien which has priority over this Mortgage unless the lien has priority as provided in Paragraph 9 or Mortgagor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Mortgagee; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Mortgagee's opinion operates to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Mortgagee subordinating the lien to this Mortgage. If Mortgagee determines that any part of the Property is subject to a lien that may attain priority over this Mortgage, Mortgagee may

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give Mortgagor a notice identifying the lien. Mortgagor shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice. Within 10 days of the date on which that notice is given, Mortgagor shall satisfy the lien or take one or more of the actions set forth above.

3. **Flood Insurance.** If any improvement is located within a special flood hazard area, Mortgagor shall obtain flood insurance covering all improvements on the Property, whether now in existence or subsequently erected, in an amount equal to (a) the total of the outstanding principal balance of the Note and of any other note executed by Mortgagor in favor of Mortgagee and secured by the Property, or (b) the maximum limit of coverage made available under the National Flood Insurance Act of 1968, whichever is less. If any improvement on the Property is located within a special flood hazard area, Mortgagor shall insure all improvements on the Property, whether now in existence or subsequently erected, against loss by floods to the extent required by law. The insurance policies and any renewals, regardless of whether such policies and renewals are required by Mortgagee, shall include loss payable clauses in favor of, and in a form acceptable to, Mortgagee.

In the event of loss, Mortgagor shall give Mortgagee immediate notice by mail. Mortgagee may make proof of loss if not made promptly by Mortgagor. Each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagee, instead of to Mortgagor and to Mortgagee jointly. After applying the insurance proceeds as required by any secured Mortgagee with a lien superior to Mortgagee's Mortgage, all or any part of the remaining insurance proceeds may be applied by Mortgagee, at its option, either (a) to the reduction of the indebtedness under the Note and this Mortgage, first to any delinquent amounts on any taxes, special assessments, leasehold payments, or ground rents, second to any interest due under the Note, and third to payment of principal, or (b) to the restoration or repair of the damaged Property. Any excess insurance proceeds over an amount required to pay all outstanding indebtedness under the Note and this Mortgage shall be paid to the entity legally entitled thereto.

In the event of foreclosure of this Mortgage or other transfer of title to the Property that extinguishes the indebtedness, all right, title and interest of Mortgagor in and to insurance policies in force shall pass to the purchaser.

4. **Maintenance and Protection of Property.** Mortgagor shall not commit, or permit, any waste on, destruction to, or damage to the Property. Mortgagor shall not allow the Property to deteriorate, reasonable wear and tear excepted. Mortgagor shall, at all times, maintain the Property. Mortgagor shall comply with all applicable Federal, state, and local statutes, ordinances, codes, regulations, requirements, and restrictive covenants, if any, upon the use of the Property. Mortgagor shall, to the satisfaction of Mortgagee, promptly repair or replace any of the Property damaged by fire or other casualty. Mortgagee and its representatives shall have the right to inspect the Property from time to time at any reasonable hour.

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5. **Rehabilitation and/or Construction Requirement.** Mortgagor shall cause improvements or "**Permitted Alterations**" to be performed in accordance with the terms of City of Chicago buildings code and HUD Housing Quality Standards, and execute such performance with due diligence to completion no later than the Maturity Date, and comply with the covenants of the Note and Mortgage. If the rehabilitation or construction is not properly completed, not performed with due diligence, or is discontinued at any time except for strikes or lockouts, Mortgagee is vested with full authority to take the necessary steps to protect the improvements and the land from harm, continue existing contracts, or enter into necessary contracts to complete the Permitted Alterations. All sums advanced for such protection shall be added to the principal balance of the Note, secured by the mortgage, and due and payable on demand with interest. The term "**Permitted Alterations**" means the construction of and/or rehabilitation to the improvements contemplated to be performed in accordance with the City of Chicago building codes and HUD Housing Quality Standards.

6. **Sale of Property.** Mortgagor must convey the Property to an Eligible Buyer. Mortgagor is prohibited from using the Property as rental property. Mortgagor must obtain a Certificate of Completion, a copy of which should be forwarded to Mortgagee, no later than 5 business days of its receipt from the City of Chicago. The term "Eligible Buyer" means a person who agrees to occupy the Property for a period of three (3) years.

7. **Prepayment; Release of Mortgage.** Mortgagor shall not have the right to prepay this Note, in whole or part, except as provided herein or with Mortgagee's prior written approval. The Note shall be considered satisfied and this Mortgage shall be released only upon satisfaction of the conditions in Paragraph 6 for resale of the Property and this Paragraph 7 for release of the Mortgage. Simultaneously with the conveyance of the Property to an Eligible Buyer, Mortgagor shall be entitled to a release of the Property from the lien of this Mortgage if no uncured Event of Default shall have occurred, and upon Mortgagor's certification to Mortgagee that the requirements of Paragraph 6 have been met.

Mortgagor shall do whatever shall be necessary to obtain a release of the Property from any other secured financing, including, without limitation, paying a release fee there under. Mortgagor shall pay the recording and other fees for recording the release of the Property.

Either the Mortgagor or the City of Chicago shall release the Property from the lien of this Mortgage, upon satisfaction of Paragraph 6 and this Paragraph 7.

8. **Priorities.** Notwithstanding any other provision to the contrary, this Mortgage is superior to all liens on the Property.

9. **Default.** The term "Event of Default" shall mean the occurrence of any one or more of the following:

- (a) Failure by Mortgagor to complete the Permitted Alterations on or before the Maturity Date;

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- (b) Failure by Mortgagor to resell the Property to an Eligible Buyer in accordance with Paragraph 6;
- (c) A transfer, or agreement to transfer, by Mortgagor of all or part of the Property, or a beneficial interest in a trust owning all or part of the Property, except as provided in Paragraphs 6 or 7;
- (d) A false certification by Mortgagor to Mortgagee;
- (e) A failure by Mortgagor to provide any certification required by Mortgagee;
- (f) Any materially false or inaccurate information on any form or report submitted to Mortgagee;
- (g) A failure to provide any material information on any form or report submitted to Mortgagee;
- (h) A default under any Mortgage (other than this Mortgage) that encumbers the Property;
- (i) Accepting or using any Federal Low Income Tax Credits related to the improvements on the Property without the prior written consent of Mortgagee;
- (j) A failure to perform any other obligations in this Mortgage; or
- (k) A failure to perform any obligations under the Note;
10. **Grounds for Acceleration of Debt.** Upon the occurrence of any Event of Default, Mortgagee may declare, without notice, immediately due and payable the principal balance of the Note, together with any interest thereon and all other sums which may or shall become due under this Mortgage or the Note.
11. **Full Recourse.** The obligations arising under this Mortgage and the Note represent full recourse obligations of Mortgagor.
12. **Time of the Essence.** Time is of the essence as to all dates set forth herein.
13. **Waivers.** Mortgagor and all endorsers, sureties and guarantors jointly and severally waive presentation for payment, demand for payment, notice of nonpayment, notice of protest, notice of dishonor, protest, notice of protest, and any and all lack of diligence or delays in collection or enforcement of this Mortgage.
14. **Successors and Assigns Bound.** The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Mortgagee and Mortgagor. The covenants and agreements of Mortgagor under this Note are not assignable without the prior written consent of Mortgagee.

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15. **Modifications.** This This Note shall not be modified, amended, changed, cancelled, discharged, or terminated, except by written instrument signed by Maker and Holder or their respective successors and assigns.7

16. **Notices.** All notices which are required or permitted to be given under this Mortgage shall be in writing and shall be sent (except as otherwise expressly provided herein or as required by applicable law) by hand delivery, overnight courier, registered or certified mail, return receipt requested, postage prepaid, facsimile or electronic mail:

If to Mortgagee, to: Darlene Dugo  
 Mercy Portfolio Services  
 120 S LaSalle, Suite 1850  
 Chicago, IL 60603  
 FAX: 877-228-4917

with copies to: Bryan Esenberg  
 City of Chicago – Department of Planning & Development  
 121 N LaSalle, #1006  
 Chicago, IL 60602  
 FAX: 312-742-0469

If to Mortgagor, to: Michael S. Olszewski  
 Property Holdings, LLC  
 2125 S. Laramie Ave.  
 Cicero, IL 60804

with copies to: William P. Ralph  
 10540 S. Western Ave., Suite 405  
 Chicago, IL 60643  
 FAX: (773) 779-9086

17. **Governing Law; Severability.** This Mortgage shall be governed by the laws of the State of Illinois. 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. To this end the provisions of this Mortgage and the Note are declared to be severable.

18. **Copy of Mortgage.** Mortgagor acknowledges that it has received a true copy of this Mortgage, read this Mortgage, and executed this Mortgage as of the date first above written.

19. **Hazardous Substances.** Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The preceding two sentences shall not apply to

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the presence, use, or storage on the Property of small quantities of Hazardous Substances that are generally recognized to be appropriate to normal residential uses and to maintenance of the Property.

Mortgagor shall promptly give Mortgagee written notice of any investigation, claim, demand, lawsuit or other action by any governmental or regulatory agency or private party involving the Property and any Hazardous Substance or Environmental Law of which Mortgagor has actual knowledge. If Mortgagor learns, or is notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substances affecting the Property is necessary, Mortgagor shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Paragraph 19, "Hazardous Substances" are those substances defined as toxic or hazardous substances by Environmental Law and the following substances: gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. As used in this Paragraph 19, "Environmental Law" means Federal law and laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection.

**20. Authority to Execute.** The representative of Mortgagor executing this Note represents that he/she has full power, authority and legal right to execute and deliver this Note and that the debt hereunder constitutes a valid and binding obligation of Mortgagor

**21. Foreclosure.** When the Note hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof. In any such foreclosure, or upon the enforcement of any other remedy of Mortgagee under this Mortgage, 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 21 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 this 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 this 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 foreclosure proceedings, including all such items as are mentioned in this section; (ii) all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by this Mortgage; (iii) all principal and interest remaining to be paid pursuant to the recapture provisions described in this



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Mortgage; and (iv) any remaining amounts due to Mortgagor, its successors or assigns, as their rights may appear.

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 this 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.

Upon any other entering upon or taking of possession of the Mortgaged Property after the occurrence of an Event of Default and the expiration of the applicable cure period and other than by means of a foreclosure, Mortgagee 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, personally 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 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 shall be paid to Mortgagor.

(Signature Page Follows)



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## EXHIBIT A

LEGAL DESCRIPTION: LOT 50 IN BLOCK 5 IN LYMAN BRIDGE'S ADDITION TO CHICAGO, A SUBDIVISION OF THE WEST ½ OF THE SOUTHEAST ¼ OF THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: 5341 WEST OHIO STREET; CHICAGO, ILLINOIS 60644

Property Index Number: 16-09-116-015-0000

Existing Improvements on the Land: 2 Unit Residential Building

Property of Cook County Clerk's Office