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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1419226028 Fee: \$58.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 07/11/2014 09:50 AM Pg: 1 of 11

C.T.I./CY
8964056
201423601
Sotb

Report Mortgage Fraud
800-532-8785

The property identified as: PIN: 16-19-407-007-0000

Address:

Street: 1615 S East Ave

Street line 2:

City: Berwyn

State: IL

ZIP Code: 60402

Lender: Illinois Housing Development Authority

Borrower: Luis E Olivares married to Juana Olivares

Loan / Mortgage Amount: \$18,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 7770 et seq. because the application was taken by an exempt entity.

Certificate number: ED40C028-2945-4E4A-A7BC-B79892AEA54A

Execution date: 06/24/2014

S Y
P IL
S N
SC M
INT AD

BOX 333-CT

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THIS DOCUMENT WAS PREPARED BY, AND AFTER RECORDING THIS DOCUMENT SHOULD BE RETURNED TO:

Jeffrey B. Horwitz
 Deutsch, Levy & Engel, Chartered
 225 W. Washington Street, Suite 1700
 Chicago, Illinois 60606

PIN: 16-19-404-007-0000

Commonly known as:

1615 S. East Avenue
 Berwyn, Illinois 60402

(The above Space For Recorder's Use Only)

Neighborhood Stabilization Program

JUNIOR MORTGAGE

THIS JUNIOR MORTGAGE ("Mortgage") is given on June 24, 2014 by LUIS E. OLIVARES, married to Juana Olivares (the "Mortgagor"), with an address of 1615 S. East Avenue, Berwyn, Illinois 60402 to the ILLINOIS HOUSING DEVELOPMENT AUTHORITY (the "Authority"), a body politic and corporate of the State of Illinois ("State"), created and existing pursuant to the Illinois Housing Development Act, 20 ILCS 3805/1 et seq. (1994) ("IHDA Act"), having its principal office at 401 N. Michigan Avenue, Suite 700, Chicago, Illinois 60611.

RECITALS:

A. The Authority has applied for and received an allocation of funds (the "NSP Funds") from the United States Government under the Neighborhood Stabilization Program (the "Neighborhood Stabilization Program") as authorized by Title III of Division B of the Housing and Economic Recovery Act of 2008, Public Law 110-289 ("HERA"), and other applicable NSP Laws (as defined NSP Allocation Agreement), all as the same may be amended and supplemented from time to time, and which are hereby incorporated herein by reference.

B. The City of Berwyn, Illinois, an Illinois municipal corporation (the "Subgrantee") applied for an award of Neighborhood Stabilization Program funds, to be used in connection with the Neighborhood Stabilization Program objective to benefit Low, Moderate and Middle Income Persons as set forth in 24 CFR 570, as supplemented by the October 2008 Notice, the June 2009 Notice and the April 9, 2010 Notice, and as further amended, supplemented or revised from time to time (the "National Objective").

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C. Subject to the terms and conditions set forth in that certain Neighborhood Stabilization Program Agreement, dated as of April 12, 2010, the Authority agreed to award Subgrantee a portion of the NSP Funds (the "Allocated Funds") to be used by Subgrantee in connection with certain activities in furtherance of the National Objective and other uses of NSP Funds permitted under the NSP Laws (the "NSP Allocation Agreement"), including, but not limited to, the providing of financial assistance to prospective purchasers of the Property (as hereinafter defined).

D. At the request of the Subgrantee and the Mortgagor, a portion of the Allocated Funds will be provided by the Authority to the Mortgagor in the form of a forgivable loan for use as direct financial assistance to the Mortgagor in order to help the Mortgagor meet the cost of purchasing the Property in the amount of Eighteen Thousand and no/100 Dollars (\$18,000.00) (the "Loan"). The Loan is evidenced, secured and governed by the following documents which have been entered into contemporaneously with the execution of this Mortgage: (a) the Promissory Note of even date herewith from the Mortgagor to the Authority in the amount of the Loan (the "Note"), (b) the Recapture Agreement from the Mortgagor to the Authority of even date herewith, (c) this Mortgage, (d) and all other documents that evidence, govern or secure the Loan, including but not limited to this Mortgage (collectively, the "Loan Documents").

E. A condition precedent to the Authority's extension of the Loan to the Mortgagor is the execution and delivery by the Mortgagor of this Mortgage.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Mortgagor agrees as follows:

A G R E E M E N T S

The Mortgagor hereby mortgages, grants and conveys to the Authority, its successors and assigns, the real property described on Exhibit "A" hereto located in the County of Cook, State of Illinois, and commonly known as **1615 S. East Avenue, Berwyn, Illinois** ("Property"), together with (a) all the improvements now or hereafter erected on the Property and all easements, rights and appurtenances thereto; (b) the interest of the Mortgagor in all leases and licenses with respect to the Property; (c) all rents, revenues, issues, income, accounts, royalties and profits thereof; and (d) all fixtures and items of personal property now or hereafter in or on the Property. All replacements, additions and proceeds of the following shall also be covered by this Mortgage. The Property and all of the foregoing property are referred to collectively in this Mortgage as the "Premises".

This Mortgage secures to the Authority: (a) all repayment of the debt evidenced by the Note, and all renewals, extensions and modifications thereof; (b) the payment of all other sums advanced by the Authority pursuant to **Paragraph 7** of this Mortgage to protect the security of this Mortgage; and (c) the performance of Mortgagor's covenants and agreements under this Mortgage, the Recapture Agreement between Mortgagor and the Authority dated as of the date hereof ("Recapture Agreement") and the Note. Terms not otherwise defined herein shall have the meanings given therein in the Recapture Agreement.

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Mortgagor covenants that Mortgagor is the lawful owner of the Premises conveyed by this Mortgage and has the full right and power to mortgage, grant and convey the Premises and that the Premises is unencumbered, except for those senior mortgage liens, if any, approved by the Authority (the "Senior Mortgages") and any other encumbrances of record accepted by the Authority in writing (collectively, "Permitted Encumbrances"). Mortgagor warrants and will defend generally the title to the Premises against all claims and demands, subject to any Permitted Encumbrances.

Mortgagor further covenants to and agrees with the Authority as follows:

1. Payment under the Note. Mortgagor agrees to promptly pay when due any amounts required to be paid under the Note.
2. Application of Payments. Unless applicable law provides otherwise, all payments received by the Authority under **Paragraph 1** will be applied to principal due under the Note.
3. Charges and Liens. Mortgagor will pay all taxes, assessments, charges and fines attributable to the Premises which may attain priority over this Mortgage. Mortgagor will pay these obligations on time directly to the person to whom payment is owed. Mortgagor will promptly furnish to the Authority all notices of amounts required to be paid under this paragraph. After making such payments, Mortgagor will promptly furnish to the Authority receipts evidencing the payments.

Mortgagor will promptly discharge any lien (other than liens associated with any Permitted Encumbrances) which has priority over this Mortgage unless Mortgagor: (a) agrees in writing to pay the obligation secured by the lien in a manner acceptable to the Authority; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which, in the Authority's opinion, operate to prevent the enforcement of the lien or forfeiture of any part of the Premises; or (c) secures from the holder of the lien an agreement satisfactory to the Authority subordinating the lien to this Mortgage. If the Authority determines that any part of the Premises is subject to a lien, other than the Permitted Encumbrances, which may attain priority over this Mortgage, the Authority or the Authority may give Mortgagor a notice identifying the lien. Mortgagor will satisfy the lien or take one or more of the actions set forth above within ten (10) days of the giving of such notice.

4. Hazard Insurance. Mortgagor will keep the improvements now existing or hereafter erected on the Premises insured against loss by fire, hazards included within the term "extended coverage," and any other hazards for which the Authority requires insurance. All policies of insurance hereunder will be from such companies and in such form and amounts as may be satisfactory to the Authority, will name the Authority as a loss payee and will include a provision requiring thirty (30) days advance written notice to the Authority prior to the termination or modification of such policy.

All insurance policies and renewals must be acceptable to the Authority and must include a standard mortgage clause. The Authority may hold the policies and renewals and, if the Authority requires, Mortgagor will promptly give to the Authority all receipts of paid premiums and renewal

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notices. Upon the occurrence of a loss covered by insurance, Mortgagor will give prompt notice to the insurance carrier and the Authority. The Authority may make proof of loss if not made promptly by Mortgagor.

Insurance proceeds will be applied to restoration or repair of the Premises damaged if the Authority determines that the restoration or repair is economically feasible and the Authority's security is not lessened by such restoration or repair. In such event, the Authority has the right to collect and hold the insurance proceeds and make the proceeds available to Mortgagor from time to time for the payment of the cost and expense of repair and restoration upon receipt of satisfactory evidence that such cost or expense has been incurred. If the Authority determines that the restoration or repair is not economically feasible or the Authority's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Mortgagor. If Mortgagor abandons the Premises or does not answer within thirty (30) days a notice from the Authority that the insurance carrier has offered to settle a claim, then the Authority may settle the claim with the insurance carrier and collect the insurance proceeds from the insurance carrier and may use the proceeds to repair or restore the Premises or to pay sums secured by this Mortgage, whether or not then due.

If under **Paragraph 19** the Premises is acquired by the Authority, Mortgagor's right to any insurance policies and all insurance proceeds resulting from damage to the Premises prior to the Authority's acquisition shall pass to the Authority to the extent of the sums secured by this Mortgage immediately prior to such acquisition.

5. Preservation and Maintenance of the Premises. Mortgagor shall not destroy, damage or substantially change the Premises, allow the Premises to deteriorate, or commit waste. Mortgagor shall cause the Premises to comply with all local codes, ordinances, zoning ordinances, the Property Standards For Rehabilitated Housing Units promulgated by the Authority, and the Housing Quality Standards promulgated by the United States Department of Housing and Urban Development ("HUD"), as set forth in Section 371.601 of the IHDA Rules (as defined in the Recapture Agreement).

6. Transfer Restrictions. Mortgagor covenants and agrees to comply with all provisions of the Recapture Agreement, the terms and conditions of which are incorporated herein by this reference, including without limitation the provisions of the Recapture Agreement relating to transfer restrictions at the Premises.

7. Protection of the Authority's Rights in the Premises; Mortgage Insurance. If Mortgagor fails to perform the covenants and agreements contained in this Mortgage or there is a legal proceeding that may significantly affect the Authority's rights in the Premises (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then the Authority may do and pay for whatever is necessary to protect the value of the Premises and the Authority's rights in the Premises. The Authority's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Premises to make repairs. Although the Authority may take action under this **Paragraph 7**, the Authority does not have to do so. Any amount disbursed by the Authority under this **Paragraph 7** shall become additional debt of Mortgagor secured by this Mortgage.

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8. Inspection. The Authority, the Authority or their respective agents may make reasonable entries upon and inspections of the Premises. Except after the occurrence of an Event of Default (after which no notice shall be required) the Authority or the Authority, as the case may be, shall give Mortgagor notice prior to the time of an inspection specifying reasonable cause for the inspection.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Premises or for conveyance in lieu of condemnation are hereby assigned and shall be paid to the Authority and shall be applied to the sums secured by this Mortgage as if the Note had been prepaid on the date the condemnation award is approved, whether or not then due, with any excess paid to Mortgagor. If the Premises is abandoned by Mortgagor or if, after notice by the Authority to Mortgagor that the condemnor offers to make an award or settle a claim for damages, Mortgagor fails to respond to the Authority within thirty (30) days after the date the notice is given, the Authority is authorized to accept such award or settlement and to collect and apply the proceeds, at its option, either to restoration or repair of the Premises or to the sums secured by this Mortgage, whether or not then due.

10. Mortgagor Not Released; Forbearance Not A Waiver. Extension of the time for payment or modification of payment of the sums secured by this Mortgage granted by the Authority to any successor in interest of Mortgagor shall not operate to release the liability of the original Mortgagor or Mortgagor's successors in interest. The Authority shall not be required to commence proceedings against any successor in interest and may refuse to extend time for payment or otherwise modify payment of the sums secured by this Mortgage by reason of any demand made by the original Mortgagor or Mortgagor's successors in interest. Any forbearance by the Authority in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

11. Successors and Assigns Bound. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of the Authority and Mortgagor and shall be covenants running with, binding and burdening the Premises, subject to the provisions of **Paragraphs 17 and 21.**

12. Loan Charges. If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Mortgagor which exceeded permitted limits will be refunded to Mortgagor. The Authority may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Mortgagor. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note. Notwithstanding anything to the contrary set forth in this **Paragraph 12**, no interest or prepayment charge is payable under the Note.

13. Legislation Affecting the Authority's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, the Authority, at its option, may require immediate payment

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in full of all sums secured by this Mortgage and may invoke any remedies permitted by **Paragraph 19**. If the Authority exercises this option, the Authority shall take the steps specified in **Paragraph 19**.

14. Notices. Any notices, demand, request or other communication that any party may desire or may be required to give to any other party hereunder shall be given in writing (at the addresses set forth below) by any of the following means: (a) personal service; (b) overnight courier; or (c) registered or certified United States mail, postage prepaid, return receipt requested.

The Mortgagor:

Luis E. Olivares
1615 S. East Avenue
Berwyn, Illinois 60402

The Authority:

Illinois Housing Development Authority
401 N. Michigan, Suite 700
Chicago, Illinois 60611
Attn: Legal Department

Such addresses may be changed by notice to the other party given in the same manner as herein provided. Any notice, demand, request or other communication sent pursuant to subsection (a) hereof shall be served and effective upon such personal service or upon confirmation of transmission by such electronic means. Any notice, demand, request or other communication sent pursuant to subsection (b) shall be served and effective one (1) business day after deposit with the overnight courier. Any notice, demand, request or other communication sent pursuant to subsection (c) shall be served and effective three (3) business days after proper deposit with the United States Postal Service.

15. Governing Law; Severability. This Mortgage shall be governed by the laws of the State of Illinois (without giving effect to Illinois choice of law principles). In the event that any provision or clause of this Mortgage, the Agreement or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage, the Agreement or the Note, as the case may be, which can be given effect without the conflicting provision. To this end the provisions of this Mortgage, the Agreement and the Note are declared to be severable.

16. Intentionally Omitted.

17. Certain Defaults; Transfer of the Premises. The occurrence of (a) a default by Mortgagor, beyond any applicable cure period, of its obligations under the NSP Allocation, the Recapture Agreement, the Note or a violation of any of the terms and conditions of this Mortgage or either of the Senior Mortgages, or (b) a Recapture Event shall be a "Default" hereunder and Mortgagor shall repay to the Authority the principal balance of the Loan, or such portion of the Loan as may be due and payable under the terms of the Note, this Mortgage and the Recapture Agreement.

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Upon the occurrence of a Default hereunder, the Authority shall give Mortgagor notice thereof. This notice shall provide a period of not less than thirty (30) days from the date the notice is given within which Mortgagor must pay all sums required by this **Paragraph 17**. If Mortgagor fails to pay these sums prior to the expiration of this period, the Authority may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

18. Mortgagor's Right to Reinstate. If Mortgagor meets certain conditions, Mortgagor will have the right to have enforcement of a Default hereunder discontinued at any time prior to the earlier of: (a) five days (or such other period as applicable law may specify for reinstatement) before sale of the Premises pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Mortgagor: (w) pays the Authority all sums which then would be due under this Mortgage and the Note had no acceleration occurred; (x) cures any default of any other covenants or agreements; (y) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorneys' fees; and (z) takes such action as the Authority may reasonably require to assure that the lien of this Mortgage, the Authority's rights in the Premises and Mortgagor's obligations to pay the sums secured by this Mortgage shall continue unchanged. Upon reinstatement by Mortgagor, this Mortgage and the obligations secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not be invoked more than once in any five (5) year period, and shall not apply at all in the case of acceleration under **Paragraphs 13** or **17(b)**.

19. Acceleration; Remedies. Prior to any acceleration of the amounts owed to the Authority under the Note or this Mortgage (other than an acceleration under **Paragraphs 13** and **17(b)** unless applicable law provides otherwise) the Authority shall give notice to Mortgagor following a Default. The notice shall specify: (a) the nature of the Default; (b) the action required to cure the Default; (c) a date, not less than 30 days from the date the notice is given to Mortgagor, by which the Default must be cured; and (d) that failure to cure the Default 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 Premises. The notice shall further inform Mortgagor of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other defense of Mortgagor to acceleration and foreclosure. If the Default is not cured on or before the date specified in the notice, the Authority at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. The Authority shall be entitled to collect all expenses incurred in pursuing the remedies provided in this **Paragraph 19**, including, but not limited to, reasonable attorneys' fees and costs of title evidence, and such sums shall be immediately due and payable and shall be secured by this Mortgage. Upon any sale of the Premises made by virtue of judicial proceedings or a decree of foreclosure and sale, the Authority may bid for and acquire the Premises and in lieu of paying cash therefor may make settlement for the purchase price by crediting upon Mortgagor's indebtedness secured by this Mortgage, the sale price, after first deducting from the sale price the expenses of the sale and the cost of the foreclosure. The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses of the foreclosure proceedings; second, to repayment of the indebtedness of Mortgagor secured by this Mortgage; and third, any excess to Mortgagor, its successors and assigns.

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20. Possession. Upon acceleration under **Paragraphs 13, 17(b) or 19** or abandonment of the Premises and at any time prior to the expiration of any applicable period of redemption following judicial sale, the Authority (in person, by agent or by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Premises and to collect the rents of the Premises, if any, including those past due. Any rents collected by the Authority or the receiver shall be applied first to payment of the costs of management of the Premises 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.

21. Release. Upon the satisfaction of the Note, the Authority shall release this Mortgage without charge to Mortgagor. Mortgagor shall pay any recordation costs.

22. Waiver of Homestead. Mortgagor waives all right of homestead exemption in the Premises.

23. Filing and Recording Fees. Mortgagor shall pay all title insurance premiums, escrow charges, filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage and all federal, state, county and municipal taxes and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery and performance of this Mortgage.

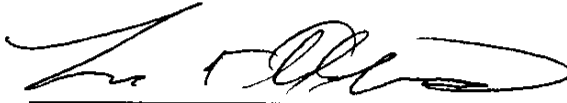
24. **WAIVER OF JURY TRIAL**. MORTGAGOR WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER MORTGAGOR OR THE AUTHORITY, ITS SUCCESSORS AND ASSIGNS, ON ANY MATTER WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THE PREMISES OR THIS MORTGAGE, AND ACKNOWLEDGES AND AGREES THAT THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE AUTHORITY TO MAKE THE LOAN EVIDENCED BY THE NOTE AND TO ACCEPT THIS MORTGAGE.

25. Maximum Indebtedness. At all times, regardless of whether any Loan proceeds have been disbursed, this Mortgage secures as part of the obligations hereunder and under the Loan Documents the payment of all Loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Mortgagee in connection with the amount secured hereunder, all in accordance with the Note and this Mortgage. In no event shall the total amount of the amount secured hereunder, including Loan proceeds disbursed plus any additional charges, exceed two hundred percent (200%) of the face amount of the Loan. All such advances are intended by the Mortgagor to be a lien on the Property pursuant to this Mortgage from the time this Mortgage is recorded, as provided in the Foreclosure Law.

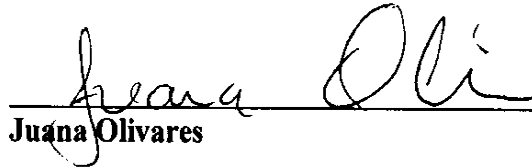
(Signature page follows.)

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By signing below, Mortgagor accepts and agrees to be bound by the terms and covenants in this Junior Mortgage.



Luis E. Olivares



Juana Olivares

State of Illinois)

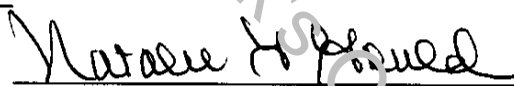
) ss

Cook County)

I, Natalie L. Gould, a Notary Public in and for said county and state, does hereby certify that **Luis E. Olivares and Juana Olivares**, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that they signed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth.

Given under my hand and official seal, this 24th day of June, 2014.

My commission expires: 8/31/15



Notary Public



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EXHIBIT A TO MORTGAGE

LOT 13 IN LUNAK'S SUBDIVISION OF BLOCK 68 IN THE SUBDIVISION OF SECTION 19, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THE SOUTH 300 ACRES THEREOF) IN COOK COUNTY, ILLINOIS.

Address: 1615 S. East Avenue
Berwyn, Illinois 60402

PIN: 16-19-404-007-0000

Property of Cook County Clerk's Office