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Illinois Anti-Predatory Lending Database Program

Doc# 1918616268 Fee: \$98.00
Edward M. Moody
Cook County Recorder of Deeds
Date: 07/05/2019 01:00 PM Pg: 1 of 8

Certificate of Exemption



Report Mortgage Fraud
844-768-1713

The property identified as: **PIN:** 20-11-327-009-0000

Address:

Street: 5473 South Drexel Avenue

Street line 2:

City: Chicago

State: IL

ZIP Code: 60615

PT 19.51257
373

Lender: The University of Chicago

Borrower: Felix P. Lu and Rebecca M. Lu

Loan / Mortgage Amount: \$200,000.00

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 loan is a simultaneous HELOC.

Certificate number: B4A40666-2F65-411B-B72B-E7F1D27A6248

Execution date: 6/28/2019

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Loan No. 1743

MORTGAGE

THIS MORTGAGE ("Security Instrument") is given on June 28, 2019. The mortgagors are REBECCA M. LU and FELIX P. LU ("Borrowers" and each, individually, a "Borrower").

This Security Instrument is given to THE UNIVERSITY OF CHICAGO, an Illinois not for profit corporation, whose address is 5801 South Ellis Avenue, Chicago, Illinois 60637 ("Lender"). Borrowers owe Lender the principal sum of TWO HUNDRED THOUSAND and 00/100 Dollars (U. S. \$200,000.00). This debt is evidenced by Borrowers' note dated the same date as this Security Instrument ("Note"), with the full debt, if not paid earlier, due and payable on June 30, 2029. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications of the Note; (b) the payment of all other sums, with interest, advanced under Section 7 to protect the security of this Security Instrument; and (c) the performance of Borrowers' covenants and agreements under this Security Instrument and the Note. For this purpose, Borrowers do hereby mortgage, grant and convey to Lender the following described property located in Cook County, Illinois:

THE NORTH 5.00 FEET OF LOT 23 AND THE SOUTH 20.00 FEET OF LOT 24
IN TREGO'S SUBDIVISION OF BLOCK 21 IN EGANDALE, A SUBDIVISION OF
THE EAST 118 ACRES OF THE SOUTHWEST 1/4 OF SECTION 11, TOWNSHIP
38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK
COUNTY, ILLINOIS.

P.I.N.: 20-11-327-009-0000

which has the address of 5473 South Drexel Avenue, Chicago, IL 60615 ("Property Address");

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, appurtenances, and fixtures now or hereafter a part of the property, and all rents, issues, and profits therefrom. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the "Property."

BORROWERS COVENANT that Borrowers hold lawful, indefeasible, fee simple title to the estate hereby conveyed and have the right to mortgage, grant and convey the Property and that the Property is unencumbered, except for encumbrances of record. Borrowers warrant

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and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS IS A JUNIOR MORTGAGE.

BORROWERS AND LENDER COVENANT AND AGREE AS FOLLOWS:

1. Payment of Indebtedness. Borrowers shall pay, promptly when due, each and every installment of principal and interest and any other indebtedness evidenced by or required to be paid pursuant to the Note and all other amounts, obligations and indebtedness secured by this Security Instrument (collectively, the "Indebtedness"), without demand, counterclaim, offset, deduction or defense, and Borrowers hereby waive all rights that now or hereafter are conferred by statute or otherwise to assert any such demand, counterclaim, offset, deduction or defense.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under Section 1 shall be applied: first, to interest due; second, to principal due; and last, to any late charges due under the Note.

3. Charges; Liens. Borrowers shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrowers shall pay these obligations in the manner provided in Section 1, or if not paid in that manner Borrowers shall pay them on time directly to the person owed payment. Borrowers shall promptly furnish to Lender, upon written request, all notices of amounts to be paid under this Section. If Borrowers make these payments directly, Borrowers shall promptly furnish to Lender, upon written request, receipts evidencing the payments.

Borrowers shall promptly discharge any lien which has priority over this Security Instrument unless Borrowers: (a) agree in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contest in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien; or (c) secure from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrowers a notice identifying the lien. Borrowers shall satisfy the lien or take one or more of the actions set forth above within ten days of the giving of notice.

Borrowers shall not, without the prior written consent of Lender, create, suffer or permit to be created or to exist any mortgage, deed of trust, security interest, or other encumbrance of any kind whatsoever upon all or any part of the Property, whether junior, secondary or subordinate or senior or prior to the lien of the Security Instrument, other than taxes, assessments, water and other charges not yet due. To the extent the Lender consents to any further encumbrances, Borrowers shall perform all of their obligations with respect to such encumbrances, including without limitation payment when due of all principal, interest and other indebtedness secured thereby. Borrowers shall also furnish Lender with copies of all notices received from the holders of such encumbrances claiming the existence of a default thereunder or giving notice of a condition which with the passage of time would give rise to a default thereunder.

4. Hazard or Property Insurance; Liability Insurance. Borrowers shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, including floods or flooding, for which Lender requires insurance. This insurance shall be maintained in an amount no less than the full insurable value of the Property and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrowers subject to Lenders' approval which shall not be unreasonably withheld. If Borrowers fail to maintain coverage

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described above, Lender may, at Lender's option, obtain coverage to protect Lender's rights in the Property in accordance with Section 7.

Borrowers shall carry and maintain comprehensive general liability insurance naming Lender as an additional insured with such carriers, in such amounts and containing such co-insurance clauses as Lender shall approve. Borrowers will apply all insurance proceeds under such policies to the payment and discharge of the liabilities in respect of which such proceeds are collected.

All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause, including a provision that coverage shall not be terminated or materially modified without 30 days prior written notice to Lender. Lender shall have the right to hold the policies and renewals. Borrowers shall deliver to Lender evidence of premiums prepaid and shall deliver to Lender certificates and renewal certificates of insurance or other evidence satisfactory to Lender with respect to the insurance required by this Section. In addition, Borrowers shall deliver all renewal policies or certificates to Lender not less than ten days prior to the respective dates of expiration of any previously delivered policies or certificates.

Unless Lender and Borrowers otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrowers. If Borrowers abandon the Property, or do not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

Unless Lender and Borrowers otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Section 1 or change the amount of the payments. If under Section 19 the Property is acquired by Lender, Borrowers' right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

5. Life Insurance. Borrowers shall keep in full force and effect and pay the premiums on the life insurance policies in the aggregate face amount of \$200,000.00 on the life of REBECCA M. LU (hereinafter called "Insured Person") whereunder Borrowers are the named insured or beneficiary and entitled to the proceeds thereof and which Borrowers have assigned, pledged and delivered to the Lender. Borrowers will pay all premiums on or before the respective premium dates fixed in said policies and not more than 15 days after such payment, Borrowers, if so requested, will deliver to the Lender the premium receipt or receipts evidencing such payment. Borrowers shall not assign, pledge or otherwise transfer or encumber said policies of insurance or its interest therein, nor do or omit to do any act or thing which might or could impair the right of the beneficiary or assignee to receive the full face amount thereof in the event of the death of said Insured Person.

In the event of the death of Insured Person, Borrowers or the estate of a deceased Borrower shall notify the Lender thereof and, not more than 15 days after settlement is made on any policy or policies on the life of Insured Person, shall notify the Lender of the settlement amount. The proceeds of the settlement, at the request of the Lender, shall be applied on account of the principal of the Note to the extent of the unpaid balance. Such application shall be made without premium upon the last maturing installments of the Note.

6. Maintenance, Repair and Restoration of Improvements, Compliance with Laws, Etc. Borrowers shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the Property which may become damaged or be destroyed; (b) keep the Property in good condition and repair, without waste; (c) complete within a reasonable time any building or buildings now or at any time in the process of erection upon the Property; (d) comply with all requirements of law, municipal ordinances, governmental regulations, and restrictions of record

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with respect to the Property and the use thereof, including Environmental Laws (as that term is defined in Section 18 below); (e) suffer or permit no change in the general nature of the occupancy or intensity of use of the Property, without Lender's written consent; (f) initiate or acquiesce in no zoning reclassification, without Lender's written consent.

7. Protection of Lender's Rights in the Property. If Borrowers fail to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or forfeiture or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien which has priority over this Security Instrument, paying insurance premiums, appearing in court, paying reasonable attorneys' fees and entering on the Property to make repairs. Although Lender may take action under this Section, Lender does not have to do so.

Any amounts disbursed by Lender under this Section shall become additional debt of Borrowers secured by this Security Instrument. Unless Borrowers and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrowers requesting payment.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrowers notice at the time of or prior to 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 Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrowers. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is equal to or greater than the amount of the sums secured by this Security Instrument immediately before the taking, unless Borrowers and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrowers. In the event of a partial taking of the Property in which the fair market value of the Property immediately before the taking is less than the amount of the sums secured immediately before the taking, unless Borrowers and Lender otherwise agree in writing or unless applicable law otherwise provides, the proceeds shall be applied to the sums secured by this Security Instrument whether or not the sums are then due.

If the Property is abandoned by Borrowers, or if, after notice by Lender to Borrowers that the condemnor offers to make an award or settle a claim for damages, Borrowers fail to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

Unless Lender and Borrowers otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in Section 1 or change the amount of such payments.

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

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11. Successors and Assigns Bound; Joint and Several Liability. The covenants and agreements of this Security Instrument shall bind and benefit the successors and assigns of Lender and Borrowers, subject to the provisions of Section 16. Borrowers' covenants and agreements shall be joint and several.

12. Loan Charges. If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other 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 Borrowers which exceeded permitted limits will be refunded to Borrowers. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrowers. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

13. Notices. Any notice to Borrowers provided for in this Security Instrument shall be given by delivering it, mailing it by certified United States mail, or sending it by reputable overnight delivery service unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrowers designate by notice to Lender. Any notice to Lender shall be given by certified United States mail or reputable overnight delivery service to Lender at the University of Chicago, Office of Financial Services, 6054 South Drexel Avenue, Chicago, Illinois 60637 or any other address Lender designates by notice to Borrowers. Any notice provided for in this Security Instrument shall be deemed to have been given upon personal delivery, three business days following mailing by certified mail, or the next business day following sending by overnight delivery carrier.

14. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. Borrowers' Copy. Borrowers shall be given one conformed copy of the Note and of this Security Instrument.

16. Termination of Employment of the Insured Person; Transfer of the Property or a Beneficial Interest in Borrowers. If the Insured Person's employment by Lender shall terminate for any reason, or if the Insured Person ceases to use the Property as his/her primary residence, and the Indebtedness secured by this Security Instrument is not paid within 180 days thereafter, or if all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in a Borrower is sold or transferred and such Borrower is not a natural person), all sums secured by this Security Instrument shall become immediately due and payable upon 30 days written notice to Borrowers. If Borrowers fail to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrowers.

17. Borrowers' Right to Reinstate. If Borrowers meet certain conditions, Borrowers shall have the right to have enforcement of this Security Instrument 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 Property pursuant to any power of sale contained in this Security Instrument; or (b) entry of a judgment enforcing this Security Instrument. Those conditions are that Borrowers: (a) pay Lender all sums which then would be due under this Security Instrument and the Note as if no acceleration had occurred; (b) cure any default of any other covenants or agreements; (c) pay all expenses incurred in enforcing this Security Instrument, including, but not limited to, reasonable attorneys' fees; and (d) take such action as Lender may reasonably require to assure that the lien of this Security Instrument, Lender's rights in the Property and Borrowers' obligation to pay the sums secured by this Security Instrument shall continue unchanged. Upon reinstatement by Borrowers, this Security Instrument and the obligations

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secured hereby shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Section 16.

18. Hazardous Substances. Borrowers shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property. Borrowers 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 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.

Borrowers shall promptly give Lender 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 Borrowers have actual knowledge. If Borrowers learn, or are notified by any governmental or regulatory authority, that any removal or other remediation of any Hazardous Substance affecting the Property is necessary, Borrowers shall promptly take all necessary remedial actions in accordance with Environmental Law.

As used in this Section, "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 Section, "Environmental Law" means federal laws and laws of the jurisdiction where the Property is located that related to health, safety or environmental protection.

19. Acceleration; Remedies. In the event (a) of default in payment of any amount due under the Note or this Security Instrument, (b) of default in the performance of any other covenant or obligation of Borrowers under the Note or this Security Instrument which continues for 15 days following notice from Lender to Borrowers, or (c) (i) the Borrowers become insolvent or admits in writing its inability to pay its debts as they come due, consents to or acquiesces in the appointment of a trustee or receiver or makes a general assignment for the benefit of creditors, (ii) a trustee or receiver is appointed for Borrowers and not discharged within 30 days, or (iii) any bankruptcy, reorganization or other case is commenced under any federal, state or other bankruptcy law in respect of Borrowers and, if not consented to or acquiesced in by Borrowers, remains undismissed for 30 days, Lender shall have the right to declare all Indebtedness immediately due and payable and to foreclose this Security Instrument. Lender shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Section, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

Lender shall also have the right to enter and take possession of the Property, to remove any persons occupying the Property and possessions from the Property, to manage and control and lease the Property. Lender may apply any income earned on the Property to the expenses of maintaining and managing the Property and to the Indebtedness.

20. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrowers. Borrowers shall pay any recordation costs.

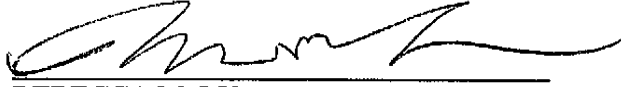
21. Waiver of Homestead. Borrowers waive all right of homestead exemption in the Property.


22. First Mortgage. This Security Instrument is subject and subordinate to the lien of a first mortgage in the amount of \$677,500.00 to Fifth Third Bank, dated June 28, 2019 and due 30 years after that date.

23. Riders to this Security Instrument. If one or more riders are executed by Borrowers and recorded together with this Security Instrument, the covenants and agreements of each such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Security Instrument as if the rider(s) were part of this Security Instrument. (Applicable riders listed below.)

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BY SIGNING BELOW, Borrowers accept and agree to the terms and covenants contained in this Security Instrument and in any rider(s) executed by Borrowers and recorded with it.


REBECCA M. LU


FELIX P. LU

STATE OF ILLINOIS

COUNTY OF COOK

I, the undersigned, a Notary Public in and for said county and state, do hereby certify that Rebecca M. Lu and Felix P. Lu, personally appeared before me and are known or proved to me to be the persons who, being informed of the contents of the foregoing instrument, have executed same and acknowledged said instrument to be their free and voluntary act and deed and that they signed said instrument for the uses and purposes therein set forth.

Witness my hand and official seal this 28th day of June, 2019.

My Commission Expires:

May 16, 2022


Notary Public

Prepared by and please send to:

Robert H. Rush
Office of Legal Counsel
The University of Chicago
5801 South Ellis Avenue, Suite 619
Chicago, IL 60637

