

ORIGINAL

RESOLUTION NO. R-2015-12

**A RESOLUTION APPROVING A LIEN SUBORDINATION AGREEMENT
FOR THE ILLINOIS DISASTER RECOVERY HRR PROGRAM
PROMISSORY NOTE AND LIEN FILED AGAINST
THE 1713 WASHINGTON BOULEVARD PROPERTY
TO BE ENTERED INTO BY THE VILLAGE OF MAYWOOD,
BMO HARRIS BANK N.A. AND JOHN BOYD (PROPERTY OWNER)**

WHEREAS, the Village participated in the Illinois Disaster Recovery HRR Program ("IDRP") to assist with housing rehabilitation activities in owner-occupied low-income housing units due to flooding incidents within the Village; and

WHEREAS, John Boyd, the owner of the real property located at 1713 Washington Boulevard, Maywood, Illinois (the "Property"), applied for and received a forgivable IDRP loan in the amount of \$36,395.04 (the "IDRP Loan Amount"), as reflected in Promissory Note and Notice of Lien dated July 29, 2013, and filed against title to the Property on March 7, 2014 with the Cook County Recorder of Deeds as Document Number 1406655011 (the "Village's IDRP Promissory Note and Lien"). The Village's IDRP Promissory Note and Lien secures the IDRP Loan Amount as an enforceable lien filed against title to the Property; and

WHEREAS, at the request of John Boyd and his lender, BMO Harris Bank N.A., the President and Board of Trustees of the Village of Maywood, Illinois (the "Village") desire to approve a lien subordination agreement to subordinate the priority of the Village's IDRP Promissory Note and Lien on the Property so that BMO Harris Bank N.A. can re-finance the existing mortgage and issue a new mortgage to John Boyd and file the new mortgage against title to the Property in a priority position over the subordinated Village's IDRP Promissory Note and Lien. The proposed amount of the mortgage is \$145,000.00. A copy of the Lien Subordination Agreement (the "Agreement") is attached hereto as Exhibit "A" and made a part hereof; and

WHEREAS, under the Agreement, which will be filed against title to the Property, the new mortgage issued by BMO Harris Bank N.A. will also be filed against title to the Property as a secured lien on the Property that has priority over the Village's IDRP Promissory Note and Lien. The Village's IDRP Promissory Note and Lien will be subordinate to the new mortgage lien interest held by BMO Harris Bank N.A. in the Property; and

WHEREAS, the Village of Maywood, a home rule Illinois municipal corporation, has the authority to approve and enter into the attached Lien Subordination Agreement (the "Agreement") pursuant to its home rule powers and contracting authority provided by Article VII, Sections 6 and 10(a) of the Illinois Constitution of 1970, and finds that entering into this Agreement is in the best interests of the Village.

NOW, THEREFORE, BE IT RESOLVED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF MAYWOOD, COOK COUNTY, ILLINOIS, AS FOLLOWS:

SECTION 1: Each Whereas paragraph above is incorporated by reference into this Section 1 and made a part hereof as material and operative provisions of this Resolution.

SECTION 2: The President and Board of Trustees of the Village Maywood approve of the "Lien Subordination Agreement for the Illinois Disaster Recovery HHR Program Promissory Note and Lien Filed Against the 1713 Washington Boulevard Property to Be Entered into by the Village of Maywood, BMO Harris Bank N.A. and John Boyd (Property Owner)", a copy of which is attached as **Exhibit "A"** and made a part hereof (the "Agreement"). Further, the President and Board of Trustees authorize and direct the Village President and Village Clerk, or their designees, to execute said Agreement, and to execute and deliver all other instruments and documents that are necessary to fulfill the Village's obligations under the Agreement.

ADOPTED this 19th day of May, 2015, pursuant to a roll call vote as follows:

AYES: Mayor Edwenna Perkins, Trustee(s) H. Yarbrough, Sr., I. Brandon, A. Dorris, M. Rogers, M. Lightford and R. Rivers.

NAYS: None

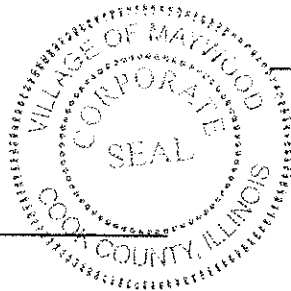
ABSENT: None

APPROVED this 21st day of May, 2015, by the Village President of the Village of Maywood, and attested by the Village Clerk on the same day.

ATTEST:



VILLAGE CLERK





VILLAGE PRESIDENT

Exhibit "A"

LIEN SUBORDINATION AGREEMENT

FOR THE ILLINOIS DISASTER RECOVERY HHR PROGRAM
PROMISSORY NOTE AND LIEN FILED AGAINST
THE 1713 WASHINGTON BOULEVARD PROPERTY
TO BE ENTERED INTO BY THE VILLAGE OF MAYWOOD,
BMO HARRIS BANK N.A. AND JOHN BOYD (PROPERTY OWNER)

(attached)

LIEN SUBORDINATION AGREEMENT

THIS LIEN SUBORDINATION AGREEMENT is made this ___ day of May, 2015 by and between BMO HARRIS BANK N.A., the VILLAGE OF MAYWOOD, a home rule Illinois Municipal Corporation, and JOHN BOYD, fee simple owner of the real property located at 1713 Washington Boulevard, Maywood, Illinois 60153.

WITNESSETH:

WHEREAS, the Village of Maywood participated in the Illinois Disaster Recovery HRR Program (“IDRP”) to assist with housing rehabilitation activities in owner-occupied low-income housing units due to flooding incidents within the Village; and

WHEREAS, John Boyd, the owner of the real property located at 1713 Washington Boulevard, Maywood, Illinois (the “Property”), applied for and received a forgivable IDRP loan in the amount of THIRTY-SIX THOUSAND THREE HUNDRED NINETY-FIVE AND 04/100 DOLLARS (\$36,395.04) (the “IDRP Loan Amount”), as reflected in Promissory Note and Notice of Lien dated July 29, 2013, and filed against title to the Property on March 7, 2014 with the Cook County Recorder of Deeds as Document Number 1406655011 (the “Village’s IDRP Promissory Note and Lien”). The Village’s IDRP Promissory Note and Lien secures the IDRP Loan Amount as an enforceable lien filed against title to the Property; and

WHEREAS, the Property, which is subject to the Village’s IDRP Promissory Note and Lien, is legally described as follows:

LOT 3 IN BLOCK 18 IN CUMMINGS AND FOREMAN’S REAL ESTATE CORPORATION
GOLF CLUB SUBDIVISION IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 12, EAST
OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS;

Property Address: 1713 Washington Boulevard, Maywood, Illinois 60153;

P.I.N.: 15-10-315-020-0000;

and

WHEREAS, BMO Harris Bank N.A. (“the Bank”) intends to issue a new mortgage for the Property to John Boyd in the amount of ONE HUNDRED FORTY-FIVE THOUSAND AND 00/100 DOLLARS (\$145,000.00) (the “New Mortgage”), provided that the Village agrees to subordinate the priority of its Promissory Note and Lien to the Bank’s New Mortgage; and

WHEREAS, the Village is willing to subordinate the priority of its IDRP Promissory Note and Lien filed against title to the Property in accordance with the terms of this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants, agreements, and good and valuable consideration recited herein, the sufficiency of which is acknowledged, JOHN BOYD, BMO HARRIS BANK N.A. and the VILLAGE OF MAYWOOD agree as follows:

1. INCORPORATION OF RECITALS. Each of the introductory statements contained in the preamble hereto is incorporated into this Agreement as material terms and provisions agreed to by the parties.
2. SUBORDINATION OF IDR PROMISSORY NOTE AND LIEN. The Village acknowledges and agrees that the IDR Promissory Note and Lien shall be subordinate to the BMO Harris Bank N.A.'s New Mortgage, and that nothing contained in this Agreement shall effect, modify or alter the priority or right of the Bank to receive payments pursuant to its New Mortgage in a priority position over the subordinated Village's rights under the IDR Promissory Note and Lien. Further provided, this subordination by the Village is limited in its scope and purpose and applies only to subordination in regard to the Bank's New Mortgage and does not in any manner affect, modify or alter the priority or rights of the Village as to other existing or later filed mortgages, liens or other encumbrances filed against title to the Property. The existing mortgage(s) that are filed against title to the Property shall be paid off in full and removed from title as part of the issuance of the New Mortgage.
3. NOTICES. Notices and demands hereunder shall be in writing and shall be deemed served when either are personally delivered or sent by prepaid or certified mail, addressed as follows:

If to the Village: Village Manager
 Village of Maywood
 40 East Madison Street
 Maywood, Illinois 60153

If to the Lender: BMO Harris Bank N.A.
 111 West Monroe, 4W
 Chicago, Illinois 60603

or to such other address as the addressees may designate by written notice actually delivered to the other party.

4. MISCELLANEOUS. The paragraph headings herein are for convenience only and shall not be used to constitute or interpret this Agreement. This Agreement contains the entire understanding among the parties hereto, supersedes all previous negotiations, commitments and writings, and can be altered or otherwise amended only by written instrument signed by the party or parties sought to be bound thereby. This Agreement is entered into, is to be performed, and shall be governed by and construed in accordance with the laws of the State of Illinois. For purposes of any lawsuit(s) between the parties, venue shall be in Cook County, Illinois. This Agreement shall extend to and bind the respective successors and assigns of the parties hereto.

Signature Page to Follow

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year first above written, which shall be the last signatory date below.

Village of Maywood, Illinois,
a home rule Illinois municipal corporation

ATTEST:

By: _____
Edwenna Perkins, Village President

By: _____
Viola Mims, Village Clerk

Date: _____

Date: _____

BMO Harris Bank N.A.

By: _____
Name: _____
Title: _____

Date: _____

John Boyd

Signature

Date: _____

Please return to:
Village Attorney
Michael T. Jurusik,
Klein, Thorpe and Jenkins, Ltd.
20 North Wacker Drive, Suite 1660
Chicago, Illinois 60606
312/984-6400
Box 324

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

**ACKNOWLEDGMENT
FOR JOHN BOYD**

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that John Boyd, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that he signed and delivered the said instrument under his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and official seal, this _____ day of _____, 2015.

Notary Public

Promissory Note and Notice of Lien

Date: July 29, 2013

Borrower, Co-Borrower:
John Boyd

Borrower's Mailing Address:
1713 Washington Blvd, Maywood IL 60153

Property:
1713 Washington Blvd, Maywood IL 60153

Village/Lender:
Maywood Village Hall

Place for Payment:
Maywood Village Hall, 40 Madison, Maywood Illinois

Principal Amount: \$36,395.04

Annual Interest Rate: Zero percent (0%)

Maturity Date: July 29, 2018

Annual Interest Rate on Matured, Unpaid Amounts: Zero percent (0%)

Doc#: 1406655011 Fee: \$44.00
RHP Fee: \$0.00 RPHF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 05/07/2014 08:48 AM Pg. 1 of 4

(The above space to be used for recording purposes)

Ma Ho.
American National Title Services, Inc.
2300 Barrington Road, Suite 2024
Niles, IL 60160

WHEREAS, the Village of Maywood (herein after referred to as the VILLAGE) has established the Illinois Disaster Recovery HRR Program to assist with housing rehabilitation activities in owner occupied low-income housing units, and

WHEREAS, the undersigned, John Boyd (herein after referred to as the OWNER) qualifies under the Illinois Disaster Recovery HRR Program (IDRP) for a total forgivable loan of \$36,395.04 for housing rehabilitation assistance for the property commonly known as 1713 Washington Blvd, Maywood IL, and

BE IT KNOWN, each term and provision of this Promissory Note is expressly subject to the terms and conditions of the IDRP Disaster Recovery Program Contract # 08-352001 between VILLAGE ("Lender") as the "Subrecipient", executed by Subrecipient on June 26, 2012, and by the OWNER to be effective on July 29, 2013 and mature on July 29, 2018 in the amount of \$36,395.04, which provides assistance to OWNER under the IDRP-HRR Program for disaster relief, long-term recovery, and restoration of housing in areas declared federal disaster areas in 2008.

WHEREAS, a requirement of the Illinois Disaster Recovery HRR Program is for the repayment of the forgivable loan to be in the promted amount of the total listed above whenever the property is sold, transferred, vacated, or abandoned,

WHEREFORE, in consideration of the awarding of the forgivable loan the mutual covenants and promises of the parties and other good and valuable consideration, the VILLAGE and OWNER agree as follow:

The term of the promissory note and mortgage lien is five years, remaining at one hundred percent of the loan amount for the first full year and decreasing twenty percent (20%) each year thereafter. The anniversary date of the promissory note and mortgage lien is the date of project completion and final acceptance. After five (5) years, and if all conditions of the Agreement and program rules and regulations have been satisfactorily followed, as determined by the VILLAGE, the entire amount of the Illinois Disaster Recovery HRR Program Deferred Payment Loan will be forgiven.

The following are the terms of the forgivable loan:

- This property described above was assisted with funds from the United States Department of Housing and Urban Development to facilitate the control of disaster repair present on the property. If this property or any part of the property is sold, transferred, foreclosed, or leased, during the course of this note, the prorated amount becomes due and payable to the VILLAGE, except that this clause will not apply to:
 - If the applicant passes away during construction or during the compliance period, the heir is not responsible for the contract agreements.
- If the property is found to be in violation of VILLAGE ordinances, the VILLAGE has the option of declaring the entire original amount of the note due and payable to the VILLAGE immediately.
- The property must remain the primary residence
- Failure to keep current on all property taxes or have a tax deferral will result in the entire original amount of the note to become due and payable to the VILLAGE immediately.
- Property insurance coverage at or in excess of the value of the note will be secured at the OWNER's expense for the entire period of the note.
- If borrower does not maintain homeowner's insurance coverage, borrower may be prohibited from receiving any additional funding with federal disaster relief assistance for the property.

IMPORTANT NOTICE FOR FEDERAL DISASTER RELIEF

DUTY TO NOTIFY. In the event of the transfer of the Property described above by Borrower or Borrower's successors and assigns ("Transferor"), the Transferor shall, not later than the date on which such transfer occurs, notify the transferee in writing of the requirements to:

- Obtain insurance in accordance with applicable federal law and obtain hazard insurance, with respect to said property, if the above described property is not so insured as of the date on which the above described property is transferred; and
 - Maintain insurance in accordance with applicable federal law and maintain hazard insurance, with respect to said property. Such written notification shall be contained in documents evidencing the transfer of ownership of the above described property.
- FAILURE TO NOTIFY. If Transferor fails to provide notice as described above and subsequent to the transfer of the above described property:
- If the transferee fails to obtain or maintain hazard insurance, in accordance with applicable federal law with respect to the above described property;

(ii) the above described property is damaged by a disaster; and
(iii) Federal disaster relief assistance is provided for the repair, replacement, or restoration of the property as a result of such damage, the Transferor MAY be required to reimburse the Federal Government in an amount equal to the amount of the federal disaster relief assistance provided with respect to the above described property."

The IDRP Program has the right to waive any or all of the terms of the note due to extenuating circumstances that would warrant or justify the VILLAGE's decision to do so, regardless of the age of the forgivable loan.

John E. Boyd
Signature of Owner

7/29/13
Date

Signature of Co-Owner -

Date

Edwina Peck
Signature of VILLAGE - Maywood

7-30-2013
Date

Judi Bean
Signature of Witness- IDRP, Grant Manager

7-29-13
Date

Legal Description 1713 W Washington Blvd, Maywood Illinois

LOT 3 IN BLOCK 18 IN CUMMINGS AND FOREMAN'S REAL ESTATE CORPORATION GOLF CLUB SUBDIVISION IN SECTION 10, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 15-30-315-020-0000

