

210508



Doc#: 0426135110
Eugene "Gene" Moore Fee: \$74.00
Cook County Recorder of Deeds
Date: 09/17/2004 10:04 AM Pg: 1 of 26

210508

RECORDING REQUESTED BY
AND WHEN RECORDED MAIL
TO:
JUDITH A. EL-AMIN
CITY OF CHICAGO
DEPARTMENT OF LAW
121 NORTH LASALLE STREET
ROOM 600
CHICAGO, ILLINOIS 60602

SECOND LOAN AMENDMENT AND SUBORDINATION AGREEMENT

THIS SECOND LOAN AMENDMENT AND SUBORDINATION AGREEMENT (this "Second Amendment") is made as of September 16, 2004, by WILLARD SQUARE LIMITED PARTNERSHIP, an Illinois limited partnership (the "Borrower") the owner of fee simple title to the real property hereinafter described, with a mailing address of 222 North LaSalle Street, Chicago, Illinois 60601, TACH WILLARD SQUARE DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation and the sole general partner of the Borrower (the "General Partner"), with a mailing address of 222 North LaSalle Street, Chicago, Illinois 60601, TECHNICAL ASSISTANCE CORPORATION FOR HOUSING, an Illinois not-for-profit corporation and the sole member of the General Partner ("TACH"), with a mailing address of 222 North LaSalle Street, Chicago, Illinois 60601, and the CITY OF CHICAGO, ILLINOIS, an Illinois municipal corporation (the "City"), acting by and through its Department of Housing (the "DOH"), with a mailing address of 318 South Michigan Avenue, Chicago, Illinois 60604.

RECITALS

WHEREAS, the City Council of the City (the "City Council") enacted an ordinance on July 31, 1996, published at pages 26363 - 26368, inclusive, of the Journal of Proceedings of the City Council (the "Journal") of that date, pursuant to which the City Council authorized DOH to make a loan to TACH, in the amount of \$2,492,223 (the "Loan") from Multi-Program Funds, a portion of which was to be used for the acquisition of certain residential property contained within the area described in Exhibit A ("Exhibit A") attached hereto and made a part hereof (the

Box 430

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"Original Property") and the construction thereon of 18 buildings and of 100 dwelling units contained therein as one-, two- and three-bedroom units for low and moderate-income families and the Loan was closed on October 25, 1996 (the "Project"); and

WHEREAS, pursuant to that certain Assignment and Assumption of Rights and Obligations of Community Development Block Grant Loan dated as of October 25, 1996 (the "Assignment"), TACH assigned its rights and interests in the Loan to the Borrower; and

WHEREAS, in connection with the Assignment, the Borrower agreed to use the Loan proceeds to acquire the Property and construct the Project; and

WHEREAS, in connection with the Loan, TACH executed (i) a certain Note in the principal amount of \$2,492,223 in favor of the City (the "City Note"), which is secured by, among other things, that certain Junior Mortgage, Security Agreement and Financing Statement dated October 25, 1996 and recorded on October 25, 1996 in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder") as Document No. 96818105 made by the Borrower as mortgagor in favor of the City as mortgagee, as amended by that certain First Amendment (the "First Amendment") dated January 7, 1997 and recorded in the Office of the Recorder as Document No. 99049753 (as amended, the "City Mortgage") and that certain Assignment of Rents and Leases dated October 25, 1996 and recorded on October 25, 1996 in the Office of the Recorder as Document No. 96818106, as amended by the First Amendment (as amended, the "Assignment of Rents"), (ii) that certain Regulatory Agreement dated October 25, 1996 and recorded in the Office of the Recorder as Document No. 96818104, as amended by the First Amendment (as amended, the "Regulatory Agreement"), (iii) that certain Environmental Indemnity Agreement, as amended by the First Amendment (as amended, the "Environmental Indemnity Agreement," and collectively with the City Note, the City Mortgage, the Assignment of Rents, the Regulatory Agreement, and all other documents evidencing and/or securing the City Loan and any other collateral documents which refer to the Property (as defined below) shall be known collectively as the "City Loan Documents"); and

WHEREAS, the First Amendment modified the legal description of the Original Property described in Exhibit A with a reconfiguration of the boundary between Parcel 6 and Parcel 8 and a deletion of Parcel 19, an easement which was subsequently dedicated to the City for a public alley, but the First Amendment did not reflect all of the post construction common addresses for each building on the Original Property, consequently, Exhibit A-1, attached hereto describes the modified legal descriptions and includes all of the post construction common addresses (the "Modified Property" and the Original Property are collectively referred to herein as the "Property") and Exhibit A-1, replaces Exhibit A or the appropriate exhibit in each of the City Loan Documents, as applicable; and

WHEREAS, the City Mortgage is and was subordinate to that certain Mortgage dated as of October 25, 1996 made by the Borrower as mortgagor in favor of Prairie Mortgage Company,

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as mortgagee (the "Original Senior Lender"), recorded on October 25, 1996 in the Office of the Recorder as Document No. 96818101, securing a loan in the original aggregate principal amount of \$4,264,300 made by the Original Senior Lender to the Borrower in connection with the acquisition of the Property and the construction of the Project (the "Original Senior Loan");

WHEREAS, the Borrower has met with certain financial difficulties in the operation of the Property, and has requested that the Department approve a proposed restructuring of the City Loan (as described below); and

WHEREAS, Midland Loan Services, Inc., a Delaware corporation (the "Senior Lender"), has agreed to provide financing to the Borrower in connection with the Property in an amount not to exceed \$4,264,300 (the "New Senior Loan") which will, among other things, retire the Original Senior Loan, and the Borrower has agreed to mortgage the Property in favor of the Senior Lender to secure the New Senior Loan (the "New Senior Mortgage") (the New Senior Mortgage and all other documents evidencing and/or securing the New Senior Loan shall be known collectively as the "New Senior Loan Documents"); and

WHEREAS, it is a condition to Senior Lender's making the New Senior Loan to the Borrower that the New Senior Mortgage unconditionally be and remain at all times a lien, claim and charge upon the Property prior and superior to the liens, claims and charges of the City Loan Documents; and

WHEREAS, the Senior Lender would not make the New Senior Loan, without this Second Amendment; and

WHEREAS, the City and the Borrower also desire to amend certain other terms and conditions of the City Loan Documents; and

WHEREAS, on May 26, 2004, the City Council of the City enacted an ordinance: (A) ratifying, approving and confirming the making of the City Loan; and (B) approving a restructuring of the City Loan in a manner which (1) will not alter the principal amount of the City Loan, (2) will not alter the interest rate on the principal balance of the City Loan, (3) will extend the maturity date of the City Loan, (4) will subordinate the City Mortgage to the New Senior Mortgage, and (5) may otherwise restructure the City Loan, all in substantial accordance with the terms described above (collectively, the "Restructuring"); and

WHEREAS, the City, the Senior Lender and the Borrower desire to enter into this Second Amendment to amend the City Loan Documents in accordance with the Restructuring as described above.

AGREEMENTS

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1. The New Senior Mortgage, and any and all renewals, modifications, extensions or advances thereunder or secured thereby (including interest thereon), unconditionally and will remain at all times a lien, claim or charge on the Property prior and superior to the City Mortgage and the City Loan Documents. The maximum amount of indebtedness secured by the New Senior Mortgage is \$4,264,300, plus interest, plus any disbursements for the payment of taxes and insurance on the Property, plus interest thereon, plus any other sums advanced in accordance with the terms thereof or any of the other New Senior Loan Documents to protect the security of the New Senior Mortgage or any of the other New Senior Loan Documents, plus interest thereon.

2. The City agrees that:

- (a) The City intentionally and unconditionally: (i) consents to the liens, claims and charges upon the Property of the New Senior Mortgage, and (ii) subjects and subordinates the liens, claims and charges of the City Loan Documents in favor of the liens, claims and charges upon the Property of the New Senior Mortgage and understands that in reliance upon, and in consideration of, this subjection and subordination, specific loans and advances are being and will be made and, as part and parcel thereof, specific monetary and other obligations are being and will be entered into that would not be made or entered into but for the Senior Lender's reliance upon this subjection and subordination.
- (b) Any waiver or forbearance by the Senior Lender in the exercise of its rights and remedies under the New Senior Mortgage shall not impair the priority of the lien of the New Senior Mortgage.

3. This Second Amendment is the whole and only agreement with regard to the subordination of the liens, claims and charges of the City Loan Documents to the New Senior Mortgage.

4. On Exhibit A of that certain Housing Loan Agreement, dated October 25, 1996 by and among the City through DOH, TACH, and the Borrower, as amended by the First Amendment (the "Loan Agreement"), the Maturity Date is deleted in its entirety and replaced with, "Maturity Date: October 1, 2044, or such earlier date on which the New Senior Loan is paid in full". All of the other City Loan Documents are also amended accordingly, as applicable, to provide that the Maturity Date of the Loan is extended until October 1, 2044, or such earlier date on which the New Senior Loan is paid in full.

5. Section 31 Incorporation of Rider - This Section is hereby amended as follows:

- (a) Section 31 is deleted in its entirety and replaced with the following:

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The document entitled "HUD-Required Provisions Rider" (the "HUD Rider") attached hereto is hereby incorporated into the Loan Agreement as if fully set forth herein and shall remain a part of the Loan Agreement so long as the Secretary of HUD or his/her successors or assigns are the insurers or holders of the Mortgage Note (as defined in the HUD Rider). Upon such time as HUD is no longer the insurer or holder of the Mortgage Note or such time as the Mortgage Note is paid in full, the parties hereto agree that the HUD Rider shall no longer be a part of the Loan Agreement.

(b) The HUD Rider is replaced with a new HUD Rider attached as Exhibit B to this Second Amendment. All of the other City Loan Documents are also amended accordingly, as applicable, regarding the terms of the New Senior Loan Documents as found in Exhibit B attached hereto.

6. The Borrower hereby represents and warrants, as of the date hereof, that all representations, warranties, certifications, statements, affidavits and other items heretofore made or furnished to the City by or on behalf of the Borrower in connection with the City Loan were true, accurate, and complete as of the date made or furnished to the City, and continue to be true, accurate, and complete.

7. Except as amended hereby, the provisions of the City Loan Documents remain in full force and effect and are hereby ratified and confirmed. The City Mortgage, as amended by this Second Amendment, shall continue to secure repayment of all amounts due under the City Note as modified by this Second Amendment without loss of priority (subject to Sections 1 and 2 of this Second Amendment).

8. The Borrower expressly agrees that no member, official, employee, or agent of the City shall be individually or personally liable to the Borrower, or any of its successors or assigns, in the event of any default or breach by the City under this Second Amendment.

9. In the event of a conflict or inconsistency between the provisions of the City Loan Documents and the provisions of this Second Amendment, the provisions of this Second Amendment shall govern and control.

10. The City and the Borrower acknowledge and agree that this Second Amendment does not constitute a novation of the existing indebtedness under the City Loan but is intended to be an amendment and modification of the City Loan Documents.

11. The Borrower hereby acknowledges, warrants and confirms to the City that as of the date hereof there exist no defenses, set-offs or counterclaims to its obligations under any of the City Loan Documents.

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12. This Second Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute a single agreement.

13. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that: (1) the Borrower may not assign this Second Amendment or its rights and obligations under the City Loan Documents without the prior written consent of the City; (2) the Senior Lender shall give the City prior written notice of its intent to assign this Second Amendment or its rights and obligations under the New Senior Loan Documents; and (3) the City shall give the Senior Lender prior written notice of its intent to assign this Second Amendment or its rights and obligations under the City Loan Documents

14. This Second Amendment has been executed by the parties hereto in the State of Illinois and shall be construed in accordance with and governed by the internal laws of the State of Illinois, without regard to the choice of law rules of that State.

15. Pursuant to Section 2-156-030(b) of the Municipal Code of Chicago, it is illegal for any elected official of the City, or any person acting at the direction of such official, to contact, either orally or in writing, any other City official or employee with respect to any matter involving any person with whom the elected official has a "Business Relationship" (as defined in Section 2-156-080 of the Municipal Code of Chicago), or to participate in any discussion in any City Council committee hearing or in any City Council meeting or to vote on any matter involving the person with whom an elected official has a Business Relationship. Violation of Section 2-156-030(b) by any elected official, or any person acting at the direction of such official, with respect to any of the Loan Documents, or in connection with the transactions contemplated thereby, shall be grounds for termination of the Loan Documents and the transactions contemplated thereby. The Borrower hereby represents and warrants that, to the best of its knowledge after due inquiry, no violation of Section 2-156-030(b) has occurred with respect to any of the Loan Documents or the transactions contemplated thereby.

16. Notices provided for in this Second Amendment, unless expressly provided for otherwise in this First Amendment, shall be given in writing and may be delivered personally or by placing in the United States mail, first class and certified, return receipt requested, with postage prepaid and addressed as follows:

If to City: Department of Housing
 318 South Michigan Avenue
 Chicago, Illinois 60604
 Attention: Commissioner

With Copies to: Department of Law
 Room 600, City Hall
 121 North LaSalle Street

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Chicago, Illinois 60602
Attention: Corporation Counsel

If to Borrower: Willard Square Limited Partnership
222 North LaSalle Street, Suite 1414
Chicago, Illinois 60601

With Copies to: Applegate & Thorne-Thomsen, PC
322 South Green Street, Suite 400
Chicago, Illinois 60607
Attention: Mark W. Burns

If to TACH: Technical Assistance Corporation for Housing
222 North LaSalle Street, Suite 1414
Chicago, Illinois 60601

With Copies to: Applegate & Thorne-Thomsen, PC
322 South Green Street, Suite 400
Chicago, Illinois 60607
Attention: Mark W. Burns

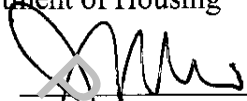
Changes in these addresses shall be in writing and delivered in accordance with the provisions of this Section 16. Notices delivered by mail are deemed received two days after mailing in accordance with this Section 16. Notices delivered personally are deemed effective upon receipt. Refusal to accept delivery has the same effect as receipt. This Section 16 shall also apply to all notices to be given from the City to the Borrower and from the Borrower to the City provided for in the City Loan Documents, as amended, unless expressly provided for otherwise in the City Loan Documents, as amended.

[THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK.]

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IN WITNESS WHEREOF, this Second Amendment is executed as of the day and year above written.

CITY OF CHICAGO, ILLINOIS
acting by and through its
Department of Housing

By: 
Its: Commissioner

WILLARD SQUARE LIMITED PARTNERSHIP
an Illinois limited partnership

By: TACH WILLARD SQUARE DEVELOPMENT CORPORATION
an Illinois not-for-profit corporation and
its sole general partner

By: _____
Its: _____

TECHNICAL ASSISTANCE CORPORATION FOR HOUSING
an Illinois not-for-profit corporation

By: _____
Its: _____

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, this Second Amendment is executed as of the day and year above written.

CITY OF CHICAGO, ILLINOIS
acting by and through its
Department of Housing

By: [Signature]

Its: _____

WILLARD SQUARE LIMITED PARTNERSHIP
an Illinois limited partnership

By: TACH WILLARD SQUARE DEVELOPMENT CORPORATION
an Illinois not-for-profit corporation and
its sole general partner

By: [Signature]

Its: Pres.

TECHNICAL ASSISTANCE CORPORATION FOR HOUSING
an Illinois not-for-profit corporation

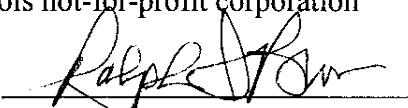
By: [Signature]

Its: Pres.

Property of Cook County Clerk's Office

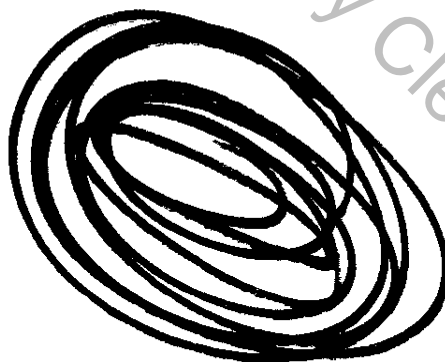
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TACH WILLARD SQUARE DEVELOPMENT CORPORATION
an Illinois not-for-profit corporation

By: 

Its: Pres.

Property of Cook County Clerk's Office



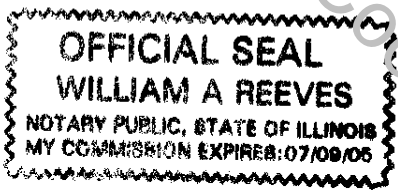
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STATE OF ILLINOIS)

COUNTY OF DePage) SS.
~~COOK~~

I, the undersigned, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Ralph E. Brown who is the President of TACH Willard Square Development Corporation, an Illinois not-for-profit corporation, which is the sole general partner of Willard Square Limited Partnership, an Illinois limited partnership (the "Partnership"), and 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 acknowledged that he/she signed and delivered the said instrument on behalf of the Partnership as his/her free and voluntary act and deed for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16th day of Sept., 2004.



William A. Reeves
Notary Public

My Commission Expires:
(SEAL)

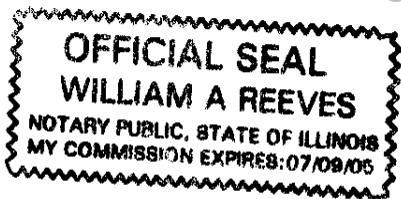
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STATE OF ILLINOIS)

COUNTY OF DuPage) SS.
~~(Cook)~~

I, the undersigned, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Ralph E. Brown who is the President of TACH Willard Square Development Corporation, an Illinois not-for-profit corporation (the "Corporation"), which is the sole general partner of Willard Square Limited Partnership, an Illinois limited partnership, 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 acknowledged that he/she signed and delivered the said instrument on behalf of the Corporation as his/her free and voluntary act and deed for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16th day of Sept, 2004.



William A. Reeves
Notary Public

My Commission Expires:
(SEAL)

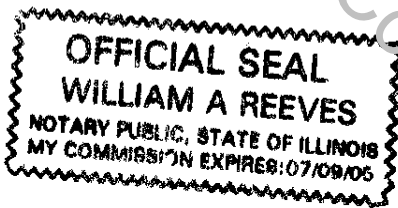
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STATE OF ILLINOIS)

COUNTY OF DuPage) SS.
~~COOK~~)

I, the undersigned, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Ralph E. Brown who is the President of Technical Assistance Corporation for Housing, an Illinois not-for-profit corporation, which is the sole member of TACH Willard Square Development Corporation, an Illinois not-for-profit corporation and the sole general partner of Willard Square Limited Partnership, an Illinois limited partnership, 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 acknowledged that he/she signed and delivered the said instrument as his/her free and voluntary act and deed for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16th day of Sept, 2004.



William A. Reeves
Notary Public

My Commission Expires:
(SEAL)

UNOFFICIAL COPY

STATE OF ILLINOIS)

) SS.

COUNTY OF COOK)

I, the undersigned, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT JACK MARKOWSKI, personally known to me to be the COMMISSIONER of the Department of Housing of the City of Chicago, Illinois (the "City") and 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 acknowledged as such, COMMISSIONER, (s)he signed and delivered the said instrument pursuant to proper authority, as his/her free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16th day of Sep, 2004.

Digna Castro
Notary Public
[Seal]

My Commission expires:



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EXHIBIT A

PARCEL 1: (BUILDING 1)

LOTS 6 AND 7 IN BLOCK 1 IN THE SUBDIVISION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4843-4845 S. St. Lawrence Avenue, Chicago, Illinois
P.I.N. No. 20-10-211-017

PARCEL 2: (BUILDING 2)

LOTS 9 AND 10 IN BLOCK 1 IN THE SUBDIVISION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, COOK COUNTY, ILLINOIS.

Common Address: 4851-4853 S. St. Lawrence Avenue, Chicago, Illinois
P.I.N. No. 20-10-211-019 and 20-10-211-020

PARCEL 3: (BUILDING 3)

LOTS 11 AND 12 IN BLOCK 1 IN THE SUBDIVISION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4857-4859 S. St. Lawrence Avenue/600-612 E. 49th Street, Chicago, Illinois
P.I.N. No. 20-10-211-021

PARCEL 4: (BUILDING 4)

THE NORTH 25.00 FEET OF LOT 1 IN BLOCK 1 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4901 S. St. Lawrence Avenue (formerly 4900 Block S. St. Lawrence Avenue), Chicago, Illinois
P.I.N. No. 20-10-219-001

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PARCEL 5: (BUILDING 5)

LOT 1, EXCEPT THE NORTH 25.00 FEET THEREOF, AND THE NORTH HALF OF LOT 2 IN BLOCK 1 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4903-4905 S. St. Lawrence Avenue (formerly 4900 Block S. St. Lawrence Avenue), Chicago, Illinois
P.I.N. No. 20-10-219-001

PARCEL 6: (BUILDING 6-INCLUDING OPEN SPACE)

THE SOUTH HALF OF LOT 2, ALL OF LOT 3 AND THE NORTH 20.00 FEET OF LOT 4 ALL IN BLOCK 1 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4907-4909 S. St. Lawrence Avenue (formerly 4900 Block S. St. Lawrence Avenue), Chicago, Illinois
P.I.N. No. 20-10-219-001

PARCEL 7: (BUILDING 7)

LOT 8 IN ROBERT'S SUBDIVISION OF PART OF THE NORTH HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4914-4916 S. St. Lawrence Avenue, Chicago, Illinois
P.I.N. No. 20-10-218-035

PARCEL 8: (BUILDING 8)

LOT 4, EXCEPT THE NORTH 20.00 FEET THEREOF, IN BLOCK 1 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4921 S. St. Lawrence Avenue (formerly 4900 Block S. St. Lawrence Avenue), Chicago, Illinois
P.I.N. No. 20-10-219-001

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PARCEL 9: (BUILDING 9)

LOT 5 IN BLOCK 1 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4923-4925 S. St. Lawrence Avenue (formerly 4900 Block S. St. Lawrence Avenue), Chicago, Illinois
P.I.N. No. 20-10-219-001

PARCEL 10: (BUILDING 10)

LOT 6 IN BLOCK 1 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4927-4929 S. St. Lawrence Avenue (formerly 4900 Block S. St. Lawrence Avenue), Chicago, Illinois
P.I.N. No. 20-10-219-001

PARCEL 11: (BUILDING 11)

LOT 7 IN BLOCK 1 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4931-4933 S. St. Lawrence Avenue (formerly 4900 Block S. St. Lawrence Avenue), Chicago, Illinois
P.I.N. No. 20-10-219-001

PARCEL 12: (BUILDING 12)

LOT 3 IN BLOCK 2 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4911-4913 S. Champlain Avenue, Chicago, Illinois
P.I.N. No. 20-10-220-002 and 20-10-220-003

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PARCEL 13: (BUILDING 13)

LOT 16 IN BLOCK 1 IN WASHINGTON PARK SUBDIVISION OF THE NORTHWEST QUARTER OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 4940-4942 S. Champlain Avenue, Chicago, Illinois
P.I.N. No. 20-10-219-014

PARCEL 14: (BUILDING 14)

THE NORTH HALF OF LOT 5 (EXCEPT THAT PART TAKEN FOR ST. LAWRENCE AVENUE) (LYING WEST OF THE EAST 173.83 FEET THEREOF) IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTH EAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 601-603 E. 50th Street (formerly 600 Block E. 50th Street), Chicago, Illinois
P.I.N. No. 20-10-225-001 and 20-10-225-002

PARCEL 15: (BUILDING 15)

THE WEST 50 FEET OF THE EAST 173.83 FEET OF THE NORTH HALF OF LOT 5 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 605-609 E. 50th Street (formerly 600 Block E. 50th Street), Chicago, Illinois
P.I.N. No. 20-10-225-002 and 20-10-225-003

PARCEL 16: (BUILDING 16)

THE EAST 49.75 FEET OF THE NORTH HALF OF LOT 5 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 615-617 E. 50th Street (formerly 619-21 E. 50th Street), Chicago, Illinois
P.I.N. No. 20-10-225-005

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PARCEL 17: (BUILDING 17)

LOTS 1 AND 2 IN MERRILL'S SUBDIVISION OF LOT 4 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 647-649 E. 50th Street, Chicago, Illinois
P.I.N. No. 20-10-226-006 and 20-10-226-005

PARCEL 18: (BUILDING 18)

LOTS 1 AND 2 IN THE SUBDIVISION OF LOT 2 IN LAVINIA AND COMPANY'S SUBDIVISION OF GARDEN AND COTTAGE LOTS OF THE SOUTH QUARTER OF THE NORTHEAST QUARTER OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 711-713 E. 50th Street, Chicago, Illinois
P.I.N. No. 20-10-226-015

Revised 9/16/04

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EXHIBIT B

HUD-REQUIRED PROVISIONS RIDER

THIS RIDER is attached and made a part of that certain Housing Loan Agreement (the "Document"), dated as of October 25, 1996, entered into between the City of Chicago, Illinois, an Illinois municipal corporation (the "Subordinate Lender"), through its Department of Housing ("DOH"), having its offices at 318 South Michigan Avenue, Chicago, Illinois 60604, Technical Assistance Corporation for Housing, an Illinois not-for-profit corporation ("TACH"), and Willard Square Limited Partnership, an Illinois limited partnership (the "Owner") relating to the property (the "Property") as described in Exhibit A of the Document, as amended by that certain First Amendment dated January 7, 1999 and recorded in the Office of the Recorder of Deeds of Cook County, Illinois as Document No. 99049753 (the "First Amendment"), and as amended by that certain Second Loan Amendment and Subordination Agreement dated September 16, 2004, between the Owner, TACH, and the Subordinate Lender (the "Second Amendment" collectively with the Document and the First Amendment are referred to herein as the "Amended Document"). Except as provided in paragraph R-6 below, in the event of any conflict, inconsistency or ambiguity between the provisions of this Rider and the provisions of the Amended Document, the provisions of this Rider shall control. All capitalized terms used herein and not otherwise defined herein shall have the meanings given to such terms in the Amended Document. As used herein, the term "HUD" shall mean the United States Department of Housing and Urban Development; and the term "FHA" shall mean the Federal Housing Administration, an organizational unit of HUD; and the term "HUD/FHA Loan Documents" shall mean the following documents relating to the HUD-insured Mortgage Note (as defined below) for the Project (Project No. 071-32142):

1. Commitment for Insurance of Advances, dated September 30, 2003, as amended October 14, 2003 and January 16, 2004, issued by the Secretary of HUD to Midland Loan Services, Inc. ("Mortgagee");
2. Mortgage Note, dated, September 1, 2004, made by the Owner payable to the order of Mortgagee in the principal amount of \$4,264,300;
3. Mortgage, dated September 1, 2004 made by the Owner in favor of Mortgagee and encumbering the Property as security for the said mortgage loan (the "Mortgage");
4. Security Agreement (Chattel Mortgage), dated September 1, 2004, between the Owner, as debtor, and Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party;

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- E. UCC-1 and UCC-2 Financing Statements made by the Owner, as debtor, in favor of Mortgagee and/or the Secretary of HUD as their interests may appear, as secured party; and
- F. Regulatory Agreement for Multifamily Housing Projects, dated September 1, 2004, between the Owner and HUD (the "HUD Regulatory Agreement").
- R-1 Notwithstanding anything in the Amended Document to the contrary, the provisions of the Amended Document are subordinate to all applicable federal statutes, HUD mortgage insurance regulations and related HUD directives and administrative requirements other than those HUD Mortgage insurance regulations, related HUD directives or administrative requirements which have been waived in writing by HUD with respect to the Project. The provisions of the Amended Document are expressly subordinate to the HUD/FHA Loan Documents. In the event of any conflict between the provisions of the Amended Document and the provisions of applicable federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements, or HUD/FHA Loan Documents, the federal statutes, HUD mortgage insurance regulations, related HUD directives and administrative requirements and HUD/FHA Loan Documents shall control, except for those HUD mortgage insurance regulations, related HUD directives or administrative requirements which have been waived in writing by HUD with respect to the Project.
- R-2 Failure on the part of the Owner to comply with the covenants contained in the Amended Document shall not serve as the basis for default on any HUD-insured or HUD-held mortgage on the Property.
- R-3 Compliance by the Owner with the provisions and covenants of the Amended Document and enforcement of the provisions and covenants contained in the Amended Document, including, but not limited to, any indemnification provisions or covenants, will not and shall not result in any claim or lien against the Project, any asset of the Project, the proceeds of the Mortgage, any reserve, or deposit required by HUD in connection with the Mortgage transaction or the rents or other income from the Project, other than distributable "Surplus Cash" (as that term "Surplus Cash" is defined in the HUD Regulatory Agreement)
- R-4 No amendment to the Amended Document made after the date of any HUD endorsement of the Mortgage Note shall have any force or effect until and unless such amendment is approved in writing by HUD. No amendment made after the aforesaid date to any HUD/FHA Loan Document shall be binding upon the Subordinate Lender unless the Subordinate Lender has consented thereto in writing.

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- R-5 Unless waived in writing by HUD with respect to the Project, any action of the Owner which is prohibited or required by HUD pursuant to applicable federal law, HUD regulations, HUD directives and administrative requirements or the HUD/FHA Loan Documents shall supersede any conflicting provision of the Amended Document, and the performance or failure to perform of the Owner in accordance with such laws, regulations, directives, administrative requirements or HUD/FHA Loan Documents shall not constitute an event of default under the Amended Document.
- R-6 So long as HUD is the insurer or holder of any mortgage on the Project or any indebtedness secured by a mortgage on the Project, the Owner shall not and is not permitted to pay any amount required to be paid under the provisions of the Amended Document except from distributable Surplus Cash, as such term is defined in, and in accordance with the conditions prescribed in the HUD Regulatory Agreement, unless otherwise specifically permitted in writing by HUD. Failure to pay, when due, any such required amount due to lack of distributable Surplus Cash shall not be an event of default under the Amended Document but such amount shall accrue and be payable when there is sufficient available Surplus Cash or at the unaccelerated maturity date of the Note, whichever shall first occur.
- R-7 In the event of the appointment by any court of any person, other than HUD or the Mortgagee, as a receiver, as a mortgagee or party in possession, or in the event of any enforcement of any assignment of leases, rents, issues, profits, or contracts contained in the Amended Document, with or without court action, no rents, revenue or other income of the Project collected by the receiver, person in possession or person pursuing enforcement as aforesaid, shall be utilized for the payment of interest, principal or any other amount due and payable under the provisions of the Amended Document except from distributable Surplus Cash in accordance with the HUD Regulatory Agreement. The receiver, person in possession or person pursuing enforcement shall operate the Project in accordance with all provisions of the HUD/FHA Loan Documents.
- R-8 A duplicate of each notice given, whether required or permitted to be given under the provisions of the Amended Document shall also be given to:

Department of Housing and Urban Development
77 West Jackson Blvd.
Chicago, IL 60604
Attention: Director of Multi-Family Housing
Project No. 071-32142

HUD may designate any further or different addresses for such duplicate notices.

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- R-9 Notwithstanding anything in the Amended Document to the contrary, the Owner and its successors and assigns may sell, convey, transfer, lease, sublease or encumber the Project or any part thereof provided it obtains the prior written consent of HUD to any such sale, conveyance, transfer, lease, sublease or encumbrance. The Owner may make application to HUD for approval of a Transfer of Physical Assets in accordance with HUD regulations, directives and policies. A duplicate copy of such application shall be served on the Subordinate Lender. Within 90 days after such service, the Subordinate Lender shall serve written notice of its approval of such transfer, or of its requirements for approval of such transfer, on HUD, the Mortgagee and the Owner. No such transfer shall occur or be effective until the Subordinate Lender's requirements shall have been satisfied. In the event the Subordinate Lender fails to serve such notice on HUD, the Mortgagee and the Owner within said time, then any consent by HUD to such transfer shall be conclusively deemed to be the Subordinate Lender's prior written consent to such transfer and consummation of such transfer shall not be a default under the Amended Document.
- R-10 The Amended Document and all covenants and provisions therein and all lien rights created thereby, if any, shall automatically terminate in the event of a deed in lieu of foreclosure of any mortgage insured or held by HUD with respect to the Project or any portion thereof. Upon such termination, Subordinate Lender shall furnish to HUD and the Mortgagee such releases and other documentation as HUD or the Mortgagee shall deem necessary or convenient to confirm or evidence such termination.
- R-11 Notwithstanding anything in the Amended Document to the contrary, the provisions of this HUD-Required Provisions Rider are for the benefit of and are enforceable by HUD and the Mortgagee.

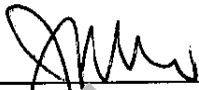
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Executed as of the date set forth above.

MUNICIPALITY:

CITY OF CHICAGO, ILLINOIS

By: 

Name: Commissioner

Its: _____, Department of Housing

OWNER:

WILLARD SQUARE LIMITED PARTNERSHIP,
an Illinois limited partnership

By: **TACH Willard Square Development Corporation,**
an Illinois not-for-profit corporation
General Partner

By: _____

Its: _____

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UNOFFICIAL COPY

Executed as of the date set forth above.

MUNICIPALITY:

CITY OF CHICAGO, ILLINOIS

By: _____

Name: _____

Its: _____ Department of Housing

OWNER:

WILLARD SQUARE LIMITED PARTNERSHIP,
an Illinois limited partnership

By: **TACH Willard Square Development Corporation,**
an Illinois not-for-profit corporation
General Partner

By: *Ralph [Signature]*

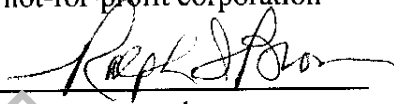
Its: *Pres*

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Executed as of the date set forth above.

TACH Willard Square Development Corporation,
an Illinois not-for-profit corporation

By: 

Its: Pres.

Technical Assistance Corporation For Housing,
an Illinois not-for-profit corporation

By: 

Its: Pres.

Property of Cook County Clerk's Office