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Prepared By
And When Recorded Mail To:
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Chicago, Illinois 60602
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Doc#: 0720433219 Fee: \$112.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 07/23/2007 02:11 PM Pg: 1 of 45



20 of 29

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LEASEHOLD MORTGAGE, with Assignment of Rents, Security Agreement and Fixture Filing

THIS LEASEHOLD MORTGAGE SERVES AS A FIXTURE FILING UNDER THE ILLINOIS UNIFORM COMMERCIAL CODE.

GRANTOR'S ORGANIZATIONAL IDENTIFICATION NUMBER IS S022210.

THIS MORTGAGE SECURES ALL PRESENT AND FUTURE LOAN DISBURSEMENTS MADE IN ACCORDANCE WITH THE TERMS OF THE LOAN AGREEMENT (AS DEFINED HEREIN).

THIS MORTGAGE SECURES A VARIABLE RATE FINANCING ARRANGEMENT WHICH VARIES ACCORDING TO CHANGES IN CERTAIN CONTRACT RATES OF INTEREST IN ACCORDANCE WITH THE TERMS OF THE LOAN AGREEMENT.

The parties to this Construction Leasehold Mortgage, with Assignment of Rents, Security Agreement, and Fixture Filing (this "Security Instrument"), dated for reference purposes as of July 20, 2007, are **ROOSEVELT SQUARE II LIMITED PARTNERSHIP**, an Illinois limited partnership, whose mailing address is c/o Related Midwest LLC, 350 W. Hubbard, Suite 300, Chicago, Illinois 60610, as grantor (the "Grantor"), and **HARRIS N.A.**, a national banking association, whose mailing address is at 111 W. Monroe, 2nd Floor East, Chicago, Illinois 60603 (the "Grantee").

Capitalized terms used above and elsewhere in this Security Instrument without definition have the meanings given them in the Loan Agreement referred to and defined below. All terms not defined herein or in the Loan Agreement shall have the meanings given them in the Uniform Commercial Code, as enacted in the State of Illinois or under the Uniform Commercial Code of any other state to the extent the same may be deemed applicable law (collectively, as in effect from time to time, the "UCC".) (If a term is defined differently in Article 9 of the UCC than in another Article, Article 9 shall control.)

Near North National Title
222 N. LaSalle
Chicago, IL 60601

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1. Grant and Secured Obligations.

1.1 Grant. In consideration and for the purpose of securing payment and performance of the Secured Obligations (as defined below), Grantor hereby irrevocably and unconditionally mortgages, warrants, grants, bargains, conveys, sells, transfers, and assigns to Grantee, with mortgage covenants and right of entry and possession, all estate, right, title, and interest which Grantor now has or may later acquire in and to the following property (all or any part of such property, or any interest in all or any part of it, as the context may require, the "Property"):

(a) The real property located in Cook County, Illinois, as more fully described in Exhibit A attached hereto and made a part hereof, together with all rights, privileges, easements, appurtenances, tenements, hereditaments, rights of way, appendages, projections, water rights including riparian and littoral rights and whether or not appurtenant, streets, ways, alleys, and strips and gores of land, now or hereafter in any way belonging, adjoining, crossing or pertaining to such real property (the "Land"); together with

(b) All of Grantor's right, title and interest in a leasehold estate in a portion of the Land described in Exhibit A-1 attached hereto and made a part hereof created by that certain Ground Lease, of even date herewith, between Chicago Housing Authority, an Illinois municipal corporation ("CHA"), as landlord, and Heartland Housing, Inc., an Illinois nonprofit corporation ("Heartland"), as lessee, and assigned by Heartland to Grantor pursuant to that certain Assignment, Assumption and Amendment of Ground Lease of even date herewith between Heartland and Grantor (the "Residential Ground Lease"), which Residential Ground Lease is being recorded contemporaneously with this Mortgage in the Official Records of Cook County, Illinois, including, without limitation (i) all options to extend or renew the Residential Ground Lease (and the leasehold estate for the term of such extension or renewal), (ii) all options and rights of first refusal contained in the Residential Ground Lease to purchase the real property which is subject to the Residential Ground Lease and (iii) all of Grantor's rights, titles and interests under and in connection with the Residential Ground Lease; together with

(c) All of Grantor's right, title and interest in a leasehold estate in a portion of the Land described in Exhibit A-2 attached hereto and made a part hereof created by that certain Ground Lease, of even date herewith, between CHA, as landlord, and Heartland, as lessee, and assigned by Heartland to Grantor pursuant to that certain Assignment, Assumption and Amendment of Ground Lease of even date herewith between Heartland and Grantor (the "Mixed Use Ground Lease"), which Mixed Use Ground Lease is being recorded contemporaneously with this Mortgage in the Official Records of Cook County, Illinois, including, without limitation (i) all options to extend or renew the Mixed Use Ground Lease (and the leasehold estate for the term of such extension or renewal), (ii) all options and rights of first refusal contained in the Mixed Use Ground Lease to purchase the real property which is subject to the Mixed Use Ground Lease and (iii) all of Grantor's rights, titles and interests under and in connection with the Mixed Use Ground Lease; together with

(d) All of Grantor's right, title and interest in a leasehold estate in a portion of the Land described in Exhibit A-3 attached hereto and made a part hereof created by that certain Ground Lease, of even date herewith, between CHA, as landlord, and Heartland, as lessee, and assigned by Heartland to Grantor pursuant to that certain Assignment, Assumption and Amendment of Ground Lease of even date herewith between Heartland and Grantor (the "Retail Ground Lease," and, together with the Residential Ground Lease and the Mixed Use Ground Lease, the "Ground Leases"), which Retail Ground Lease is being recorded contemporaneously with this Mortgage in the Official Records of Cook County, Illinois, including, without limitation (i) all options to extend or renew the Retail Ground Lease (and the leasehold estate for the term of such extension or renewal), (ii) all options and rights of first refusal contained in the Retail Ground Lease to purchase the real property or any portion thereof which is subject

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to the Retail Ground Lease and (iii) all of Grantor's rights, titles and interests under and in connection with the Retail Ground Lease; together with

(e) All buildings, structures and improvements now located or later to be constructed on the Land (the "Improvements"); together with

(f) All articles of personal property (including those specified below) and any software embedded therein now owned or hereafter acquired by Grantor and attached to, placed upon for an indefinite term, or used in connection with the Land and/or Improvements, together with all goods and other property that are, or at any time become, so related to the Property that an interest in them arises under real estate law, or they are otherwise a "fixture" under applicable law (each a "Fixture," collectively "Fixtures"); together with

(g) All existing and future as-extracted collateral produced from or allocated to the Land, including all minerals, oil, gas, other hydrocarbons and associated substances, sulfur, nitrogen, carbon dioxide, helium and any other commercially valuable substances which may be in, under or produced from any part of the Land, and all products processed or obtained therefrom and the proceeds thereof; together with

(h) All existing and future leases, subleases, subtenancies, licenses, occupancy agreements, concessions, and other agreements of any kind relating to the use or occupancy of all or any portion of the Property, whether now in effect or entered into in the future (each a "Lease," collectively, the "Leases") relating to the use and enjoyment of all or any part of the Land and Improvements, all amendments, extensions, renewals, or modifications thereof (subject to Grantee's right to approve same pursuant to the terms of the Loan Agreement, as hereinafter defined), and any and all guaranties of, and security for, lessees' performance under any and all Leases, and all other agreements relating to or made in connection with any of such Leases; together with

(i) All rents (and payments in lieu of rents), royalties, issues, profits, income, proceeds, payments, and revenues of or from the Property, and/or at any time payable under any and all Leases, including all rent loss insurance proceeds, prepaid rents and any and all security deposits received or to be received by Grantor pursuant to any and all Leases, and all rights and benefits accrued, or to accrue, to Grantor under any and all Leases (some or all collectively, as the context may require, "Rents"), provided, however, that Rents collected with respect to the public housing units governed by that certain Regulatory and Operating Agreement ("R&O Agreement"), of even date herewith between the CHA and Grantor and recorded substantially concurrently herewith, shall be used in accordance with the R&O Agreement; together with

(j) All rights to the name, signs, trade names, trademarks, trademark applications, service marks, licenses, software, and symbols used in connection with the Land and Improvements; together with

(k) All goods, materials, supplies, chattels, furniture, fixtures, machinery, apparatus, fittings, equipment, and articles of personal property of every kind and nature whatsoever, including consumable goods, now or hereafter located in or upon the Property or any part thereof, or to be attached to or placed in or on, or used or useable in connection with any present or future use, enjoyment, occupancy or operation of all or any part of the Land and Improvements, whether stored on the Land or elsewhere, including by way of description but without limiting the generality of the foregoing, all computer systems, telephone and telecommunication systems, televisions and television systems, pumps or pumping plants, tanks, motors, conduits, engines, pipes, ditches and flumes, and also all gas and electrical apparatus (including, but not limited to, all electrical transformers, switches, switch boxes, and

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equipment boxes), cooking, heating, cooling, air conditioning, sprinkler equipment, lighting, power equipment, ventilation, incineration, refrigeration and plumbing apparatus, fixtures and equipment, screens, storm doors and windows, stoves, wall beds, refrigerators, attached cabinets, partitions, ovens, ranges, disposals, dishwashers, carpeting, plants and shrubbery, ground maintenance equipment, ducts and compressors; together with all building materials, goods and personal property on or off the Property intended to be affixed to or incorporated in the Property but not yet affixed to or incorporated in the Property, all which shall be considered to the fullest extent of the law to be real property for purposes of this Security Instrument; together with

(l) To the extent not expressly prohibited by law, all federal, state, and local tax credits, and other tax benefits related to the Property; together with

(m) All rights to the payment of money and all guaranties thereof and judgments therefor, accounts, accounts receivable, reserves, deferred payments, refunds of real property and personal property taxes and other refunds, cost savings, payments and deposits, whether now or later to be received from third parties (including all earnest money sales deposits) or deposited by Grantor with third parties (including all utility deposits), warranty rights, contract rights, management contracts, service contracts, construction and architectural contracts, contracts for the purchase and sale of the Property or any part thereof, end-loan or other financing commitments, development and use rights, governmental permits and licenses, applications, architectural and engineering plans, specifications and drawings, as-built drawings, chattel paper, instruments, documents, promissory notes, drafts, letters of credit (other than letters of credit in favor of Grantee), letter of credit rights (whether or not the letter of credit is evidenced by a writing), supporting obligations, and general intangibles, including payment intangibles (whether any of the foregoing are tangible or electronic), which arise from or relate to construction on the Land or to any business now or later to be conducted on it, or to the Land and Improvements generally; together with

(n) All insurance policies (and the unearned premiums therefor) and bonds required by the Loan Agreement and all proceeds thereof, and all proceeds (including all claims to and demands for them) of the voluntary or involuntary conversion of any of the Land, the Improvements, or the other property described above into cash or liquidated claims, including proceeds of all present and future fire, hazard or casualty insurance policies and all condemnation awards or payments now or later to be made by any public body or decree by any court of competent jurisdiction for any taking or in connection with any condemnation or eminent domain proceeding, and all causes of action and their proceeds for any damage or injury to, or defect in, the Land, the Improvements, or the other property described above or any part of them, or breach of warranty in connection with the construction of the Improvements, including causes of action arising in tort, contract, fraud, misrepresentation, or concealment of a material fact; together with

(o) All books, records and all recorded data of any kind or nature (regardless of the medium of recording) pertaining to any and all of the property described above, including records relating to tenants under any leases, and the qualification of such tenants, and all certificates, vouchers, and other documents in any way related thereto, and all records relating to the application and allocation of any federal, state, and local tax credits or benefits, including computer-readable memory and any computer hardware or software necessary to access and process such memory (collectively, the "Books and Records"); together with

(p) All commercial tort claims Grantor now or hereafter acquires relating to any of the property described above; together with

(q) All software embedded within or used in connection with any of the property described above; together with

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(r) All rights and interest of Grantor under the R&O Agreement, including without limitation Grantor's interest in the Operating Subsidy (as defined in the R&O Agreement), provided that, notwithstanding anything to the contrary contained in this Security Instrument, the Operating Subsidy is assigned only to the extent permitted by the R&O Agreement and the Tenant Housing Payments (as defined in the R&O Agreement) are excluded from this assignment to the extent that such Tenant Housing Payments constitute the property of the CHA pursuant to the R&O Agreement; together with

(s) All rights and interest of Grantor as "Declarant" under that certain Declaration of Covenants, Conditions, Restrictions and Easements of even date herewith made by Grantor with respect to the Property; together with

(t) All products, accounts, and proceeds (cash or non-cash) of, additions, betterments, extensions, accessions and accretions to, substitutions, renewals and replacements for, and changes in any of the property described above, including all proceeds of any voluntary or involuntary disposition or claim respecting any such property (arising out of any judgment, condemnation or award, or otherwise arising) and all supporting obligations ancillary to or arising in connection therewith, general intangibles (including payment intangibles) arising in connection therewith, and all goods, accounts, instruments, documents, promissory notes, chattel paper, deposit accounts, supporting obligations, and general intangibles (including payment intangibles) (whether any of the foregoing are tangible or electronic), wherever located, acquired with cash proceeds of any of the foregoing or its proceeds.

Grantor shall and will warrant and forever defend the above-bargained Property in the quiet and peaceable possession of Grantee, its successors and assigns, against all and every person or persons lawfully claiming or to claim the whole or any part thereof. Grantor agrees that any greater title to the Property hereafter acquired by Grantor during the term hereof shall be subject hereto.

1.2 Secured Obligations.

(a) Grantor makes the grant, bargain, conveyance, sale, transfer, and assignment set forth above and grants the security interest set forth in Section 3 below for the purpose of securing the following obligations (the "Secured Obligations") in such order of priority as Grantee may determine:

(i) Payment and performance of all obligations of Grantor under this Security Instrument; and

(ii) Payment and performance of all obligations of Grantor under a Construction Loan Agreement dated as of even date herewith, between Grantor and Grantee (the "Loan Agreement"), under any Loan Documents (as such term is defined in the Loan Agreement), and under any rate lock agreement or interest rate protection agreement (such as any interest rate swap agreement, International Swaps and Derivatives Association, Inc. Master Agreement, or similar agreement or arrangements now existing or hereafter entered into by Grantor and Grantee in connection with the financing provided pursuant to the Loan Agreement to hedge the risk of variable rate interest volatility or fluctuations in interest rates as any such agreement or arrangement may be modified, supplemented and in effect from time to time) executed by Grantor in connection with the financing evidenced by the Loan Agreement; provided, however, this Security Instrument does not secure any obligation under any Loan Document, or any provision of any Loan Document, that is expressly stated to be unsecured; and

(iii) Payment and performance of all obligations at any time owing under the Construction Loan Note in an original principal amount not to exceed Two Million and No/100 Dollars (\$2,000,000) and the Bridge Loan Note in an original principal amount not to exceed

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Fifteen Million and No/100 Dollars (\$15,000,000) (as such terms are defined in the Loan Agreement); and

(iv) Payment and performance of all future advances and other obligations that Grantor, or any successor in interest to Grantor, and/or any other obligor (if different than Grantor), or any successor in ownership of all or part of the Property, may agree to pay and/or perform (whether as principal, surety, or guarantor) for the benefit of Grantee, when a writing evidences the parties' agreement that the advance or obligation be secured by this Security Instrument; and

(v) Payment and performance of all modifications, amendments, extensions, and renewals, however evidenced, of any of the Secured Obligations, including any successor agreements or instruments which restate and supersede any agreements or instruments evidencing the Secured Obligations.

(b) All persons who may have or acquire an interest in all or any part of the Property will be considered to have notice of, and will be bound by, the terms of the Secured Obligations and each other agreement or instrument made or entered into in connection with each of the Secured Obligations. Such terms include any provisions in the Loan Agreement, any Construction Loan Note or the Bridge Loan Note which permit borrowing, repayment and reborrowing, or which provide that the interest rate on one or more of the Secured Obligations may vary from time to time.

2. Assignment of Lessor's Interest in Leases and Assignment of Rents.

2.1 Absolute Assignment. Effective upon the recordation of this Security Instrument, Grantor hereby irrevocably, absolutely, presently, and unconditionally assigns, transfers, and sets over to Grantee:

(a) All of Grantor's right, title, and interest in, to, and under any and all Leases, and any and all guaranties of, and security for, lessees' performance under any and all Leases, and all other agreements relating to or made in connection with any of such Leases; and

(b) All Rents.

In the event that anyone establishes and exercises any right to develop, bore for, or mine for any water, gas, oil, or mineral on or under the surface of the Property, any sums that may become due and payable to Grantor as bonus or royalty payments, and any damages or other compensation payable to Grantor in connection with the exercise of any such rights, shall also be considered Rents assigned under this Section.

THIS IS AN ABSOLUTE ASSIGNMENT, NOT AN ASSIGNMENT FOR SECURITY ONLY.

Notwithstanding the foregoing, (i) the Grantee agrees that the exercise, extra judicially, of the rights and benefits conferred upon Grantee by this Article shall not be exercisable without HUD's prior written consent so long as the R&O Agreement remains in effect, and (ii) Tenant Housing Payments (as defined in the R&O Agreement) and any Operating Subsidy (as defined in the R&O Agreement) may only be assigned to the extent permitted by Section 1.1(q).

2.2 Grant of License. Grantee hereby confers upon Grantor a license (the "License") to collect and retain the Rents as they become due and payable, so long as no Event of Default (as such term is defined below) shall exist. Upon the occurrence of an Event of Default, the License shall terminate

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(automatically and without notice or demand of any kind and without regard to the adequacy of Grantee's security under this Security Instrument.)

2.3 Collection and Application of Rents and Enforcement of Leases. Subject to the License granted to Grantor above and the other provisions of this Section, Grantee has the right, power, and authority to collect any and all Rents and enforce the provisions of any Lease. In connection with the provisions of this Section, Grantor hereby constitutes and irrevocably appoints Grantee its attorney-in-fact, with full power of substitution, to perform any and all of the following acts, if and at the times when Grantee in its sole and absolute discretion may so choose:

- (a) Demand, receive, and enforce payment of any and all Rents and endorse all checks and other payment instruments related thereto;
- (b) Give receipts, releases, and satisfactions for any and all Rents;
- (c) Sue either in the name of Grantor or in the name of Grantee for any and all Rents,
- (d) Enforce the provisions of any and all Leases;
- (e) Enter into Leases; and/or
- (f) Perform and discharge any and all undertakings of Grantor or otherwise under any Lease.

The appointment granted in this Section shall be deemed to be a power coupled with an interest. Grantee's rights under this Section do not depend on whether or not Grantee takes possession of the Property as permitted under this Security Instrument. In Grantee's sole and absolute discretion, Grantee may choose to collect Rents or enforce any and all Leases either with or without taking possession of the Property and either in person or through a court-appointed receiver. Grantee's rights and powers under this Section are in addition to the other remedies herein provided for upon the occurrence of an Event of Default and may be exercised independently of or concurrently with any other such remedies.

2.4 Notice. All lessees under any and all Leases are hereby irrevocably authorized and notified by Grantor to rely upon and to comply with (and will be fully protected in so doing) any notice or demand by Grantee for the payment to Grantee of any rental or other sums which may at any time become due under the Leases, or for the performance of any of lessees' undertakings under the Leases, and lessees have no right or duty to inquire whether any Event of Default has actually occurred or is then existing hereunder or to obtain Grantor's consent.

2.5 Proceeds. Grantee has the right to apply all amounts received by it pursuant to this assignment to pay any of the following in the amounts and in the order Grantee deems appropriate: (a) any and all Secured Obligations, together with all costs and attorneys' fees; (b) all expenses of leasing, operating, maintaining, and managing the Property, including, without limitation, the salaries, fees, commissions and wages of a managing agent, and the other employees, agents, or independent contractors; (c) taxes, charges, claims, assessments, any other liens, and premiums for all insurance; and (d) the cost of all alterations, renovations, repairs or replacements, and all expenses incident to taking and retaining possession of the Property. In addition, Grantee may hold the same as security for the payment of the Secured Obligations. Grantee shall have no liability for any funds which it does not actually receive.

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2.6 Grantee Not Responsible. Under no circumstances shall Grantee have any duty to produce Rents from the Property. Regardless of whether or not Grantee, in person or by agent, takes actual possession of the Land and the Improvements, Grantee is not and shall not be deemed to be:

- (a) A "mortgagee in possession" for any purpose; or
- (b) Responsible for performing any of the obligations of the Grantor as lessor under any lease; or
- (c) Responsible for any waste committed by lessees or any other parties, any dangerous or defective condition of the Property, or any negligence in the management, upkeep, repair or control of the Property; or
- (d) Except to the extent directly attributable to Grantee's gross negligence or willful misconduct, liable in any manner for the Property or the use, occupancy, enjoyment or operation of all or any part of it.

2.7 Leasing. Grantor shall not accept any deposit or prepayment of Rents for any rental period exceeding one (1) month without Grantee's express prior written consent. Grantor shall not lease the Property or any part of it except strictly in accordance with the Loan Agreement. Grantor shall apply all Rents received by it in the manner required by the Loan Agreement.

3. Grant of Security Interest.

3.1 Security Agreement. The parties intend for this Security Instrument to create a lien on the Property, and an absolute assignment of the Rents and Leases, all in favor of Grantee. The parties acknowledge that some of the Property and some of the Rents and Leases may be determined under applicable law to be personal property or fixtures. To the extent that any Property, Rents, or Leases may be or be determined to be personal property, Grantor, as debtor, hereby grants to Grantee, as secured party, a security interest in all such Property, Rents, and Leases, to secure payment and performance of the Secured Obligations. This Security Instrument constitutes a security agreement under the UCC covering all such Property, Rents, and Leases. To the extent such Property, Rents, or Leases are not real property encumbered by the lien granted above, and are not absolutely assigned by the assignment set forth above, it is the intention of the parties that such Property, Rents, and/or Leases shall constitute "proceeds, products, offspring, rents, or profits" (as defined in and for the purposes of Section 552(b) of the United States Bankruptcy Code, as such section may be modified or supplemented) of the Land and Improvements.

3.2 Financing Statements; Authorization to File; Power of Attorney. Grantor hereby authorizes Grantee, at any time and from time to time, to file any initial financing statements, amendments thereto and continuation statements with or without the signature of Grantor as authorized by applicable law, as applicable to the Property or any part thereof. Grantor shall pay all fees and costs that Grantee may incur in filing such documents in public offices and in obtaining such record searches as Grantee may reasonably require and all other reasonable fees and costs Grantee incurs in connection with perfection of its security interests. For purposes of such filings, Grantor agrees to promptly furnish any information requested by Grantee. Grantor also ratifies its authorization for Grantee to have filed any like initial financing statements, amendments thereto, or continuation statements if filed prior to the date of this Security Instrument. Grantor hereby irrevocably constitutes and appoints Grantee, with full power of substitution, as its true and lawful attorneys-in-fact with full irrevocable power and authority in the place and stead of Grantor to execute in Grantor's name any such documents and to otherwise carry out the purposes of this Section, to the extent that Grantor's authorization above is not sufficient. Such power is

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deemed to be coupled with an interest, and is therefore irrevocable. If any financing statement or other document is filed in the records normally pertaining to personal property, that filing shall never be construed as in any way derogating from or impairing this Security Instrument or the rights or obligations of the parties under it.

Everything used in connection with the Property and/or adapted for use therein and/or which is described or reflected in this Security Instrument is, and at all times and for all purposes and in all proceedings both legal or equitable shall be regarded as part of the real estate encumbered by this Security Instrument regardless of whether (i) any such item is physically attached to the Improvements, (ii) serial numbers are used for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Grantee or (iii) any such item is referred to or reflected in any such financing statement so filed at any time. Similarly, the mention in any such financing statement of (1) rights in or to the proceeds of any fire and/or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for lessening of value, or (3) Grantor's interest as lessor in any present or future lease or rights to income growing out of the use and/or occupancy of the property conveyed hereby, whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Grantee as determined by this instrument or impugning the priority of Grantee's lien granted hereby or by any other recorded document. Such mention in the financing statement is declared to be solely for the protection of Grantee in the event any court or judge shall at any time hold, with respect to the matters set forth in the foregoing clauses (1), (2), and (3), that notice of Grantee's priority of interest is required in order to be effective against a particular class of persons, including but not limited to the federal government and any subdivisions or entity of the federal government, shall be filed in the UCC records.

4. Effective as a Financing Statement; Fixture Filing and Construction Mortgage. This Security Instrument constitutes a financing statement filed as a fixture filing under the applicable section of the UCC covering any Property which now is or later may become fixtures attached to the Land or Improvements. This Security Instrument shall also be effective as a financing statement covering as-extracted collateral (including oil and gas), accounts, and general intangibles under the UCC, which will be financed at the wellhead or minehead of the wells or mines located on the Land and is to be filed of record in the real estate records of each county where any part of the Land is situated. This Security Instrument shall also be effective as a financing statement covering any other Property and may be filed in any other appropriate filing or recording office. The mailing address of Grantor is the address of Grantor set forth at the end of this Security Instrument, and the address of the Grantee from which information concerning the security interests hereunder may be obtained is the address of Grantee set forth at the end of this Security Instrument. A carbon, photographic or other reproduction of this Security Instrument or of any financing statement related to this Security Instrument shall be sufficient as a financing statement for any of the purposes referred to in this Section. This Security Instrument is also a "Construction Mortgage," as defined in the UCC to the extent it secures an obligation incurred for the construction of an improvement on the Land (including the acquisition cost of the Land), or the refinancing of an obligation incurred for the construction of an improvement on the Land (including the acquisition cost of the Land).

5. Rights and Duties of the Parties.

5.1 Representations and Warranties. Grantor represents and warrants that, except as previously disclosed to Grantee in writing:

(a) Grantor is indefeasibly seized of and lawfully possesses and holds good and marketable leasehold interest to all of the Land and the Improvements, and Grantor and its successors and assigns warrant and shall forever defend title to the Property, subject only to such exceptions and

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conditions to title set forth in the Title Policy (as such term is defined in the Loan Agreement) or as otherwise approved in writing by Grantee in its sole and absolute discretion (the "Permitted Title Exceptions") (and any later such encumbrances approved by Grantee in writing), unto Grantee and Grantee's successors and assigns against the claims and demands of all persons claiming or to claim the same or any part thereof; and

(b) Grantor has the full and unlimited power, right and authority to encumber the Property and assign the Rents; and

(c) This Security Instrument creates a lien on the Property free and clear of all liens, encumbrances, and claims whatsoever, subject only to the Permitted Title Exceptions; and

(d) The Property includes all property and rights which may be reasonably necessary or desirable to promote the present and any reasonable future beneficial use and enjoyment of the Land and the Improvements; and

(e) Grantor owns any Property which is personal property free and clear of all liens, encumbrances, and claims whatsoever, as well as any security agreements, reservations of title, or conditional sales contracts, and there is no presently effective financing statement affecting such personal property on file in any public office, except with respect to junior indebtedness, if any, approved and permitted by Grantee as a Permitted Title Exception; nor is any of such personal property subject to a security interest having priority over Grantee's priority to the same other than security interests created pursuant to the Permanent Loan Documents and Grantor has the right to convey and encumber such property and will warrant and defend such property against the claims of all persons and parties; and

(f) The Property has frontage on and direct access for ingress and egress to publicly dedicated streets; and

(g) Electricity (and gas, if available), water facilities, sewer facilities and any other necessary utilities are, and at all times hereafter shall be, available in sufficient capacity to service the Property satisfactorily and any easements necessary to the furnishing of such utilities are or will be granted and duly recorded; and

(h) Grantor's exact legal name and organizational identification number (if any assigned by Grantor's state of incorporation or organization) are correctly set forth in this Security Instrument. Grantor is an organization of the type and (if not an unregistered entity) is incorporated in or organized under the laws of the state specified in the introductory paragraph of this Security Instrument. If Grantor is an unregistered entity (including a general partnership), it is organized under the laws of the state specified in the introductory paragraph of this Security Instrument. Grantor's principal place of business and chief executive office and the place where it keeps its Books and Records has for the preceding four months (or, if less, the entire period of the existence of Grantor) been and will continue to be (unless Grantor notifies Grantee of any change in writing at least thirty (30) days prior to the date of such change) the address of Grantor set forth at the end of this Security Instrument.

5.2 Taxes and Assessments.

(a) Grantor shall pay prior to delinquency all taxes, levies, charges and assessments, including assessments on appurtenant water stock (individually and collectively, an "Imposition"), imposed by any public or quasi-public authority or utility company that are (or if not paid, may become) a lien on all or part of the Property or any interest in it, or that, if not paid, may cause any decrease in the value of the Property or any part of it. If any Imposition becomes delinquent, Grantee may require

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Grantor to present evidence that it has been paid in full, on ten (10) days' written notice by Grantee to Grantor. Notwithstanding the foregoing provisions of this Section, Grantor may, at its expense, contest the validity or application of any Imposition by appropriate legal proceedings promptly initiated and conducted in good faith and with due diligence, provided that (i) Grantee is reasonably satisfied that neither the Property nor any part thereof or interest therein will be in danger of being sold, forfeited or lost as a result of such contest, and (ii) Grantor shall have posted a bond or furnished other security as may be reasonably required from time to time by Grantee; and provided further that if at any time payment of any obligation imposed upon Grantor by this Section becomes necessary to prevent a lien foreclosure sale or forfeiture or loss of the Property, or any part thereof, then Grantor, upon demand of Grantee, must pay the same in sufficient time to prevent such sale, forfeiture, or loss.

(b) Following an Event of Default (as such term is defined below), Grantor shall, upon demand of Grantee, pay monthly to Grantee an amount sufficient, as estimated by Grantee, to accumulate the sum required to pay thirty (30) days prior to the due date thereof the annual cost of any real property taxes and any assessments and the estimated next premiums for hazard and other required insurance on the Property. These funds will be held by Grantee (and may be commingled with other funds of Grantee) without interest and will be released to Grantor for payment of Impositions and insurance premiums, or directly applied to such costs by Grantee, as Grantee may elect.

5.3 Performance of Secured Obligations. Grantor shall promptly pay and perform each Secured Obligation in accordance with its terms.

5.4 Liens, Charges, and Encumbrances. Grantor shall immediately discharge any lien on the Property that Grantee has not expressly consented to in writing. Grantor shall pay when due each obligation secured by or reducible to a lien, charge, or encumbrance which now does or later may encumber all or part of the Property or any interest in it, whether the lien, charge, or encumbrance is or would be senior or subordinate to this Security Instrument. Grantor shall pay, perform and observe all obligations under any Permitted Title Exceptions, and will not modify or permit modification of them without Grantee's prior written consent. The following liens and encumbrances on the Property shall be prior to the lien of this Security Instrument and shall not constitute an Accelerating Transfer hereunder: (i) that certain Declaration of Restrictive Covenants of even date herewith executed by Grantor and CHA in favor of the United States Department of Housing and Urban Development (the "Declaration"), (ii) that certain Right of First Refusal Agreement of even date herewith executed by Grantor, CHA, and Roosevelt Square Rental II LLC, an Illinois limited liability company and CHA, (iii) the P&O Agreement, (iv) that certain Regulatory Agreement of even date herewith executed by the City of Chicago, Illinois, acting through its Department of Housing, and Grantor (v) that certain IHDA Low Income Housing Tax Credit Extended Use Agreement dated as of even date herewith executed by the Illinois Housing Development Authority, a municipal corporation of the State of Illinois, and Grantor; (vi) that certain Declaration of Covenants, Conditions, Restrictions and Easements made by Mortgagor of even date herewith and (vii) with respect to the 8 units to be purchased by Grantor pursuant to the Rental Unit Purchase Agreements (as defined in the Loan Agreement) and encumbered by this Mortgage, that certain Roosevelt Square/ABLA Project-Phase II Redevelopment Agreement of even date herewith by and among the City of Chicago, Grantor, RS Homes II LLC, an Illinois limited liability company, 1255 W. Roosevelt LLC, an Illinois limited liability company and 1355 W. Roosevelt LLC, an Illinois limited liability company. The liens on the Property of (v) that certain Junior Mortgage, Security Agreement and Financing Statement dated of even date herewith executed by Grantor in favor of CHA, (w) that certain Assignment of Rents and Leases dated of even date herewith executed by Grantor in favor of CHA, and (x) that certain Junior Leasehold Mortgage Assignment of Rents and Security Agreement of even date herewith executed by Grantor in favor of Grantee, as AHP lender, and (y) that certain Junior Leasehold Mortgage of even date herewith executed by Grantor in favor of Heartland Housing, Inc.,.

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5.5 Damages and Insurance and Condemnation Proceeds.

(a) Grantor hereby absolutely and irrevocably assigns to Grantee, and authorizes the payor to pay to Grantee, the following claims, causes of action, awards, payments, and rights to payment (whether awarded or to be awarded or which may be awarded because of judicial action, private action, settlement, or compromise):

(i) All awards of damages and all other compensation payable directly or indirectly because of a condemnation, proposed condemnation or taking for public or private use which affects all or part of the Property or any interest in it; and

(ii) All other awards, claims, and causes of action, arising out of any warranty affecting all or any part of the Property, or for damage or injury to or decrease in value of all or part of the Property or any interest in it; and

(iii) All proceeds of any insurance policies payable because of loss sustained to all or part of the Property, whether or not such insurance policies are required by Grantee; and

(iv) All interest which may accrue on any of the foregoing.

(b) Grantor shall immediately notify Grantee in writing if:

(i) Any damage occurs or any injury or loss is sustained to all or any part of the Property, or any action or proceeding relating to any such damage, injury, or loss is commenced; or

(ii) Any offer is made, or any action or proceeding is threatened or commenced, which relates to any actual or proposed condemnation or taking of all or part of the Property.

(c) If Grantee chooses to do so, Grantee may in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on warranty, or for damage, injury, or loss to all or part of the Property, and Grantee may make any compromise or settlement of the action or proceeding with respect to its rights and interests. Grantee, if it so chooses, may participate in any action or proceeding relating to condemnation or taking of all or part of the Property, and may join Grantor in adjusting any loss covered by insurance, and in connection therewith, Grantee shall have the right to be represented by counsel of its choice.

(d) All proceeds of these assigned claims and all other property and rights which Grantor may receive or be entitled to shall be paid to Grantee. In each instance, Grantee shall apply such proceeds first toward reimbursement of all of Grantee's costs and expenses of recovering the proceeds, including reasonable attorneys' fees. If, in any instance, each and all of the following conditions are satisfied in Grantee's reasonable judgment, Grantee shall permit Grantor to use the balance of such proceeds (the "Net Claims Proceeds") to pay costs of repairing or reconstructing the Property in the manner described below:

(i) The plans and specifications, cost breakdown, construction contract, construction schedule, contractor and payment and performance bond for the work of repair or reconstruction shall all be reasonably acceptable to Grantee; and

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(ii) Grantee shall receive evidence reasonably satisfactory to it that after repair or reconstruction, the Property would be at least as valuable as it was immediately before the damage or condemnation occurred, and in this regard and notwithstanding any other provisions of the Loan Documents, Grantee may order an appraisal from an appraiser acceptable to Grantee, the cost of which shall be borne by Grantor; and

(iii) The Net Claims Proceeds (together with the net proceeds of any rental interruption insurance and reasonably projected rental receipts during the repair or reconstruction period) shall be sufficient in Grantee's determination to pay for the total cost of repair or reconstruction, including all associated development costs and interest and other sums projected to be payable on the Secured Obligations until the repair or reconstruction is complete; or Grantor shall provide its own funds in an amount equal to the difference between the Net Claims Proceeds and a reasonable estimate, made by Grantor and found acceptable by Grantee, of the total cost of repair or reconstruction; and

(iv) Unless otherwise agreed to by Grantee, Grantee shall receive evidence satisfactory to it that after the repair or reconstruction is complete, (1) all non-residential leases acceptable to Grantee will continue (or a replacement therefor reasonably satisfactory to Grantee immediately commences); and (2) the Property will continue to operate in substantially the same manner, and will generate the same debt service coverage as immediately before the damage or condemnation occurred; and

(v) Grantee shall be satisfied that the repair or reconstruction can be completed prior to the Final Maturity Date (as such term is defined in the Loan Agreement); and

(vi) No default or Event of Default shall have occurred under this Security Instrument, the Loan Agreement or any other Loan Document.

If Grantee finds that such conditions have been satisfied, Grantee shall hold the Net Claims Proceeds, and any funds which Grantor is required to provide, in an account and shall disburse them to Grantor to pay costs of repair or reconstruction upon presentation of evidence reasonably satisfactory to Grantee that repair or reconstruction has been completed satisfactorily and lien-free, including partial progress payments of Net Claims Proceeds from time to time, in accordance with a cost breakdown approved by Grantee and the same procedures and subject to the same conditions as are set forth in the Loan Agreement for disbursements. However, if Grantee finds that one or more of such conditions have not been satisfied, Grantee may apply the Net Claims Proceeds to pay or prepay some or all of the Secured Obligations in such order and proportions as Grantee may determine, all without affecting the lien and security interest created by this Security Instrument.

(e) Notwithstanding the preceding, in the event any governmental agency or authority shall require or commence any proceedings for the demolition of any buildings or structures comprising a substantial part of the Property, or shall commence any proceedings to condemn or otherwise take pursuant to the powers of eminent domain a material portion of the Property, Grantee may, at its option, declare the Secured Obligations to be immediately due and payable and apply any condemnation awards or proceeds to the Secured Obligations.

(f) Grantor hereby specifically, unconditionally and irrevocably waives all rights of a property owner granted under any applicable law which provides for allocation of condemnation proceeds between a property owner and a lienholder, and any other law or successor statute of similar import.

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Notwithstanding anything to the contrary contained in this Section 5.5, if there is any conflict between this Section 5.5 and Section 11 of the Mixed Finance ACC Amendment (the "MF Amendment") dated as of _____, 2007 between the United States Department of Housing and Urban Development (HUD) and CHA, Section 11 of the MF Amendment shall control.

5.6 Surety Bond Proceeds.

(a) Grantor hereby absolutely and irrevocably assigns to Grantee, and authorizes the payor to pay to Grantee, all payments, rights to payment, and all other compensation payable, directly or indirectly, under any payment, performance, or other bond (each a "Surety Bond") related to, or issued in connection with, the construction of any Improvements or the performance of any acts, related to the Property or any interest in it, whether or not such Surety Bonds are required by Grantee.

(b) Grantor shall immediately notify Grantee in writing of:

(i) Any threatened or actual default or breach of any obligation under any Surety Bond; or

(ii) Any action or inaction, including a breach by any contractor under their contract (if applicable), which would give rise to the obligation of the payor/surety to pay any sums or perform any acts pursuant to the terms of any Surety Bond.

(c) If Grantee chooses to do so, Grantee may in its own name appear in or prosecute any action or proceeding to enforce any cause of action based on any claim under a Surety Bond, and Grantee may make any compromise or settlement of any such action or proceeding.

(d) All proceeds of these assigned payments, rights to payment, and compensation payable, directly or indirectly, under any Surety Bond which Grantor may receive or be entitled to, shall be paid to Grantee. In each instance, Grantee shall apply such proceeds first toward reimbursement of all of Grantee's costs and expenses of recovering the proceeds, including reasonable attorneys' fees. If Grantor desires to use the balance of such proceeds (the "Net Bond Proceeds") to pay the costs of completing all or a part of the construction of certain of the Improvements, and each and all of the following conditions are satisfied in Grantee's reasonable judgment, Grantee shall permit Grantor to pay such costs of construction, in the manner described below:

(i) The plans and specifications, cost breakdown, construction contract (including any replacement contract), construction schedule (including all revisions thereto), contractor (including any replacement contractor), and, if required by Grantee, any replacement payment and performance bond for the construction work, shall all be acceptable to Grantee; and

(ii) To the extent allowed pursuant to the terms of the Surety Bond, Grantee shall have approved any replacement contractor(s); and

(iii) Grantee shall receive evidence satisfactory to it that after the construction is complete, the Property would be at least as valuable as it would have been if completed pursuant to the original construction contract, and in this regard and notwithstanding any other provisions of the Loan Documents, Grantee may order an appraisal from an appraiser acceptable to Grantee the cost of which shall be borne by Grantor; and

(iv) The Net Bond Proceeds shall be sufficient in Grantee's determination to pay for the total cost of the applicable construction, including all associated development costs

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and interest and other sums projected to be payable on the Secured Obligations until the applicable construction is complete; or Grantor shall provide its own funds in an amount equal to the difference between the Net Bond Proceeds and a reasonable estimate, made by Grantor and found acceptable by Grantee, of the total cost of such construction; and

(v) Grantee shall be satisfied that the repair or reconstruction can be completed prior to the Final Maturity Date; and

(vi) No default or Event of Default shall have occurred under this Security Instrument, the Loan Agreement or any other Loan Document.

If Grantee finds that such conditions have been satisfied, Grantee shall hold the Net Bond Proceeds, and any funds which Grantor is required to provide, in a non-interest-bearing account and shall disburse them to Grantor to pay costs of construction upon presentation of evidence reasonably satisfactory to Grantee that the construction has been completed satisfactorily and lien-free, including partial progress payments of Net Bond Proceeds from time to time, in accordance with a cost breakdown approved by Grantee and the same procedures and subject to the same conditions, as are set forth in the Loan Agreement for disbursements. However, if Grantee finds that one or more of such conditions have not been satisfied, Grantee may apply the Net Bond Proceeds to pay or prepay some or all of the Secured Obligations in such order and proportions as Grantee may choose, all without affecting the lien and security interest created by this Security Instrument.

(e) Notwithstanding anything herein to the contrary, to the extent that any of the terms of this Section conflict with the terms of any Surety Bond which has been approved in writing by Grantee, the terms of such Surety Bond shall control.

5.7 Maintenance and Preservation of Property.

(a) Grantor shall insure the Property as required by the Loan Agreement and keep the Property in good condition and repair.

(b) Grantor shall not remove or demolish the Property or any part of it, or alter, restore or add to the Property, or initiate or allow any change in any zoning or other land use classification which affects the Property or any part of it, except as permitted or required by the Loan Documents or with Grantee's express prior written consent in each instance.

(c) If all or part of the Property becomes damaged or destroyed, Grantor shall promptly and completely repair and/or restore the Property in a good and workmanlike manner in accordance with sound building practices and notwithstanding the unavailability (for whatever reason) of insurance proceeds from any Property insurer; provided, however, this subsection is subject to the provisions of **Section 5.5** and **5.6**.

(d) Grantor shall not commit or allow any act upon or use of the Property which would violate: (i) any applicable law or order of any governmental authority, whether now existing or later to be enacted and whether foreseen or unforeseen; or (ii) any public or private covenant, condition, restriction or equitable servitude affecting the Property. Grantor shall not bring or keep any article on the Property or cause or allow any condition to exist on it, if that could invalidate or would be prohibited by any insurance coverage required to be maintained by Grantor on the Property or any part of it under the Loan Documents.

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(e) Grantor shall not commit or allow waste of the Property, including those acts or omissions characterized under the Loan Agreement as waste that arise out of Hazardous Substances (as such term is defined in the Loan Agreement).

(f) Grantor shall perform all other acts which from the character or use of the Property may be reasonably necessary to maintain and preserve its value and utility.

(g) If any part of Grantor's interest in the Property is a leasehold interest, Grantor shall observe and perform all obligations of Grantor under any such lease or leases and shall refrain from taking any actions prohibited by any lease or leases, and Grantor shall preserve and protect such leasehold estate and its value.

(h) If any easement or right of way appurtenant to, or recorded agreement which benefits, the Property exists or is hereafter entered into, Grantor shall perform its obligations and duties under such easement, right of way, or agreement, and shall take all such actions as may be necessary to prevent such easement, right of way, or agreement from being terminated for Grantor's non-performance. Grantor irrevocably appoints Grantee its attorney-in-fact, with full power of substitution, for the purpose of performing any act to be performed by Grantor under any such easement, right of way, or agreement.

5.8 [Intentionally Omitted.]

5.9 Releases, Extensions, Modifications, and Additional Security. From time to time, Grantee may perform any of the following acts without incurring any liability or giving notice to any person:

- (i) Release any person liable for payment of any Secured Obligation; or
- (ii) Extend the time for payment, or otherwise alter the terms of payment, of any Secured Obligation; or
- (iii) Accept additional real or personal property of any kind as security for any Secured Obligation, whether evidenced by deeds of trust, mortgages, security agreements or any other instruments of security; or
- (iv) Alter, substitute or release any property securing the Secured Obligations; or
- (v) Consent to the making of any plat or map of the Property or any part of it; or
- (vi) Join in granting any easement or creating any restriction affecting the Property; or
- (vii) Join in any subordination or other agreement affecting this Security Instrument or the lien of it; or
- (viii) Reconvey Grantee's interest in the Property or any part of it without any warranty.

5.10 Release. When all of the Secured Obligations have been paid and performed in full, and no further commitment to extend credit continues under the Secured Obligations, then (except to the

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extent expressly provided herein with respect to the survival of any indemnifications, representations, warranties, and other rights which are to continue following the release or cancellation hereof) Grantee shall release or cancel the Property from the liens, security interests, conveyances and assignments herein in accordance with applicable law. Grantor shall pay any costs of such release or cancellation, to the extent not prohibited by applicable law.

5.11 Compensation, Exculpation, Indemnification.

(a) Grantor agrees to pay fees in the maximum amounts legally permitted, or reasonable fees as may be charged by Grantee when the law provides no maximum limit, for any services that Grantee may render in connection with this Security Instrument, including Grantee's providing a statement of the Secured Obligations or rendering of services in connection with a release or cancellation (full or partial). Grantor shall also pay or reimburse all of Grantee's costs and expenses which may be incurred in rendering any such services. Grantor further agrees to pay or reimburse Grantee for all costs, expenses, and other advances which may be incurred or made by Grantee in any efforts to enforce any terms of this Security Instrument, including the exercise of any rights or remedies afforded to Grantee under the remedies section below, whether any lawsuit is filed or not, or in defending any action or proceeding arising under or relating to this Security Instrument, including reasonable attorneys' fees and other legal costs (which shall include reimbursement for the allocated costs of in-house counsel used by Grantee to the extent not prohibited by law), costs of any judicial foreclosure of this Security Instrument, and any cost of evidence of title. If Grantee chooses to dispose of Property through more than one judicial foreclosure, Grantor shall pay all costs, expenses, or other advances that may be incurred or made by Grantee in each of such judicial foreclosures.

(b) Grantee shall not be directly or indirectly liable to Grantor or any other person as a consequence of any of the following:

(i) Grantee's exercise of or failure to exercise any rights, remedies or powers granted to Grantee in this Security Instrument; or

(ii) Grantee's failure or refusal to perform or discharge any obligation or liability of Grantor under any agreement related to the Property or under this Security Instrument; or

(iii) any waste committed by lessees of the Property or any other parties, or any dangerous or defective condition of the Property; or

(iv) any loss sustained by Grantor or any third party resulting from Grantee's failure to lease the Property, or from any other act or omission of Grantee in operating or managing the Property, after an Event of Default, unless the loss is caused by the gross negligence or willful misconduct of Grantee.

Grantor hereby expressly waives and releases all liability of the types described above, and agrees that no such liability shall be asserted against or imposed upon Grantee.

(c) Grantor agrees to indemnify, defend, and hold Grantee harmless for, from and against and reimburse it for all losses, damages, liabilities, claims, causes of action, judgments, penalties, court costs, reasonable attorneys' fees and other legal expenses and expenses of professional consultants and experts, cost of evidence of title, cost of evidence of value, and other costs and expenses, including the settlement of any such matter, excepting those arising out of, or resulting, from Grantee's gross negligence or willful misconduct, which either may suffer or incur:

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- (i) In performing any act required or permitted by this Security Instrument or any of the other Loan Documents or by law; or
- (ii) Because of any failure of Grantor to perform any of Grantor's obligations; or
- (iii) Because of any alleged obligation of or undertaking by Grantee to perform or discharge any of the representations, warranties, conditions, covenants, or other obligations in any document relating to the Property other than the Loan Documents.

This agreement by Grantor to indemnify Grantee shall survive payoff, termination, or the release and cancellation of any or all of the Secured Obligations, and the full or partial release and/or cancellation of this Security Instrument.

(d) Grantor shall pay all obligations to pay money arising under this Section immediately upon written demand by Grantee. Each such obligation shall be added to, and considered to be part of, the principal of the Construction Loan Note, and shall bear interest from the date the obligation arises at the Default Rate (as such term may be defined in the Loan Agreement).

5.12 Defense and Notice of Claims and Actions. At Grantor's sole expense, Grantor shall protect, preserve and defend the Property and title to and right of possession of the Property, and the security of this Security Instrument and the rights and powers of Grantee created under it, against all adverse claims. Grantor shall give Grantee prompt notice in writing if any claim is asserted which does or could affect any of such matters, or if any action or proceeding is commenced which alleges or relates to any such claim.

5.13 Subrogation. Grantee shall be subrogated to the liens of all encumbrances affecting the Property, whether released or not, which are discharged in whole or in part by Grantee in accordance with this Security Instrument or with the proceeds of any loan secured by this Security Instrument.

5.14 Site Visits, Observation and Testing. Grantee and its agents and representatives and the other Indemnified Parties (as such term is defined in the Loan Agreement), and their agents and representatives, shall have the right at any reasonable time to enter and visit the Property, accompanied by a representative of Grantor to the extent such representative is available, for the purposes of observing the Property and performing appraisals, and as provided in Section 7.6 of the Loan Agreement, taking and removing soil or groundwater samples and conducting tests on any part of the Property. The Indemnified Parties have no duty, however, to visit or observe the Property or to conduct tests, and no site visit, observation, or testing by any Indemnified Party shall impose any liability on any Indemnified Party. In no event shall any site visit, observation or testing by any Indemnified Party be a representation that Hazardous Substances (as such term is defined in the Loan Agreement) are or are not present in, on or under the Property, or that there has been or shall be compliance with any law, regulation, or ordinance pertaining to Hazardous Substances or any other applicable governmental law. Neither Grantor nor any other party is entitled to rely on any site visit, observation, or testing by any Indemnified Party. The Indemnified Parties owe no duty of care to protect Grantor or any other party against, or to inform Grantor or any other party of, any Hazardous Substances or any other adverse condition affecting the Property. The Indemnified Parties may in their discretion disclose to Grantor or any other party any report or findings made as a result of, or in connection with, any site visit, observation or testing by the Indemnified Parties. Grantor understands and agrees that the Indemnified Parties make no representation or warranty to Grantor or any other party regarding the truth, accuracy, or completeness of any such report or findings that may be disclosed. Grantor also understands that, depending on the results of any site visit, observation or testing by any Indemnified Party which are disclosed to Grantor, Grantor may

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have a legal obligation to notify one or more environmental agencies of the results. Any Indemnified Party shall give Grantor reasonable notice before entering the Property. Such Indemnified Party shall make reasonable efforts to avoid interfering with Grantor's use of the Property in exercising any rights provided in this Section. In connection with any such site visit, observation or testing, Grantor shall have rights with respect to the release and/or disclosure of environmental reports as set forth in the Loan Agreement.

5.15 Notice of Change. Grantor will not cause or permit any change to be made in (a) its name, identity or corporate, partnership, limited liability company, or other entity structure, (b) its jurisdiction of organization (c) its organizational identification number, (d) its place of business or, if more than one, its chief executive office, (e) its mailing address, or (f) any change in the location of any Property, unless Grantor shall have notified Grantee in writing of such change at least thirty (30) days prior to the effective date of such change, and shall have first taken all action required by Grantee for the purpose of further perfecting or protecting the lien and security interest of Grantee in the Property. Unless otherwise approved by Grantee in writing, all Property that consists of personal property (other than Books and Records) will be located on the Land and all Books and Records will be located at Grantor's place of business or chief executive office if Grantor has more than one place of business.

5.16 Further Assurances. Grantor shall, promptly on request of Grantee, (a) correct any defect, error or omission which may be discovered in the contents, execution or acknowledgement of this Security Instrument or any other Loan Document; (b) execute, acknowledge, deliver, procure and record and/or file such further documents (including, without limitation, further mortgages, security agreements, financing statements, financing statement amendments, continuation statements and assignments of rents or leases) and do such further acts as may be necessary, desirable, or proper (i) to carry out more effectively the purposes of this Security Instrument and the other Loan Documents, (ii) to more fully identify and subject to the liens and security interests hereof any property intended to be covered hereby (including specifically, but without limitation, any renewals, additions, substitutions, replacements or appurtenances to the Property), or (iii) as deemed advisable by Grantee to protect the lien or security interest hereunder against the rights or interests of third persons; and (c) provide such certificates, documents, reports, information, affidavits and other instruments and do such further acts as may be necessary, desirable or proper to enable Grantee to comply with the requirements or requests of any agency having jurisdiction over Grantee or any examiners of such agencies with respect to the Secured Obligations, Grantor or the Property. Grantor shall pay all costs connected with any of the foregoing within five (5) days after the written demand by Grantee. If not paid when due, such costs shall be added to, and considered to be part of, the principal of the Construction Loan Note, and shall bear interest from the date of such written demand at the Default Rate (as such term may be defined in the Loan Agreement).

5.17 Leasehold Mortgage Provisions. Unless otherwise expressly provided, the lien of this Security Instrument shall encumber all of Grantor's leasehold estate and other rights and interests under and in connection with the Ground Leases, including without limitation renewal and extension rights, options to expand, and purchase options (all of which rights shall be collectively referred to herein as the "Leasehold"). Grantor agrees as follows:

5.17.1 Grantor shall timely perform its obligations in connection with the Ground Leases. Without limiting the generality of any term or provision of this Security Instrument, Grantor specifically acknowledges Grantee's right, while any default by Grantor under any of the Ground Leases remains uncured, to perform the defaulted obligations and take all other actions which Grantee reasonably deems necessary to protect its interests with respect thereto, and Grantor hereby irrevocably appoints Grantee its true and lawful attorney in fact (which appointment is coupled with an interest) in its

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name or otherwise to execute all documents, and perform all other acts, which Grantee reasonably deems necessary to preserve its or Grantor's rights with respect to the Leasehold.

5.17.2 Grantor shall not, without Grantee's prior written consent, modify, or cause or permit the termination of, any of the Ground Leases, or waive or in any way release the landlord under the Ground Leases of any obligation or condition.

5.17.3 Grantor shall notify Grantee promptly in writing of (i) the occurrence of any material default by the landlord under any of the Ground Leases and (ii) the receipt by Grantor of any notice claiming the occurrence of any default by Grantor under any of the Ground Leases or the occurrence of any event which, with the passage of time or the giving of notice or both, would constitute a default by Grantor under any of the Ground Leases (and Grantor shall also promptly deliver a copy of any such notice to Grantee).

5.17.4 Unless Grantee otherwise consents in writing, so long as any Secured Obligation remains outstanding, neither the fee title to, nor any other estate or interest in, the real property subject to the Ground Leases shall merge with the Leasehold, notwithstanding the union of such estates in the landlord or the tenant or in a third party. Any acquisition of the landlord's interest in any of the Ground Leases by Grantor shall be accomplished in such a manner as to avoid a merger of the interests of landlord and tenant unless Grantee consents to such merger in writing.

5.17.5 Without limiting the generality of Article 1, if Grantor acquires fee title to any portion of the real property subject to any of the Ground Leases, this Security Instrument shall automatically be a lien on such fee title.

5.17.6 Grantor shall not subordinate any of the Ground Leases or Leasehold to any deed of trust or other encumbrance of, or lien on, any interest in the real property subject to the Leasehold without the prior written consent of Grantee. Any such subordination without such consent shall, at Grantee's option, be void.

5.17.7 Grantor shall exercise any option or right to renew or extend the term of the Ground Leases at least six months prior to the date of termination of any such option or right, shall give immediate written notice thereof to Grantee, and shall execute, deliver and record any documents requested by Grantee to evidence the lien of this Security Instrument on such extended or renewed lease term. If Grantor fails to exercise any such option or right as required herein, Grantee may exercise the option or right as Grantor's agent and attorney in fact pursuant to this Security Instrument, or in Grantee's own name or in the name of and on behalf of a nominee of Grantee, as Grantee chooses in its absolute discretion.

5.17.8 Without limiting the provisions of Article 1, Grantor hereby specifically assigns to Grantee, as security for the Secured Obligations, all prepaid rents and security deposits and all other security which the landlord under the Ground Leases holds for the performance of Grantor's obligations thereunder.

5.17.9 Promptly upon demand by Grantee, Grantor shall use reasonable efforts to obtain from the landlord under the Ground Leases and furnish to Grantee an estoppel certificate of such landlord stating the date through which rent has been paid, whether or not there are any defaults, and the specific nature of any claimed defaults.

5.17.10 Grantor shall notify Grantee promptly in writing of any request by either party to the Ground Leases for arbitration, appraisal or other proceedings relating to the Ground

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Leases and of the institution of any such proceeding, and shall promptly deliver to Grantee a copy of all determinations in any such proceeding. Grantee shall have the right, following written notice to Grantor, to participate in any such proceeding in association with Grantor or on its own behalf as an interested party. Grantor shall notify Grantee promptly in writing of the institution of any legal proceeding involving obligations under the Ground Leases, and Grantee may intervene in any such legal proceeding and be made a party. Grantor shall promptly provide Grantee with a copy of any decision rendered in connection with any such proceeding.

5.17.11 To the extent permitted by law, the price payable by Grantor or any other party in the exercise of the right of redemption, if any, from any sale under, or decree of foreclosure of, this Security Instrument shall include all rents and other amounts paid and other sums advanced by Grantee on behalf of Grantor as the tenant under the Ground Leases.

5.17.12 In addition to all other Events of Default described in this Security Instrument, the occurrence of any of the following shall be an Event of Default hereunder:

- (a) A material breach or default by Grantor under any of the Ground Leases, subject to any applicable cure period, or
- (b) The occurrence of any event or circumstance which gives the landlord under any of the Ground Leases a right to terminate such Ground Lease (subject to all applicable cure periods).

5.17.13 As used in this Security Instrument, the "Bankruptcy Code" shall mean 11 U.S.C. §§ 101 et seq., as modified and/or recodified from time to time. Notwithstanding anything to the contrary contained herein with respect to the Ground Leases:

(a) The lien of this Security Instrument attaches to all of Grantor's rights under Subsection 365(h) of the Bankruptcy Code, including, without limitation, any and all elections to be made thereunder, any and all rights under the Ground Leases which Grantor is entitled to retain pursuant to 11 U.S.C. § 365(h)(1)(A)(ii) in the event of a rejection under the Bankruptcy Code of such Ground Leases by the landlord thereunder (or any trustee thereof), and any and all rights of offset under or as described in 11 U.S.C. § 365(h)(1)(B).

(b) Grantor acknowledges and agrees that, as the Grantee under this Security Instrument and by operation of 11 U.S.C. § 365(h)(1)(D), Grantee has, and until this Security Instrument has been fully reconveyed and released continuously shall have, whether before or after any default under any of the Secured Obligations or the taking of any action to enforce any of Grantee's rights and remedies under this Security Instrument or any foreclosure sale hereunder, the complete, unfettered and exclusive right, in its sole and absolute discretion, to elect (the "365(h) Election") whether (i) if any of the Ground Leases are rejected under the Bankruptcy Code by the landlord thereunder (or any trustee therefor) shall be treated as terminated under 11 U.S.C. § 365(h)(1)(A)(i), or (ii) the rights under any of the Ground Leases that are in or appurtenant to the real property, as described in 11 U.S.C. § 365(h)(1)(A)(ii), should be retained pursuant to that subsection. To the extent that, notwithstanding the preceding sentence and 11 U.S.C. § 365(h)(1)(D), Grantor now or at any time in the future has any right to make, or to participate in or otherwise in any manner affect the making of, the 365(h) Election with respect to the Ground Leases, Grantor hereby absolutely assigns and conveys to Grantee any and all such rights, and all of Grantor's right, title, and interest therein, which may be used and exercised by Grantee completely, exclusively, and without any restriction whatsoever, in Grantee's sole and absolute discretion, whether before or after any default upon any of the Secured Obligations, the taking of any action to enforce any of Grantee's rights and remedies under this Security Instrument, or any foreclosure sale hereunder. Grantor hereby unconditionally and irrevocably appoints Grantee as its attorney-in-fact to exercise Grantor's right,

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if any, to make, or participate in or otherwise in any manner affect the making of, the 365(h) Election with respect to the Ground Leases. Grantor shall not in any manner impede or interfere with any action taken by Grantee and, at the request of Grantee, Grantor shall take or join in the taking of any action to make, or participate in or otherwise in any manner affect the making of, the 365(h) Election with respect to the Ground Leases, in such manner as Grantee determines in its sole and absolute discretion. Unless and until instructed to do so by Grantee (as determined by Grantee in its sole and absolute discretion), Grantor shall not take any action to make, or participate in or otherwise in any manner affect the making of, the 365(h) Election with respect to the Ground Leases, including in particular, but without limitation, any election to treat the Ground Leases as terminated. Grantee shall have no obligation whatsoever to Grantor or any other person or entity in connection with the making of the 365(h) Election with respect to the Ground Leases or any instruction by Grantee to Grantor given, withheld or delayed in respect thereof, nor shall Grantee have any liability to Grantor or any other person or entity arising from any of the same.

(c) As security for the Secured Obligations, Grantor hereby irrevocably assigns to Grantee all of Grantor's rights to damages arising from any rejection by the landlord (or any trustee thereof) of the Ground Leases under the Bankruptcy Code. Grantee and Grantor shall proceed jointly or in the name of Grantor in respect of any claim or proceeding relating to the rejection of the Ground Leases, including without limitation the right to file and prosecute any proofs of claim, complaints, motions and other documents in any case in respect of such landlord under the Bankruptcy Code. This assignment shall continue in effect until all of the Secured Obligations have been satisfied in full. Any amounts received by Grantee or Grantor as damages arising from the rejection of the Ground Leases as aforesaid shall be applied first to all costs reasonably incurred by Grantee (including attorneys' fees) in connection with this subsection (c) and then in accordance with other applicable provisions of this Security Instrument.

(d) If, pursuant to the Bankruptcy Code, Grantor seeks to offset against the rent reserved in the Ground Leases the amount of any damages caused by the nonperformance of the landlord's obligations after the rejection by the landlord (or any trustee thereof) of the Ground Leases, Grantor shall, prior to effecting such offset, notify Grantee in writing of its intent to do so, setting forth the amounts proposed to be offset and, in the event that Grantee objects, Grantor shall not effect any offset of the amounts to which Grantee objects. If Grantee fails to object within 10 days following receipt of such notice, Grantor may offset the amounts set forth in Grantor's notice.

(e) If any legal proceeding is commenced with respect to the Ground Leases in connection with any case under the Bankruptcy Code, Grantee and Grantor shall cooperatively conduct any such proceeding with counsel reasonably agreed upon between Grantor and Grantee. Grantor shall, upon demand, pay to Grantee all costs (including attorneys' fees) reasonably incurred by Grantee in connection with any such proceeding.

(f) Grantor shall immediately notify Grantee orally upon learning of any filing by or against the landlord under the Ground Leases of a petition under the Bankruptcy Code. Grantor shall thereafter promptly give written notice of such filing to Grantee, setting forth any information available to Grantor with respect to the date of such filing, the court in which such petition was filed, and the relief sought therein. Grantor shall promptly deliver to Grantee all notices, pleadings and other documents received by Grantor in connection with any such proceeding.

5.17.14 Grantor shall promptly notify the landlord under the Ground Leases in writing, in the event that Grantor knows or has cause to believe that any Hazardous Substance has come to be located on or beneath the property leased under the Ground Leases.

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5.17.15 Grantor hereby represents and warrants to Grantee, with respect to the Ground Leases, as follows:

- (a) The Ground Leases are in full force and effect;
- (b) Grantor owns the entire tenant's interest under the Ground Leases and has the right under the Ground Leases to execute this Security Instrument; and
- (c) No default under the Ground Leases remains uncured, nor has any event occurred which, with the passage of time or service of notice or both, would constitute such a default.

6. Accelerating Transfers, Default and Remedies.

6.1 Accelerating Transfers.

(a) "Accelerating Transfer" means (i) any sale, contract to sell, conveyance, encumbrance, pledge, mortgage, lease, except as otherwise expressly permitted under this Security Instrument or the Loan Agreement, or (ii) other transfer of all or any material part of the Property or any interest in it, whether voluntary, involuntary, by operation of law or otherwise. If Grantor is a corporation, "Accelerating Transfer" also means any transfer or transfers of shares possessing, in the aggregate, more than fifty percent (50%) of the voting power or more than fifty percent (50%) of the direct or indirect beneficial ownership of Grantor. If Grantor is a partnership, "Accelerating Transfer" also means withdrawal or removal of any general partner, dissolution of the partnership under Illinois law, or any transfer or transfers of, in the aggregate, more than fifty percent (50%) of the partnership interests. If Grantor is a limited liability company, "Accelerating Transfer" also means withdrawal or removal of any managing member, termination of the limited liability company, or any transfer or transfers of, in the aggregate, more than fifty percent (50%) of the voting power or, in the aggregate, more than fifty percent (50%) of the ownership interests in Grantor. Notwithstanding the foregoing, the following shall not be deemed an Accelerating Transfer: (a) the removal and replacement of the General Partner by the Investor Limited Partner or the Special Limited Partner (as such terms are defined in the Loan Agreement) in accordance with the Partnership Agreement (as defined in the Loan Agreement), provided that any required substitute general partner is reasonably acceptable to Grantee and is selected with reasonable promptness and (b) the transfer by the Investor Limited Partner of its limited partnership interests in Grantor to a limited partnership or limited liability company of which the Investor Limited Partner (or an affiliate thereof) is the general partner or managing member, respectively.

(b) Grantor acknowledges that Grantee is making one or more advances under the Loan Agreement in reliance on the expertise, skill, and experience of Grantor; thus, the Secured Obligations include material elements similar in nature to a personal service contract. In consideration of Grantee's reliance, Grantor agrees that Grantor shall not make any Accelerating Transfer (as such term is defined in the Loan Agreement). If any Accelerating Transfer occurs, an Event of Default will occur under the Loan Agreement, and Grantee may implement available rights and remedies under the Loan Agreement and the other Loan Documents including declaration of all of the Secured Obligations to be immediately due and payable, and Grantee may invoke any rights and remedies under this Security Instrument. Grantor acknowledges the materiality of the provisions of this Section as a covenant of Grantor, given individual weight and consideration by Grantee in entering into the Secured Obligations, and that any Accelerating Transfer in violation of the prohibited transfer provisions herein set forth shall result in a material impairment of Grantee's interest in the Property and be deemed a breach of the foregoing covenant.

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6.2 Events of Default. Grantor will be in default under this Security Instrument upon the occurrence of any one or more of the following events (some or all collectively, "Events of Default;" any one singly, an "Event of Default"):

(a) Grantor fails to perform any obligation to pay money which arises under this Security Instrument, and does not cure that failure within ten (10) days after written notice from Grantee; or

(b) Grantor fails to perform any obligation arising under this Security Instrument other than one to pay money, and does not cure that failure either within thirty (30) days (the "Initial Cure Period") after written notice from Grantee, or within ninety (90) days after such written notice, so long as Grantor begins within the Initial Cure Period and diligently continues to cure the failure, and Grantee, exercising reasonable judgment, determines that the cure cannot reasonably be completed at or before expiration of the Initial Cure Period; or

(c) A default or Event of Default (as such term is defined in the applicable document, subject to any applicable notice and cure periods) is declared under the Loan Agreement or any other Loan Document (including without limitation, the Bridge Loan Documents); or

(d) Any default occurs under any other mortgage, deed of trust, security deed, or other security instrument on all or any part of the Property, or under any obligation secured by such security instrument, whether such security instrument is prior to or subordinate to this Security Instrument.

6.3 Notice to Investor Limited Partner. Grantee agrees that it shall not complete a foreclosure sale of the Property or record a deed-in-lieu of foreclosure with respect to the Property (each, a "Foreclosure Remedy") unless and until Investor Limited Partner (as defined in the Loan Agreement) has first been given thirty (30) days' written notice (in the manner provided for in the Loan Agreement) of the default(s) or Event(s) of Default giving rise to Grantee's right to complete such Foreclosure Remedy, and Investor Limited Partner has failed, within such thirty (30) day period to cure such default(s) and Event(s) of Default; provided, however, that Grantee shall be entitled during such thirty (30) day period to continue to pursue all of its rights and remedies under the Loan Documents, including, but not limited to, acceleration of the Construction Loan Note and the Bridge Loan Note (subject to any de-acceleration provisions specifically set forth in the Loan Documents), commencement and pursuit of foreclosure (but not completion of the foreclosure sale), any guaranty (subject to any notice and cure provisions contained therein), and/or any of the other Loan Documents. In the event Grantee has accelerated the Construction Loan Note and the Bridge Loan Note and the Investor Limited Partner cures all Events of Default giving rise to such acceleration within the thirty (30) day cure period described above, such cure shall have the effect of de-accelerating the Construction Loan Note and the Bridge Loan Note; provided, however, that such de-acceleration shall not waive or limit any of Grantee's rights to accelerate the Construction Loan Note and the Bridge Loan Note or exercise any other remedies under the Loan Documents as to any future or continuing Events of Default. It is the express intent of the parties hereunder that Grantee shall have the right to pursue all rights and remedies, except completion of a Foreclosure Remedy, without liability to Investor Limited Partner for failure to provide notice to Investor Limited Partner, and that Grantee's liability hereunder shall be expressly limited to actual damages to Investor Limited Partner directly caused by Grantee's completion of a Foreclosure Remedy without providing Investor Limited Partner with the notice and opportunity to cure described above. Except as specifically provided herein or in any of the other Loan Documents, Grantee's failure to give any such notice for any reason shall not impair or waive any remedy or right of Grantee under this Mortgage or any of the other Loan Documents. Grantee shall give Investor Limited Partner notice at the address set forth in the Loan Agreement or such other address as Investor Limited Partner may instruct Grantee in writing from time to time.

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6.4 Remedies. Except as otherwise expressly set forth in the Loan Agreement or any other Loan Document, at any time after an Event of Default, Grantee shall be entitled to invoke any and all of the rights and remedies described below or permitted by applicable law or in equity. All of such rights and remedies shall be cumulative, and the exercise of any one or more of them shall not constitute an election of remedies.

(a) Acceleration. Grantee may declare any or all of the Secured Obligations to be due and payable immediately and may terminate any Loan Document in accordance with its terms.

(b) Receiver. Grantee may apply to any court of competent jurisdiction for, and obtain appointment of, a receiver for the Property. Grantor hereby consents to such appointment.

(c) Entry. Grantee, in person, by agent or by court-appointed receiver, may enter, take possession of, manage and operate all or any part of the Property, and in its own name or in the name of Grantor sue for or otherwise collect any and all Rents, including those that are past due, and may also do any and all other things in connection with those actions that Grantee may in its sole and absolute discretion consider necessary and appropriate to protect the security of this Security Instrument. Such other things may include: taking and possessing all of Grantor's or the then owner's Books and Records; entering into, enforcing, modifying, or canceling leases on such terms and conditions as Grantee may consider proper; obtaining and evicting tenants; fixing or modifying Rents (but not in excess of any applicable maximum low income rents for residential tenants); collecting and receiving any payment of money owing to Grantor; completing any unfinished construction; contracting for and making repairs and alterations; and/or performing such acts of cultivation or irrigation as necessary to conserve the value of the Property. If Grantee so requests, Grantor shall assemble all of the Property that has been removed from the Land and make all of it available to Grantee at the site of the Land. Grantor hereby irrevocably constitutes and appoints Grantee as Grantor's attorney-in-fact, with full power of substitution, to perform such acts and execute such documents as Grantee in its sole and absolute discretion may consider to be appropriate in connection with taking these measures, including endorsement of Grantor's name on any instruments. The appointment granted in this Section shall be deemed to be a power coupled with an interest. Regardless of any provision of this Security Instrument, or any other Loan Document, Grantee shall not be considered to have accepted any property other than cash or immediately available funds in satisfaction of any obligation of Grantor to Grantee, unless Grantee has given express written notice of Grantee's election of that remedy in accordance with the UCC or other applicable law. Grantor agrees to deliver to Grantee all Books and Records pertaining to the Property, including computer-readable memory and any computer hardware or software necessary to access or process such memory, as may reasonably be requested by Grantee in order to enable Grantee to exercise its rights under this Section.

(d) Cure; Protection of Security. Grantee may cure any breach or default of Grantor, and if it chooses to do so in connection with any such cure, Grantee may also enter the Property and/or do any and all other things which it may in its sole and absolute discretion consider necessary and appropriate to protect the security of this Security Instrument. Such other things may include: appearing in and/or defending any action or proceeding which purports to affect the security of, or the rights or powers of Grantee under, this Security Instrument; paying, purchasing, contesting or compromising any encumbrance, charge, lien or claim of lien which in Grantee's sole judgment is or may be senior in priority to this Security Instrument; obtaining insurance and/or paying any premiums or charges for insurance required to be carried under the Loan Agreement; otherwise caring for and protecting any and all of the Property; and/or employing counsel, accountants, contractors and other appropriate persons to assist Grantee. Grantee may take any of the actions permitted under this Section either with or without giving notice to any person.

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(e) UCC Remedies. Grantee may exercise any or all of the remedies granted to a secured party under the UCC.

(f) Judicial Action. Grantee may bring an action in any court of competent jurisdiction to foreclose this Security Instrument in the manner provided by law for the foreclosure of mortgages on real property and/or to obtain specific enforcement of any of the covenants or agreements of this Security Instrument. If Grantee brings such an action, Grantor agrees to pay Grantee's reasonable attorneys' fees (including the allocated reasonable costs of in-house counsel to the extent not prohibited by applicable law) and court costs as determined by the court.

(g) Sale. Grantee shall have the discretionary right to cause some or all of the Property which constitutes personal property, to be sold or otherwise disposed of in any combination and in any manner permitted by applicable law.

(i) Sales of Personal Property.

(A) To the extent not prohibited by applicable law, Grantee may elect to treat as personal property any Property which is intangible or which can be severed from the Land or Improvements without causing structural damage. If it chooses to do so, Grantee may dispose of any personal property separately from the sale of real property, in any manner permitted by the UCC, including any public or private sale, or in any manner permitted by any other applicable law. Any proceeds of any such disposition shall not cure any Event of Default or reinstate any Secured Obligation.

(B) In connection with any sale or other disposition of such personal property disposed of separately from the sale of the real property, Grantor agrees that the following procedures constitute a commercially reasonable sale. Grantee shall mail written notice of the sale to Grantor not later than ten (10) days prior to the date of public sale of the Property or prior to the date after which a private sale of the Property will be made, and such notice shall constitute reasonable notice; provided that, if Grantee fails to comply with this subsection in any respect, its liability for such failure shall be limited to the liability, if any, imposed on it as a matter of law under the UCC. Upon receipt of any written request, Grantee will make the personal property available to any bona fide prospective purchaser for inspection during reasonable business hours. Notwithstanding, Grantee shall be under no obligation to consummate a sale if, in its judgment, none of the offers received by it equal the fair value of the personal property offered for sale. The foregoing procedures do not constitute the only procedures that may be commercially reasonable.

(ii) Sales of Real Property or Mixed Collateral.

(A) Grantee may choose to dispose of some or all of the Property which consists solely of real property in any manner then permitted by applicable law. In its sole and absolute discretion and to the extent not prohibited by applicable law, Grantee may also or alternatively choose to dispose of some or all of the Property, in any combination consisting of both real and personal property, together in one sale to be held in accordance with the law and procedures applicable to real property, as may be permitted by the UCC. Grantor agrees that such a sale of personal property together with real property constitutes a commercially reasonable sale of the personal property. For purposes of this Security Instrument, either a sale of real property alone, or a sale of both

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real and personal property together in accordance with the UCC, will sometimes be referred to as a "Foreclosure Sale."

(B) Before any Foreclosure Sale, Grantee shall give such statement of breach or nonperformance, notice of sale, and/or notice of default as may then be required by applicable law. When all time periods then legally mandated have expired, and after such notice of sale as may then be legally required has been given, Grantee shall sell the property being sold in a manner in compliance with applicable law. From time to time in accordance with then applicable law, Grantee may postpone any Foreclosure Sale.

(C) At any Foreclosure Sale, Grantee shall sell to the highest bidder at public auction for cash payable at the time of sale in lawful money of the United States. Grantee shall execute and deliver to the purchaser(s) a deed or deeds conveying the property being sold without any covenant or warranty whatsoever, express or implied. The recitals in any such deed of any matters or facts, including any facts bearing upon the regularity or validity of any Foreclosure Sale, shall be conclusive proof of their truthfulness, absent manifest error. Absent manifest error, any such deed shall be (1) conclusive against all persons as to the facts recited in it; and (2) conclusive evidence in favor of purchasers and encumbrancers for value and without actual notice, that all requirements of this Security Instrument and all requirements of law were met relating to the exercise of the Foreclosure Sale of the Property conveyed by such deed.

(h) Attorney-in-Fact. Grantor hereby irrevocably constitutes and appoints Grantee as Grantor's attorney-in-fact, with full power of substitution, to perform such acts and execute such documents as Grantee in its sole and absolute discretion may consider to be appropriate (1) to effect the purpose of this Security Instrument; and (2) in connection with taking the measures described in this Section, including endorsement of Grantor's name on any instruments. The appointment granted in this Section shall be deemed to be a power coupled with an interest.

(i) Single or Multiple Foreclosure Sales. Unless prohibited by applicable law, Grantee may elect to dispose of the Property, or any portion thereof, including but not limited to lots, parcels, and/or items through a single consolidated sale or disposition to be held or made under the power of sale granted above, or in connection with judicial proceedings, or by virtue of a judgment and decree of foreclosure and sale; or through two or more such sales or dispositions; or in any other manner Grantee may deem to be in its best interests. If the Property consists of more than one lot, parcel or item of property, Grantee may designate the order in which the lots, parcels and/or items shall be sold or disposed of or offered for sale or disposition. If Grantee chooses to have more than one Foreclosure Sale, Grantee at its option may cause the Foreclosure Sales to be held simultaneously or successively, on the same day, or on such different days and at such different times and in such order as Grantee may deem to be in its best interests. No Foreclosure Sale shall terminate or affect the lien of this Security Instrument on any part of the Property which has not been sold, until all of the Secured Obligations have been paid and performed in full.

6.5 Personal Property. It shall not be necessary that Grantee take possession of all or any part of the Property that is personal property or fixture property prior to the time that any sale pursuant to the provisions of this Section is conducted, and it shall not be necessary that such Property or any part thereof be present at the location of such sale. With respect to application of proceeds from disposition of such Property, the costs and expenses incident to disposition shall include the reasonable expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and the reasonable attorneys' fees and legal expenses (including, without limitation, the allocated reasonable costs for in-house counsel to the extent not prohibited by applicable law) incurred by Grantee. Any and all statements of fact or

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other recitals made in any bill of sale or assignment or other instrument evidencing any foreclosure sale hereunder as to nonpayment of the Secured Obligations or as to the occurrence of any default or Event of Default, or as to Grantee having declared all of such indebtedness to be due and payable, or as to notice of time, place, and terms of sale, and of the properties to be sold having been duly given, or as to any other act or thing having been duly done by Grantee, shall be taken as prima facie evidence of the truth of the facts so stated and recited (absent manifest error). Grantee may appoint or delegate any one or more persons as agent to perform any act or acts necessary or incident to any sale held by Grantee, including the sending of notices and the conduct of the sale, but in the name and on behalf of the Grantee. Grantee may comply with any applicable state or federal law or regulatory requirements in connection with a disposition of the Property or any part thereof, and such compliance will not be considered to affect adversely the commercial reasonableness of any sale of such Property. Grantee may sell all or any portion of the Property without giving any warranties as to such Property, and may specifically disclaim any warranties of title, merchantability, fitness for a specific purpose, or the like, and this procedure will not be considered to affect adversely the commercial reasonableness of any sale of such Property. Grantor acknowledges that a private sale of all or any part of the Property may result in less proceeds than a public sale, and Grantor acknowledges that the Property may be sold at a loss to Grantor, and that, in such event, Grantee shall have no liability or responsibility to Grantor for such loss. In addition to the rights granted elsewhere in this Security Instrument, after the occurrence of any default or Event of Default, Grantee may at any time notify the account debtors or obligors of any accounts, chattel paper (whether tangible or electronic), general intangibles (including payment intangibles), negotiable instruments, promissory notes, or other evidences of indebtedness included in the Property to pay Grantee directly.

6.6 Credit Bids. At any Foreclosure Sale or any sale of personal property collateral pursuant to **Section 6.5**, any person, including Grantor or Grantee, may bid for and acquire the Property being sold or any part of it to the extent not expressly prohibited by then applicable law. Instead of paying cash for such property, Grantee shall have the benefit of any applicable law permitting credit bids.

6.7 Application of Foreclosure Sale Proceeds. Except as may be otherwise required by law, Grantee shall apply the proceeds of any Foreclosure Sale in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the expenses of sale, including, but not limited to reasonable attorneys' fees, the costs of any action and any other sums for which Grantor is obligated to reimburse Grantee under **Section 5.11** above; and

(b) Second, to pay the portion of the Secured Obligations attributable to any sums expended or advanced by Grantee under the terms of this Security Instrument which then remain unpaid; and

(c) Third, to pay all other Secured Obligations, to the extent not expressly prohibited by applicable law, in any order and proportions as Grantee in its sole and absolute discretion may choose; and

(d) Fourth, to remit the remainder, if any, to the Grantor or as otherwise required by applicable law.

If the Secured Obligations include more than one loan or line of credit, by cross-collateralization or otherwise, it is specifically agreed that the proceeds of any Foreclosure Sale or other foreclosure action shall not be applied pro-rata unless such application is directed by Grantee, but instead shall be applied to all such Secured Obligations in any order, proportions and manner as Grantee in its sole and absolute discretion may choose.

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6.8 Application of Rents and Other Sums. Grantee shall apply any and all Rents collected by it in such order as set forth in Section 2.5 (provided that any such application shall be subject to Section 1.1(r)), and any and all other sums, other than proceeds of a Foreclosure Sale or a judicial foreclosure sale under this Security Instrument, which Grantee may receive or collect under this Section, in the following manner:

(a) First, to pay the portion of the Secured Obligations attributable to the costs and expenses of operation of the Property and collection of Rents and other sums that may be incurred by Grantee, and/or any receiver, including but not limited to reasonable attorneys' fees and any and all expenses of leasing, operating, maintaining, and managing the Property, and all other costs and charges incident to the Property; and

(b) Second, to pay all other Secured Obligations in any order and proportions as Grantee in its sole and absolute discretion may choose; and

(c) Third, to remit the remainder, if any, to the Grantor or as otherwise required by applicable law.

Grantee shall have no liability for any funds which it does not actually receive.

7. Miscellaneous Provisions.

7.1 Additional Provisions. The Loan Documents fully state all of the terms and conditions of the parties' agreement regarding the matters mentioned in or incidental to this Security Instrument. The Loan Documents also grant further rights to Grantee and certain of them contain further agreements and affirmative and negative covenants by Grantor which apply to this Security Instrument and to the Property.

7.2 No Waiver or Cure.

(a) Each waiver by Grantee shall be in writing, and no waiver shall be construed as a continuing waiver. No waiver shall be implied from any delay or failure by Grantee to take action on account of any default of Grantor. Consent by Grantee to any act or omission by Grantor shall not be construed as a consent to any other or subsequent act or omission or to waive the requirement for Grantee's consent to be obtained in any future or other instance. Reinstatement after an Event of Default shall not constitute a waiver of any Event of Default then existing or subsequently occurring, nor impair the right of Grantee to declare other Events of Default, nor otherwise affect this Security Instrument or any of the Loan Documents, or any of the rights, obligations, or remedies of Grantee under this Security Instrument or any of the Loan Documents.

(b) If any of the events described below occurs, that event alone shall not: cure or waive any breach, Event of Default, or notice of default under this Security Instrument or invalidate any act performed pursuant to any such default or notice; or nullify the effect of any notice of default or sale (unless all Secured Obligations then due have been paid and performed and all other defaults under the Loan Documents have been cured); or impair the security of this Security Instrument; or prejudice Grantee or any receiver in the exercise of any right or remedy afforded any of them under this Security Instrument; or be construed as an affirmation by Grantee of any tenancy, lease or option, or a subordination of the lien of this Security Instrument.

(i) Grantee, its agent, or a receiver takes possession of all or any part of the Property in the manner provided this Security Instrument; or

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(ii) Grantee collects and applies Rents and enforces any Lease provision as permitted under this Security Instrument, either with or without taking possession of all or any part of the Property; or

(iii) Grantee receives and applies to any Secured Obligation any proceeds of any Property, including any proceeds of insurance policies, condemnation awards, surety bond proceeds, or other claims, property or rights assigned to Grantee under this Security Instrument; or

(iv) Grantee makes a site visit, observes the Property, and/or conducts tests as permitted under this Security Instrument; or

(v) Grantee receives any sums under this Security Instrument or any proceeds of any collateral held for any of the Secured Obligations, and applies them to one or more Secured Obligations; or

(vi) Grantee, its agent, or any receiver performs any act which it is empowered or authorized to perform, or invokes any right or remedy provided under this Security Instrument.

7.3 Powers of Grantee.

(a) Grantee shall have no obligation to perform any act which it is empowered to perform under this Security Instrument unless it is requested to do so in writing and is reasonably indemnified against loss, cost, liability and expense.

(b) If Grantee performs any act which it is empowered or authorized to perform under this Security Instrument, that act alone shall not release or change the personal liability of any person for the payment and performance of the Secured Obligations then outstanding or the lien of this Security Instrument on all or the remainder of the Property for full payment and performance of all outstanding Secured Obligations. The liability of the original Grantor shall not be released or changed if Grantee grants any successor in interest to Grantor any extension of time for payment, or modification of the terms of payment, of any Secured Obligation. Grantee shall not be required to comply with any demand by the original Grantor that Grantee refuse to grant such an extension or modification to, or commence proceedings against, any such successor in interest.

(c) Grantee may take any of the actions permitted under this Security Instrument, including without limitation appointment of a receiver, regardless of the adequacy of the security for the Secured Obligations, or whether any or all of the Secured Obligations have been declared to be immediately due and payable, or whether notice of default and election to sell has been given under this Security Instrument.

(d) From time to time, Grantee may apply to any court of competent jurisdiction for aid and direction in enforcing the rights and remedies created under this Security Instrument. Grantee may from time to time obtain orders or decrees directing, confirming or approving acts in enforcing such rights and remedies.

7.4 Merger. No merger shall occur as a result of Grantee's acquiring any other estate in or any other lien on the Property unless Grantee consents to a merger in writing.

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7.5 Joint and Several Liability. If more than one Person has executed this Security Instrument as Grantor, each shall be jointly and severally liable for the faithful performance of all of Grantor's obligations under this Security Instrument.

7.6 Governing Law; Waiver of Jury Trial. This Security Instrument shall be governed by and construed in accordance with the laws of the state where the Property is located, without regard to the choice of law rules of that state and by applicable Federal law. **TO THE EXTENT NOT PROHIBITED BY APPLICABLE LAW, GRANTOR WAIVES TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO WHICH GRANTOR AND BANK MAY BE PARTIES, ARISING OUT OF, IN CONNECTION WITH OR IN ANY WAY PERTAINING TO, THIS SECURITY INSTRUMENT OR THE OTHER LOAN DOCUMENTS. IT IS AGREED AND UNDERSTOOD THAT THIS WAIVER CONSTITUTES A WAIVER OF TRIAL BY JURY OF ALL CLAIMS AGAINST ALL PARTIES TO SUCH ACTIONS OR PROCEEDINGS, INCLUDING CLAIMS AGAINST PARTIES WHO ARE NOT PARTIES TO THIS SECURITY INSTRUMENT. THIS WAIVER IS KNOWINGLY, WILLINGLY AND VOLUNTARILY MADE BY GRANTOR, AND GRANTOR HEREBY REPRESENTS THAT NO REPRESENTATIONS OF FACT OR OPINION HAVE BEEN MADE BY ANY INDIVIDUAL TO INDUCE THIS WAIVER OF TRIAL BY JURY OR TO IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. GRANTOR FURTHER REPRESENTS AND WARRANTS THAT IT HAS BEEN REPRESENTED IN SIGNING THIS SECURITY INSTRUMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL OR HAS HAD THE OPPORTUNITY TO BE REPRESENTED BY INDEPENDENT LEGAL COUNSEL SELECTED OF ITS OWN FREE WILL AND THAT IT HAS HAD THE OPPORTUNITY TO DISCUSS THIS WAIVER WITH COUNSEL.**

7.7 Successors in Interest. The terms, covenants and conditions of this Security Instrument shall be binding upon and inure to the benefit of the heirs and permitted successors and assigns of the parties. However, this Section does not waive or modify the provisions of **Section 6.1** above.

7.8 Statute of Limitations. To the extent not expressly prohibited by law, Grantor hereby waives the right to plead the statute of limitations as a defense to any and all obligations secured by this Security Instrument.

7.9 Survival of R&O Agreement. No transfer of the Property by foreclosure or deed in lieu of foreclosure shall extinguish the Declaration or the R&O Agreement, and the Declaration and the R&O Agreement shall remain in effect during the term thereof following such transfer. So long as the Declaration and the R&O Agreement remain in effect, the Grantee will notify HUD of its intent to exercise its foreclosure remedy hereunder.

7.10 Time of Essence. Time is of the essence of this Security Instrument.

7.11 Interpretation.

(a) Whenever the context requires, all words used in the singular will be construed to have been used in the plural, and vice versa, and each gender will include any other gender. The captions of the sections of this Security Instrument are for convenience only and do not define or limit any terms or provisions. The word "include(s)" means "include(s), without limitation," and the word "including" means "including, but not limited to."

(b) The word "obligations" is used in its broadest and most comprehensive sense, and includes all primary, secondary, direct, indirect, fixed, and contingent obligations. It further includes

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all principal, interest, prepayment fees, late charges, loan fees, and any other fees and charges accruing or assessed at any time, as well as all obligations to perform acts or satisfy conditions.

(c) No listing of specific instances, items, or matters in any way limits the scope or generality of any language of this Security Instrument. The Exhibits to this Security Instrument are hereby incorporated by reference in this Security Instrument.

(d) No course of prior dealing, usage of trade, or parol or extrinsic evidence of any nature shall be used to supplement, modify, or vary any of the terms hereof.

7.12 In-House Counsel Fees. Whenever Grantor is obligated to pay or reimburse Grantee for any attorneys' fees, those fees shall include the allocated reasonable costs for services of in-house counsel to the extent not prohibited by applicable law.

7.13 Waiver of Marshaling. Grantor waives all rights, legal and equitable, it may now or hereafter have to require marshaling of assets or to direct the order in which any of the Property will be sold in the event of any sale under this Security Instrument. Each successor and assign of Grantor, including any holder of a lien subordinate to this Security Instrument, by acceptance of its interest or lien agrees that it shall be bound by the above waiver, as if it had given the waiver itself.

7.14 Severability. If any provision of this Security Instrument should be held unenforceable or void, that provision shall be deemed severable from the remaining provisions and shall in no way affect the validity of this Security Instrument, except that if such provision relates to the payment of any monetary sum, then Grantee may, at its option, declare all Secured Obligations immediately due and payable.

7.15 Notices. Grantor hereby requests that a copy of any notice of default or notice of sale, or such other notices prescribed by applicable law, be mailed to it at the address set forth below. If any Grantor fails to insert an address, that failure will constitute a designation of Grantor's last known address as the address of such notice. That address is also the mailing address of Grantor as debtor under the UCC. Grantee's address given below is the address for Grantee as secured party under the UCC.

7.16 Extended Low-Income Housing Commitment. Grantee agrees that the lien of this Security Instrument shall be subordinate to any extended low-income housing commitment (as such term is defined in Section 42(h)(6)(B) of the Internal Revenue Code) (the "Extended Use Agreement") recorded against the Property; provided that such Extended Use Agreement, by its terms, must terminate upon foreclosure under this Instrument or upon a transfer of the Property by instrument in lieu of foreclosure, in accordance with Section 42(h)(6)(E) of the Internal Revenue Code.

8. Future Advances. All advances, disbursements and expenditures (collectively "Protective Advances") made by Grantee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Security Instrument or by the Illinois Mortgage Foreclosure Act (the "Act"), 735 ILCS 5/15-1101 et seq. shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

(a) all advances by Grantee in accordance with the terms of this Security Instrument to: (i) preserve or maintain, repair, restore or rebuild the improvements upon the Property; (ii) preserve the lien of this Security Instrument or the priority thereof; or (iii) enforce this Security Instrument, as referred to in Subsection (b)(5) of Section 5/15 1302 of the Act;

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(b) payments by Grantee of: (i) when due, installments of principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (ii) when due, installments of real estate taxes and assessments, general and special and all other taxes and assessments of any kind or nature whatsoever which are assessed or imposed upon the Property or any part thereof; (iii) other obligations authorized by this Security Instrument; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 5/15-1505 of the Act;

(c) advances by Grantee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(d) reasonable attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Security Instrument as referred to in Sections 5/15-1504(d)(2) and 5/15-1510 of the Act; (ii) in connection with any action, suit or proceeding brought by or against Grantee for the enforcement of this Security Instrument or arising from the interest of Grantee hereunder; or (iii) in the preparation for the commencement or defense of any such foreclosure or other action;

(e) Grantee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Subsection (b)(1) of Section 5/15-1508 of the Act;

(f) advances of any amount required to make up a deficiency in deposits for installments of taxes and assessments and insurance premiums as may be authorized by this Security Instrument;

(g) expenses deductible from proceeds of sale as referred to in Subsections (a) and (b) of Section 5/15-1512 of the Act;

(h) expenses incurred and expenditures made by Grantee for any one or more of the following: (i) if the Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof; (ii) if any interest in the Property is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; (iii) premiums for casualty and liability insurance paid by Grantee whether or not Grantee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation to maintaining of existing insurance in effect at the time any receiver or Grantee takes possession of the Property imposed by Subsection (c)(1) of Section 5/15-1704 of the Act; (iv) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (v) payments required or deemed by Grantee to be for the benefit of the Property or required to be made by the owner of the Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the Property; (vi) shared or common expense assessments payable to any association or corporation in which the owner of the Property is a member in any way affecting the Property; (vii) costs incurred by Grantee for demolition, preparation for and completion of construction, as may be; (viii) pursuant to any lease or other agreement for occupancy of the Property; and (ix) if this Security Instrument is insured, payments of FHA or private mortgage insurance.

All Protective Advances shall be so much additional Secured Obligations secured by this Security Instrument, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the rate of interest payable after a default under the terms of the Loan Agreement.

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This Security Instrument shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Security Instrument is recorded pursuant to Subsection (b)(1) of Section 5/15-1302 of the Act.

All Protective Advances shall, except to the extent, if any, that any of the same is clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in:

(a) the determination of the amount of Secured Obligations secured by this Security Instrument at any time;

(b) the obligations found due and owing to Grantee in the judgment of foreclosure and any subsequent supplemental judgments, orders, adjudications or findings by the court of any additional Obligations becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purpose;

(c) if the right of redemption has not been waived by this Security Instrument, computation of amount required to redeem, pursuant to Subsections (d)(2) and (e) of Section 5/15-1603 of the Act;

(d) the determination of amounts deductible from sale proceeds pursuant to Section 5/15-1512 of the Act;

(e) the application of income in the hands of any receiver or lender in possession; and

(f) the computation of any deficiency judgment pursuant to Subsections (b)(2) and (e) of Sections 5/15-1508 and Section 5/15-1511 of the Act.

The maximum amount of indebtedness secured by this Security Instrument is \$50,000,000, plus interest, plus the amount of any Protective Advances, together with interest thereon.

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IN WITNESS WHEREOF, Grantor has executed this Security Instrument under seal the date first above written.

"GRANTOR"

ROOSEVELT SQUARE II LIMITED PARTNERSHIP,
an Illinois limited partnership

By: Roosevelt Square Rental II LLC,
an Illinois limited liability company,
its General Partner

By: LR ABLA LLC,
a Delaware limited liability company,
its Manager

By: LR Development Company LLC,
a Delaware limited liability company,
d/b/a Related Midwest LLC
Its Sole Member

By: *Bradford J. White*
Name: Bradford J. White
Title: Vice President

Address of Grantor's chief executive office for notices to Grantor:

c/o Related Midwest LLC
350 W. Hubbard St., Suite 300
Chicago, IL 60610
Attention: Mr. Bradford J. White

with a copy to:

Heartland Housing, Inc.
208 S. La Salle Street, Suite 1818
Chicago, IL 60604
Attention: Andy Geer

with a copy to:

Centerline Capital Group, Inc.
625 Madison Avenue
New York, NY 10022
Attention: Andrew J. Weil

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with a copy to:

Chicago Housing Authority
60 E. Van Buren Street, 12th Floor
Chicago, Illinois 60605
Attention: Chief Executive Officer

Chicago Housing Authority
60 E. Van Buren Street, 12th Floor
Chicago, Illinois 60605
Attention: General Counsel

With a copy to:

Daniel E. Levin and The Habitat Company LLC
350 W. Hubbard Street, Suite 400
Chicago, Illinois 60610
Attn.: Jeffrey D. Head

Address for notices to Grantee:

Harris N.A.
111 West Monroe Street, 2 East
Chicago, Illinois 60603
Attention: Steven E. Quasny

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All-Purpose Acknowledgement

State of Illinois

County of Cook

On _____ before me, ^{Margaret A.} Grassano, personally appeared Bradford J. White

CAPACITY CLAIMED BY SIGNER

- INDIVIDUAL
- CORPORATE Vice OFFICER(S) President TITLES(S)
- PARTNER(S)
 - LIMITED
 - GENERAL

- ATTORNEY-IN-FACT
- TRUSTEE(S)
- GUARDIAN/ CONSERVATOR

OTHER: _____

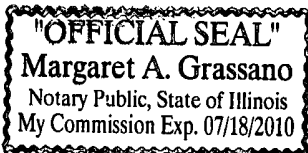
personally known to me - OR-

proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her their signature(s) on the instrument the person(s), or the entity upon behalf of which the persons acted, executed the instrument.

SIGNER IS REPRESENTING: NAME OF PERSON(S) OR ENTITY(IES)

L.P. Development Company
LLC d/b/a
Related Midwest LLC

Witness my hand and official seal.



Margaret A. Grassano
SIGNATURE OF NOTARY

ATTENTION NOTARY: Although the information requested below is OPTIONAL, it could prevent fraudulent attachment of this certificate to an unauthorized document.

THIS CERTIFICATE MUST BE ATTACHED TO THE DOCUMENT DESCRIBED AT RIGHT:

Title or Type of Document _____

Number of Pages _____ Date of Document _____

Signer(s) Other than Named Above _____

UNOFFICIAL COPY**EXHIBIT A****ROOSEVELT SQUARE PHASE II RENTAL LEGAL DESCRIPTION**
(inclusive of Retail Space)***North Parcel***

Lots 66, 93, 94, 117, 118, 121, 130, 135, and 138 in Roosevelt Square Subdivision Phase Two, Plat One, being a subdivision of part of the East ½ of the Southwest ¼ of Section 17, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded in Cook County, Illinois.

PINS: 17-17-332-005, 17-17-333-001, 17-17-333-002, 17-17-333-003, 17-17-333-004 and 17-17-333-005

COMMON ADDRESSES:

LOT 66	1251-1259 W. TAYLOR STREET
LOT 66	1007 S. THROOP STREET
LOT 93	1116 & 1118 S. LYTLE STREET
LOT 93	1115 & 1117 S. THROOP STREET
LOT 94	1250-1256 W. GRENSHAW STREET
LOT 117	1251-1257 W. GRENSHAW STREET
LOT 118	1236-1244 W. ROOSEVELT ROAD
LOT 121	1309 & 1315 W. GRENSHAW STREET
LOT 130	1341 & 1345 W. GRENSHAW STREET
LOT 135	1336-1344 W. ROOSEVELT ROAD
LOT 138	1302-1310 W. ROOSEVELT ROAD

AND

South Parcel (CONTINUED ON NEXT PAGE)

Lots 139, 141, 143, 145, 147, 149, 151, 153, and 160 in Roosevelt Square Subdivision Phase Two, Plat Two, being a subdivision of part of the East ½ of the Northwest ¼ of Section 20, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded in Cook County, Illinois.

PINS: 17-20-102-009, 17-20-102-010, 17-20-102-011, 17-20-102-012, 17-20-102-016, 17-20-102-017, 17-20-102-018, 17-20-102-019, 17-20-102-020, 17-20-102-021, 17-20-102-045, 17-20-102-046, 17-20-102-047, 17-20-102-048 and 17-20-103-046

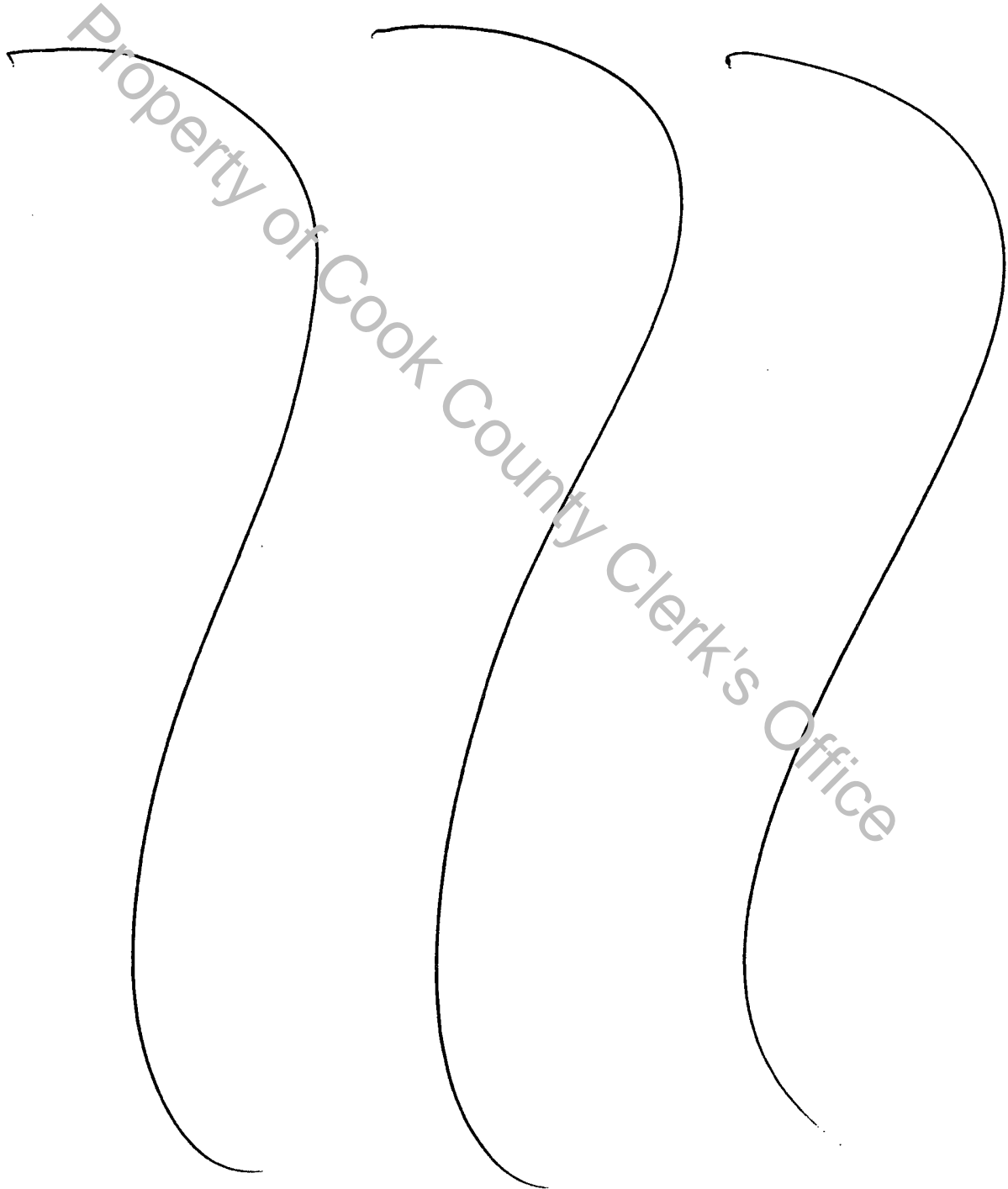
COMMON ADDRESSES:

LOT 139	1303-1311 & 1317 W. ROOSEVELT ROAD
LOT 141	1333 W. ROOSEVELT ROAD
LOT 143	1354 W. WASHBURNE AVENUE
LOT 145	1342 W. WASHBURNE AVENUE

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LOT 147	1326-1332 W. WASHBURNE AVENUE
LOT 149	1306 & 1314 W. WASHBURNE AVENUE
LOT 151	1256 W. WASHBURNE AVENUE
LOT 153	1246 W. WASHBURNE AVENUE
LOT 160	1224 W. WASHBURNE AVENUE

chicago-#73637-v4-RSII_Rental_Legal_Description.DOC



UNOFFICIAL COPY**EXHIBIT A-1****ROOSEVELT SQUARE PHASE II RENTAL ONLY GROUND LEASE LEGAL
DESCRIPTION*****North Parcel***

Lots 93, 94, 117, 118, 121, 130, 135, and 138 in Roosevelt Square Subdivision Phase Two, Plat One, being a subdivision of part of the East ½ of the Southwest ¼ of Section 17, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded in Cook County, Illinois.

PINS: 17-17-332-005, 17-17-333-002, 17-17-333-003, 17-17-333-004 and 17-17-333-005

COMMON ADDRESSES:

LOT 93	1116 & 1118 S. LYTLE STREET
LOT 93	1115 & 1117 S. THROOP STREET
LOT 94	1250-1256 W. GRENSHAW STREET
LOT 117	1251-1257 W. GRENSHAW STREET
LOT 118	1236-1244 W. ROOSEVELT ROAD
LOT 121	1309 & 1315 W. GRENSHAW STREET
LOT 130	1341 & 1345 W. GRENSHAW STREET
LOT 135	1336-1344 W. ROOSEVELT ROAD
LOT 138	1302-1310 W. ROOSEVELT ROAD

AND

South Parcel (CONTINUED ON NEXT PAGE)

Lots 139, 141, 143, 145, 147, 149, 151, 153, and 160 in Roosevelt Square Subdivision Phase Two, Plat Two, being a subdivision of part of the East ½ of the Northwest ¼ of Section 20, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded in Cook County, Illinois.

PINS: 17-20-102-009, 17-20-102-010, 17-20-102-011, 17-20-102-012, 17-20-102-016, 17-20-102-017, 17-20-102-018, 17-20-102-019, 17-20-102-020, 17-20-102-021, 17-20-102-045, 17-20-102-046, 17-20-102-047, 17-20-102-048 and 17-20-103-046

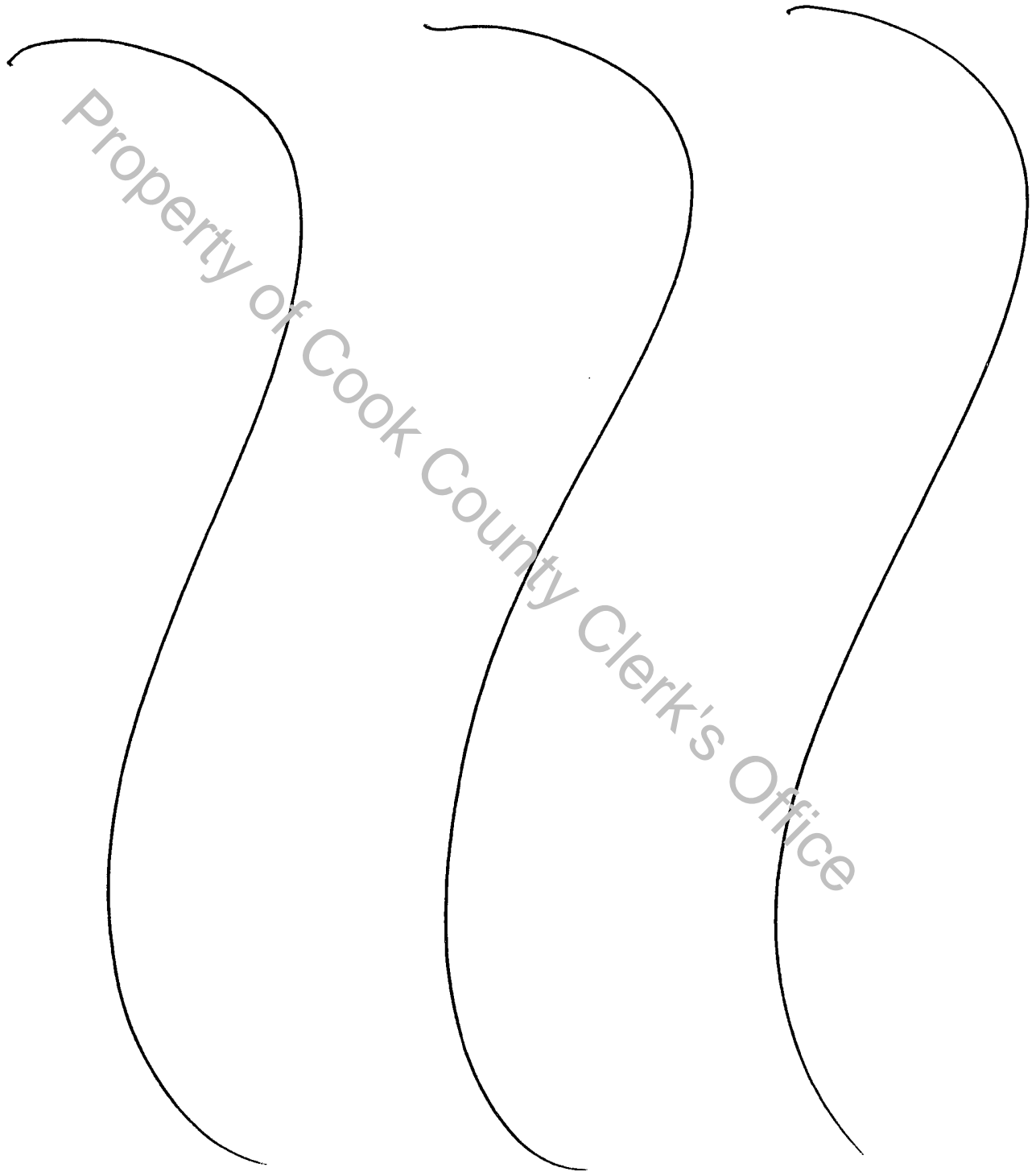
COMMON ADDRESSES:

LOT 139	1303-1311 & 1317 W. ROOSEVELT ROAD
LOT 141	1333 W. ROOSEVELT ROAD
LOT 143	1354 W. WASHBURNE AVENUE
LOT 145	1342 W. WASHBURNE AVENUE
LOT 147	1326-1332 W. WASHBURNE AVENUE
LOT 149	1306 & 1314 W. WASHBURNE AVENUE

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LOT 151	1256 W. WASHBURNE AVENUE
LOT 153	1246 W. WASHBURNE AVENUE
LOT 160	1224 W. WASHBURNE AVENUE

CHICAGO-#75048-v1-RSII_Legal_Description_for_Rental_Only_Ground_Lease.DOC



UNOFFICIAL COPY**EXHIBIT A-2****LEGAL DESCRIPTION FOR
ROOSEVELT SQUARE PHASE II RETAIL**

All that portion of the following described premises lying above Elevation 4.55 and beneath Elevation 12.55 City of Chicago Datum, being a part of said Lot 66 in Roosevelt Square Subdivision Phase Two, Plat One, being a subdivision of part of the East ½ of the Southwest ¼ of Section 17, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded in Cook County, Illinois:

Commencing at the Northwest corner of said Lot 66, said point also being the Southeast corner of the intersection of West Taylor Street and South Throop Street; thence South 89°58'27" East along the South right-of-way line of said West Taylor Street, a distance of 116.45 feet; thence South 00°01'33" West, a distance of 26.96 feet, to the Point of Beginning of this description; thence South 00°01'33" West, a distance of 22.91 feet; thence North 89°58'27" West, a distance of 64.18 feet; thence North 00°01'33" East, a distance of 22.91 feet; thence South 89°58'27" East, a distance of 64.18 feet to the Point of Beginning, all being situated within the City of Chicago, County of Cook, and State of Illinois.

Also,

All that portion of the following described premises lying above Elevation 14.30 and beneath Elevation 27.76 City of Chicago Datum, being part of said Lot 66, more particularly bounded and described as follows to-wit:

Commencing at the Northwest corner of said Lot 66, said point also being the Southeast corner of the intersection of West Taylor Street and South Throop Street; thence South 89°58'27" East along the South right-of-way line of said West Taylor Street, a distance of 1.57 feet; thence South 00°01'33" West, a distance of 3.37 feet to the Point of Beginning of this description; thence South 89°58'27" East, a distance of 13.75 feet; thence North 00°01'33" East, a distance of 1.56 feet; thence South 89°58'27" East, a distance of 0.94 feet; thence North 00°01'33" East, a distance of 0.49 feet; thence South 89°58'27" East, a distance of 85.33 feet; thence South 00°01'33" West, a distance of 0.49 feet; thence South 89°58'27" East, a distance of 0.94 feet; thence South 00°01'33" West, a distance of 1.56 feet; thence South 89°58'27" East, a distance of 14.42 feet; thence South 00°01'31" West, a distance of 21.97 feet; thence North 89°58'32" West, a distance of 0.49 feet; thence South 00°01'33" West, a distance of 24.53 feet; thence North 89°58'27" West, a distance of 27.91 feet; thence North 00°01'33" East, a distance of 15.43 feet; thence North 89°58'27" West, a distance of 1.32 feet; thence North 00°01'33" East, a distance of 1.94 feet; thence North 89°58'27" West, a distance of 3.54 feet; thence South 00°01'33" West, a distance of 13.02 feet; thence North 89°58'27" West, a distance of 1.71 feet; thence South 00°01'33" West, a distance of 4.34 feet; thence North 89°58'27" West, a distance of 29.70 feet; thence North 00°01'33" East, a distance of 17.47 feet; thence North 89°58'27" West, a distance of 40.22 feet; thence North 00°01'33" East, a distance of 6.41 feet; thence North 89°58'30" West, a distance of 9.99 feet; thence North 00°01'33" East, a distance of 0.66 feet; thence North

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89°58'19" West, a distance of 0.49 feet; thence North 00°01'51" East, a distance of 21.97 feet to the Point of Beginning, all being situated within the City of Chicago, County of Cook, and State of Illinois.

PIN: 17-17-333-001

COMMON ADDRESS: 1251-1259 W. Taylor Street

CHICAGO-#75046-v2-RSII_Rental_Retail_Legal_DescriptionDOC

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EXHIBIT A-3

LEGAL DESCRIPTION FOR ROOSEVELT SQUARE PHASE II MIXED-USE GROUND LEASE

Lots 66 in Roosevelt Square Subdivision Phase Two, Plat One, being a subdivision of part of the East ½ of the Southwest ¼ of Section 17, Township 39 North, Range 14, East of the Third Principal Meridian, according to the plat thereof recorded in Cook County, Illinois; except from said Lot 66 that part thereof within the Retail Parcel described below:

PIN: 17-17-333-001

Common Address: 1007 S. Throop Street

Retail Parcel

1251-1259 W. Taylor Street

All that portion of the following described premises lying above Elevation 4.55 and beneath Elevation 12.55 City of Chicago Datum, being a part of said Lot 66, more particularly bounded and described as follows:

Commencing at the Northwest corner of said Lot 66, said point also being the Southeast corner of the intersection of West Taylor Street and South Throop Street; thence South 89°58'27" East along the South right-of-way line of said West Taylor Street, a distance of 116.45 feet; thence South 00°01'33" West, a distance of 26.96 feet, to the Point of Beginning of this description; thence South 00°01'33" West, a distance of 22.91 feet; thence North 89°58'27" West, a distance of 64.18 feet; thence North 00°01'33" East, a distance of 22.91 feet; thence South 89°58'27" East, a distance of 64.18 feet to the Point of Beginning, all being situated within the City of Chicago, County of Cook, and State of Illinois.

Also,

All that portion of the following described premises lying above Elevation 14.30 and beneath Elevation 27.76 City of Chicago Datum, being part of said Lot 66, more particularly bounded and described as follows to-wit:

Commencing at the Northwest corner of said Lot 66, said point also being the Southeast corner of the intersection of West Taylor Street and South Throop Street; thence South 89°58'27" East along the South right-of-way line of said West Taylor Street, a distance of 1.57 feet; thence South 00°01'33" West, a distance of 3.37 feet to the Point of Beginning of this description; thence South 89°58'27" East, a distance of 13.75 feet; thence North 00°01'33" East, a distance of 1.56 feet; thence South 89°58'27" East, a distance of 0.94 feet; thence North 00°01'33" East, a distance of 0.49 feet; thence South 89°58'27" East, a distance of 85.33 feet; thence South 00°01'33" West, a distance of 0.49 feet; thence South 89°58'27" East, a distance of 0.94 feet; thence South 00°01'33" West, a distance of 1.56 feet; thence South 89°58'27" East, a distance of 14.42 feet; thence South 00°01'31" West, a distance of 21.97 feet; thence North 89°58'32" West, a distance

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of 0.49 feet; thence South $00^{\circ}01'33''$ West, a distance of 24.53 feet; thence North $89^{\circ}58'27''$ West, a distance of 27.91 feet; thence North $00^{\circ}01'33''$ East, a distance of 15.43 feet; thence North $89^{\circ}58'27''$ West, a distance of 1.32 feet; thence North $00^{\circ}01'33''$ East, a distance of 1.94 feet; thence North $89^{\circ}58'27''$ West, a distance of 3.54 feet; thence South $00^{\circ}01'33''$ West, a distance of 13.02 feet; thence North $89^{\circ}58'27''$ West, a distance of 1.71 feet; thence South $00^{\circ}01'33''$ West, a distance of 4.34 feet; thence North $89^{\circ}58'27''$ West, a distance of 29.70 feet; thence North $00^{\circ}01'33''$ East, a distance of 17.47 feet; thence North $89^{\circ}58'27''$ West, a distance of 40.22 feet; thence North $00^{\circ}01'33''$ East, a distance of 6.41 feet; thence North $89^{\circ}58'30''$ West, a distance of 9.99 feet; thence North $00^{\circ}01'33''$ East, a distance of 0.66 feet; thence North $89^{\circ}58'19''$ West, a distance of 0.49 feet; thence North $00^{\circ}01'51''$ East, a distance of 21.97 feet to the Point of Beginning, all being situated within the City of Chicago, County of Cook, and State of Illinois.

CHICAGO-#75047-v2-RSII_Legal_for_Mixed-Use_Ground_Lease.DOC

Property of Cook County Clerk's Office