

# UNOFFICIAL COPY



Doc#: 1200931112 Fee: \$104.00  
Eugene "Gene" Moore RHSP Fee:\$10.00  
Cook County Recorder of Deeds  
Date: 01/09/2012 05:01 PM Pg: 1 of 35

## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption

4402265  
9/2  
1/12

Report Mortgage Fraud  
800-532-8785

The property identified as: **PIN:** 17-18-120-055-0000

**Address:**

**Street:** 2333 WEST JACKSON

**Street line 2:**

**City:** CHICAGO

**State:** IL

**ZIP Code:** 60612

**Lender:** THE COMMUNITY BUILDERS, INC. DOING BUSINESS IN ILLINOIS AS TCB ILLINOIS NFP, INC.

**Borrower:** TCB ST. STEPHENS LIMITED PARTNERSHIP

**Loan / Mortgage Amount:** \$14,507,128.00

This property is located within the program area and is exempt from the requirements of 765 LCS 77/70 et seq. because it is commercial property.

**Certificate number:** FDF823F2-E9F6-4B84-9BDD-2CFC7B7DBCAB

**Execution date:** 01/04/2012

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This instrument prepared by:

Drew Marlar, Esq.  
Kutak Rock LLP  
225 Peachtree Street, Suite 2100  
Atlanta, Georgia 30303

Property Index No: 17-18-120-055; 17-18-120-089; 17-18-120-090; 17-18-120-091; 17-18-120-092; 17-18-120-093; 17-18-120-094; 17-18-120-095; 17-18-120-096; 17-18-120-097; 17-18-120-098

After recording, return to:

The Community Builders, Inc.  
95 Berkeley Street  
Suite 500  
Boston, MA 02116  
Attention: NSP 2 Program Manager

Tax Parcel Identification No.: 17-18-120-055; 17-18-120-089; 17-18-120-090; 17-18-120-091; 17-18-120-092; 17-18-120-093; 17-18-120-094; 17-18-120-095; 17-18-120-096; 17-18-120-097; 17-18-120-098

Street Address: See Section 6 hereof

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**MORTGAGE, SECURITY AGREEMENT  
AND FIXTURE FILING**

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1. **Mortgagor:** TCB St. Stephens Limited Partnership  
135 South LaSalle Street – Suite 3350  
Chicago, IL 60603  
Attention: Jacques Sandberg  
Tax ID #45-0670392
2. **Mortgagee:** The Community Builders, Inc., doing business in Illinois as TCB  
Illinois NFP, Inc.  
95 Berkeley Street  
Suite 500  
Boston, MA 02116  
Attention: NSP 2 Program Manager

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With a Copy to: The Community Builders, Inc.  
95 Berkeley Street  
Suite 500  
Boston, MA 02116  
Attention: General Counsel

3. **The Loan:** The "Loan" is for a maximum amount not to exceed \$14,507,128.
4. **Loan Documents:** A Construction Loan Agreement (the "Loan Agreement"), a permanent promissory note in a maximum principal amount not to exceed \$1,500,000.00 (the "Permanent Note"), a construction promissory note in a maximum principal amount not to exceed \$13,007,128 (the "Construction Note") (the Permanent Note and the Construction Note are hereinafter collectively, the "Note"), this Mortgage, an Assignment of Leases, Rents, and Security Deposits, and any other document or instrument executed by Mortgagor or any other person in any way pertaining to the Loan and the debt evidenced by the Note.
5. **Maturity Date:** June 30, 2014 for the NSP 2 Construction Note and June 30, 2054 for the NSP 2 Permanent Note.
6. **Property:** The real property in Cook County, Illinois, located at 2333 West Jackson, Chicago, Illinois 60612 and more particularly described in the attached **Exhibit A**, together with all buildings, improvements, fixtures, equipment, easements, rights-of-way, water rights, rights, privileges, franchises, tenements, hereditaments, and appurtenances belonging or in any way appertaining to it, including any interest in adjoining road beds (all buildings, structures, and other improvements now or subsequently located on the Property shall be referred to as the "Improvements").
7. **Obligations:** This Mortgage secures the following obligations (collectively, the "Obligations"): (a) the Loan and the Note; (b) all other debts and obligations of Mortgagor to Mortgagee under this Mortgage or the other Loan Documents, including interest; (c) all amounts advanced by Mortgagee to Mortgagor or on Mortgagor's behalf in the future under the Loan Documents; (d) every obligation, covenant, condition, and agreement of Mortgagor in any of the Loan Documents; (e) all other debts of every kind and character, owing now or in the future by Mortgagor to Mortgagee, whether direct or indirect, absolute, contingent, or otherwise under the Loan Documents. This Mortgage secures an obligation incurred for the rehabilitation of improvements on land.
8. **Grant:** For good and valuable consideration, including Mortgagee making the Loan to Mortgagor, Mortgagor does hereby grant, bargain, sell, convey, assign, transfer, pledge and set over unto Mortgagee and the successors, successors in title and assigns of Mortgagee the Property and the Collateral. This Mortgage is made and intended to secure the timely payment and performance of the Obligations.

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The lien of any future advances by Mortgagee to Mortgagor shall relate back to the date of this Mortgage. All advances, disbursements and expenditures made by the Mortgagee 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 Mortgage or by the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 et seq. (the "Act") (collectively, "Protective Advances"), shall have the benefit of all applicable provisions of the Act, including those provisions of the Act hereinbelow referred to:

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

(b) payments by the Mortgagee 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 Mortgage; 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 the Mortgagee in settlement or compromise of any claims asserted by claimants under senior mortgages or any other prior liens;

(d) attorneys' fees and other costs incurred: (i) in connection with the foreclosure of this Mortgage 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 the Mortgagee for the enforcement of this Mortgage or arising from the interest of the Mortgagee hereunder; or (iii) in the preparation for the commencement of defense of any such foreclosure or other action;

(e) the Mortgagee'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 Mortgage;

(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 the Mortgagee 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, rentals or other payments required to be made by the lessee under the terms of such lease; (iii) premiums for casualty and liability insurance paid by the Mortgagee whether or not the Mortgagee or a receiver is in possession, if reasonably

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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 Mortgagee 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 the Mortgagee 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 landowners or instruments creating covenants or restrictions for the benefit of or affecting the Property; (vi) shared or common expense assessment payable to any association or corporation in which the owner of the Property is a member in any way affecting the Property; (vii) if the Obligations include amounts advanced as a construction loan, costs incurred by the Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment or loan agreement; and (viii) pursuant to any lease or other agreement for occupancy of the Property.

All Protective Advances shall be additional indebtedness secured by this Mortgage, and shall become immediately due and payable without notice and with interest thereon from the date of the advance until paid at the Default Rate.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage 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:

(1) the determination of the amount of indebtedness secured by this Mortgage at any time;

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

(3) if the right of redemption has not been waived by this Mortgage, computation of the amount required to redeem, pursuant to Subsections (d) (2) and (e) of Section 5/15-1503 of the Act;

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

(5) the application of income in the hands of any receiver or Mortgagee in possession; and

(6) 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.

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The maximum amount of indebtedness secured by this Mortgage is twice the stated amount of the Loan as set forth in Section 3 of this Mortgage plus default interest, if any, plus any disbursements for the payment of taxes and insurance on the Property, plus interest thereon, and any other sums advanced in accordance with the terms hereof or any of the other Loan Documents to protect the security of this Mortgage or any of the other Loan Documents plus default interest thereon, if any. This statement is made to comply with the Act and does not imply that Mortgagee is obligated at any time to make future advances to Mortgagor, make Protective Advances to Mortgagor or any other party or to lend all or any part of such maximum amount to Mortgagor.

9. **Warranties:** Mortgagor warrants the following: (a) Mortgagor has fee simple title to the Property, subject only to those matters set forth in **Exhibit B** (the "Permitted Encumbrances"), and has legal title to the "Collateral" (as defined below). This warranty of title shall survive the foreclosure of Mortgagor's interest in the Property and shall inure to the benefit of and be enforceable by any person who may acquire title to the Property by foreclosure or sale under power; (b) Except with respect to claims arising under a Permitted Encumbrance, Mortgagor warrants and will forever defend Mortgagee's title and right to the Property against the claims of all persons; (c) Except as may be set forth in Exhibit B, Mortgagor has not granted any other person an interest or right in the Property or a security interest in the Collateral; (d) The person signing this Mortgage on behalf of Mortgagor has been authorized to do so, and this Mortgage is valid, binding, and enforceable in accordance with its terms; and (e) The lien of this Mortgage constitutes a good and valid second priority lien on and title to the Property, and the security interest in the Collateral created by this Mortgage constitutes a good and valid second priority security interest in the Collateral.

10. **Covenants of Mortgagor:**

(a) **Insurance.** Mortgagor shall obtain and maintain in force the insurance required by the Loan Agreement until all Obligations are paid in full.

(b) **Taxes.** Mortgagor shall pay when due all taxes, assessments, and other charges against the Property, Collateral, this Mortgage or any of the other Loan Documents (each of which is referred to as a "Tax"). If, however, Mortgagor is not in default under this Mortgage or any of the other Loan Documents, Mortgagor may contest the amount, validity, or applicability of any Tax if it does so diligently, in good faith, without prejudice to Mortgagee, and (if required by Mortgagee) it provides security satisfactory to Mortgagee to protect Mortgagee's interest. If Mortgagor intends to contest any Tax, Mortgagor shall give Mortgagee advance notice and, upon request, shall provide Mortgagee with copies of all documents relating to the proceeding. If Mortgagor fails to pay any Tax when due, Mortgagee may (but shall not be obligated to) pay the Tax. If Mortgagee does so, Mortgagor shall on demand reimburse Mortgagee for the amount paid plus interest at the Default Rate (as defined in the Note).

(c) **Rents and Profits.** By separate instrument, Mortgagor has assigned to Mortgagee the rents, leases, and profits from the Property as additional security for payment of the Obligations.

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(d) Security Interest.

(i) Mortgagor grants Mortgagee a security interest in any fixtures located on the Property and the personal property described in the attached **Exhibit C** (collectively, the "Collateral"). Mortgagor shall execute and deliver to Mortgagee or hereby authorizes Mortgagee to file without Mortgagor's signature all financing statements, continuation statements, or other instruments requested or deemed necessary or desirable by Mortgagee in order to perfect or maintain the perfection of Mortgagee's security interest in the Collateral. Mortgagor shall not change its state of organization without Mortgagee's prior written consent. Mortgagor shall not remove any of the Collateral from the Property, unless Mortgagor immediately replaces it with a comparable article owned by Mortgagor. Any replacement Collateral shall be subject to Mortgagee's security interest and must be free and clear of any lien or security interest other than Mortgagee's. In addition to any other rights and remedies Mortgagee may have, if an Event of Default occurs, Mortgagee shall have all of the rights and remedies of a secured party under the Illinois Uniform Commercial Code and the following rights: to sell the Collateral at one or more public or private sales, including a sale held in conjunction with the sale of the Property; to conduct any such sale; to purchase all or part of the Collateral at any such sale; to enter upon the Property and the Improvements or any place where any Collateral is located to take possession of and assemble the Collateral or to render it unusable; to require Mortgagor to assemble the Collateral and make it available to Mortgagee at the Property; and to sell the Property and Collateral as a whole. Any sale pursuant to this Section shall be deemed to have been a public sale conducted in a commercially reasonable manner. Mortgagee need not take possession of the Collateral before a sale, and it shall not be necessary that the Collateral be present at the location of such a sale. Mortgagor shall be liable for all expenses incurred by Mortgagee in retaking, holding, preparing for sale, or selling the Collateral.

(ii) Mortgagor warrants that (i) Mortgagor's (that is, "Debtor's") name, identity or corporate structure and residence or principal place of business are as set forth in this Mortgage; (ii) Mortgagor (that is, "Debtor") has been using or operating under said name, identity or corporate structure without change for the time period set forth in subsection (c) below; and (iii) the location of the collateral is upon the Property. Mortgagor covenants and agrees that Mortgagor will furnish Mortgagee with notice of any change in the matters addressed by clauses (i) or (iii) of this subsection within thirty (30) days of the effective date of any such change.

(iii) The information contained in this subsection is provided in order that this Mortgage shall comply with the requirements of the Illinois Uniform Commercial Code for instruments to be filed as financing statements. This Mortgage shall constitute a "fixture filing" under the Illinois Uniform Commercial Code and is to be recorded and/or filed with the applicable land records as a financing statement pursuant to the Illinois Uniform Commercial Code. The names of the "Debtor"

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and the "Secured Party", the identity or corporate structure and residence or principal place of business of "Debtor", and the time period for which "Debtor" has been using or operating under said name and identity or corporate structure without change, are as set forth in this Mortgage; the mailing address of the "Secured Party" from which information concerning the security interest may be obtained, and the mailing address of "Debtor", are as set forth in this Mortgage; and a statement indicating the types, or describing the items, of collateral is set forth hereinabove. The Mortgagor's Federal Employment Identification Number is listed on the cover page of this Mortgage.

(e) Other Covenants. Without Mortgagee's prior written consent, Mortgagor shall not grant or create any easement or right-of-way in the Property or consent to any restrictive covenants that run with the land. Mortgagor shall maintain the Property in good condition and repair. Mortgagor shall not cause or permit any waste of the Property or any nuisance on the Property. Mortgagor shall comply with all applicable federal, state, and local laws relating to the ownership, use, or operation of the Property. Except with respect to the Permitted Encumbrances, without Mortgagee's prior written consent, Mortgagor shall not transfer any interest in the Property (either voluntarily, involuntarily, or by operation of law) or sell, ground lease, option, refinance, or further encumber the Property or any interest in it (except with respect to residential tenant leases in conformance with the terms and conditions of the Loan Agreement). Mortgagor shall keep the Property free from all mechanics' or materialmen's liens, judgments, and other liens and shall remove, bond over, or escrow over any such lien within 20 days of the time it attaches to the Property. Without Mortgagee's prior written consent, Mortgagor shall not sell or further encumber the Collateral or assign any interest in the rents or income from the Property to a third party. Mortgagor shall appear in and defend any action or proceeding purporting to affect the Property and notify Mortgagee of the proceeding.

11. Special Waivers: **MORTGAGOR EXPRESSLY: (A) ACKNOWLEDGES MORTGAGEE'S RIGHT TO ACCELERATE THE DEBT (B) ACKNOWLEDGES HAVING READ THIS MORTGAGE AND HAVING THE OPPORTUNITY TO ASK ANY AND ALL QUESTIONS REGARDING THE LEGAL EFFECT OF THIS MORTGAGE AND ITS PROVISIONS; (C) ACKNOWLEDGES HAVING CONSULTED OR HAVING THE OPPORTUNITY TO CONSULT WITH COUNSEL OF MORTGAGOR'S CHOICE BEFORE EXECUTING THIS MORTGAGE; (D) ACKNOWLEDGES THAT ALL WAIVERS OF RIGHTS HAVE BEEN MADE KNOWINGLY, INTENTIONALLY, AND WILLINGLY; AND (E) AGREES THAT MORTGAGOR'S RIGHT TO NOTICE SHALL BE LIMITED TO THOSE RIGHTS TO NOTICE PROVIDED BY THIS MORTGAGE OR THE OTHER LOAN DOCUMENTS OR AS REQUIRED UNDER LAW (IF ANY) AND NO OTHER.**

12. Events of Default: Each of the following constitutes an Event of Default under this Mortgage: (a) a default or event of default (however defined) under any of the other Loan Documents, unless it is cured within any applicable cure or grace period; (b) Mortgagor's failure to perform or observe any covenant in this Mortgage, after expiration of any applicable notice and cure right; (c) any warranty or representation by Mortgagor in this Mortgage is false in any material respect when made; or (d) the dissolution of Mortgagor or the termination of



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Mortgagor's existence. Notwithstanding the foregoing, the Mortgagor's limited partner shall have the right to cure any default within the applicable cure period provided herein or to pay any amount or do any act or thing required of the Mortgagor by the terms of this Mortgage or any of the other Loan Documents. All payments made and all acts performed by the Mortgagor's limited partner within such cure period to cure such default shall be accepted by the Mortgagee as if made by the Mortgagor.

13. **Remedies:** If an Event of Default occurs, in addition to any other rights or remedies Mortgagee may have, Mortgagee may exercise one or more of the following remedies:

(a) **Possession.** Mortgagee may enter upon and take possession of the Property (without the appointment of a receiver or application for one) and do all acts which may be desirable in Mortgagee's judgment to preserve the Property's value, its marketability, or the ability to rent the Property or increase the income from it. If Mortgagee takes possession, it may employ an agent or agents to manage, operate, and lease the Property, either in its own name or in the name of Mortgagor, and may collect the rents and income and apply them to the Obligations (including expenses of operation and collection) in whatever order it chooses in its sole and absolute discretion.

(b) **Specific Performance.** Mortgagee may specifically enforce the provisions of this Mortgage or any of the other Loan Documents.

(c) **Protective Advances.** In its sole and absolute discretion, Mortgagee may pay any amount deemed appropriate by Mortgagee to protect its interest in the Property and Collateral or cure any Event of Default. The amount of any such payment, with interest from the date of payment at the Default Rate (as defined in the Note), shall become a part of the Obligations and be due and payable by Mortgagor to Mortgagee upon demand.

(d) **Acceleration.** Without further notice to or demand upon Mortgagor, Mortgagee may accelerate the maturity and payment of the entire Obligations, all of which will then become immediately due and payable.

(e) **Foreclosure.** Mortgagee shall have the right to foreclose the lien hereof in accordance with the Act and to exercise any other remedies of Mortgagee provided in the other Loan Documents, or otherwise, or which Mortgagee may have at law, at equity or otherwise. In any suit to foreclose the lien hereof, there shall be allowed and included as additional Obligations in the decree of sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurance with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at sales which may be had pursuant to such decree the true conditions of the title to or the value of the Property, and any other expenses and expenditures which may be paid or incurred by or on behalf of Mortgagee and permitted by the Act to be included in such decree. All expenditures and expenses of the nature mentioned in this paragraph, and such other expenses and fees as may be incurred in the protection of the Property and rents and income therefrom and the

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maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the other Loan Documents or the Property, including probate and bankruptcy proceedings, or in preparation of the commencement or defense of any proceedings or threatened suit or proceeding, or otherwise in dealing specifically therewith, shall be so much additional Obligations and shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate until paid. In the event this Mortgage shall include more than one parcel of property or subdivision (each hereinafter called a "portion"), the Mortgagee shall, in its sole and exclusive discretion, be empowered to foreclose upon any such portions without impairing its right to foreclose subsequently upon any other portion or the entirety of the Property from time to time thereafter. Upon any foreclosure sale or sales of all or any portion of the Property under the power herein granted, Mortgagee may bid for and purchase the Property and shall be entitled to apply all or any part of the Obligations as a credit to the purchase price.

(f) Receiver. In any action to foreclose this Mortgage or if an Event of Default occurs, Mortgagee may apply for the appointment of a receiver for the rents and income from the Property or the Property or both. If Mortgagee does so, Mortgagor agrees that Mortgagee is entitled to the appointment of such a receiver as a matter of right, without regard to the value of the Property as security for the amounts due Mortgagee or the solvency of any person or entity liable for payment of such amounts. Mortgagor hereby consents to the appointment of such receiver or receivers, waives any and all notices of and defenses to such appointment, and agrees not to oppose any such application by Mortgagee. The appointment of such receiver, trustee, or other appointee by virtue of any court order, statute, or regulation shall not impair or in any manner prejudice Mortgagee's rights to receive payment of the rents and income from the Property pursuant to other terms and provisions of this Mortgage or any of the other Loan Documents. Any money advanced by Mortgagee in connection with any such receivership shall be deemed part of the Obligations and shall bear interest at the Default Rate (as defined in the Note). The receiver or his agents shall be entitled to enter upon and take possession of any and all of the Property and Collateral to the same extent and in the same manner as Mortgagor. The receiver or his agents may exclude Mortgagor and its agents and employees from the Property and may have, hold, use, operate, manage, repair, maintain, insure, and control the Property. At the option of Mortgagee, such receivership shall continue until full payment of all Obligations or until title to the Property is transferred by foreclosure or sale under this Mortgage.

(g) Remedies Cumulative. The rights and remedies of Mortgagee under this Mortgage are separate, distinct, and cumulative of other powers and rights that Mortgagee has in law or equity or under the other Loan Documents. No right or remedy of Mortgagee is exclusive; all of them are cumulative to the remedies for collection of debt, enforcement of rights under security deeds, and preservation of security as provided at law, in equity, or under the other Loan Documents. No act of Mortgagee shall be construed as an election of an exclusive remedy, unless Mortgagee indicates so in writing.

(h) Waiver of Right of Redemption and Other Rights. To the full extent permitted by law, Mortgagor expressly waives any and all rights of redemption under the Act, on its own behalf, on behalf of all persons claiming or having an interest (direct or indirect) by, through or under Mortgagor and on behalf of each and every person acquiring any interest in or title to the Property subsequent to the date hereof, it being the intent hereof that any and all such rights of

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redemption of Mortgagor and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law.

## 14. Miscellaneous:

(a) Notices. All notices required under this Mortgage shall be in writing. All such notices shall be deemed to have been given and received 3 days from the date of deposit in the U.S. mail, certified mail, return receipt requested, postage-prepaid; or when hand delivered by the party, an overnight service (such as FedEx), or a courier service. The addresses set forth in sections 1 and 2 shall be used. Mortgagor or Mortgagee may change the address to which notices are to be sent by giving the other party 10 business days written notice of the change.

(b) No Waiver of Future Compliance. Any indulgence or departure permitted at any time by Mortgagee from any of the provisions of this Mortgage or with respect to the Obligations shall not modify the same or waive the requirement of future compliance by Mortgagor. Mortgagee's failure to exercise any right or remedy upon an Event of Default shall not waive Mortgagee's rights or remedies for any subsequent Event of Default.

(c) Nomenclature. The words "Mortgagor" and "Mortgagee" shall include their respective successors and permitted assigns and all those holding under either of them. Any reference to the "Note" or to any "Loan Document" shall include any amendments, substitutions, renewals, or replacements to or for it. The word "including" means "including (but not limited to)," unless otherwise specifically stated. Any capitalized term that is not defined in this Mortgage shall have the same meaning as in the Loan Agreement.

(d) Payment of Expenses. Mortgagor shall pay all of Mortgagee's expenses actually incurred in any efforts to enforce any provision of this Mortgage, including reasonable attorney's fees and other legal expenses.

(e) Severability. A determination that any provision of this Mortgage is unenforceable or invalid shall not affect the enforceability or validity of any other provision, and any determination that the application of any provision of this Mortgage to any person or circumstance is illegal or unenforceable shall not affect the enforceability or validity of such provision as it may apply to any other persons or circumstance.

(f) Section Headings. The headings of the sections and paragraphs of this Mortgage are for convenience only and shall not affect any of the terms of this Mortgage.

(g) Governing Law. This Mortgage will be governed by and construed in accordance with Illinois law.

(h) Unsecured Portion of Debt. If any part of the Obligations cannot be lawfully secured by this Mortgage or if any part of the Property or Collateral cannot be lawfully subject to the lien and security interest of this Mortgage to the full extent of such debt, then all payments made shall be deemed to have first been applied to discharge those Obligations that are not secured by this Mortgage or secured by the Collateral.

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(i) Conflict or Inconsistency of Terms. If there is any inconsistency between this Mortgage and any of the other Loan Documents, Mortgagee shall have the right at its sole option to elect which provision shall govern.

(j) Amendments. This Mortgage may be amended or modified only by an instrument in writing signed by Mortgagee and Mortgagor.

(k) Subrogation. Mortgagee shall be subrogated to any encumbrance, lien, claim, or demand, and to all the rights and security for its payment, paid or discharged by Mortgagee under this Mortgage, and any such subrogation rights shall be additional and cumulative security for Mortgagee.

(l) Time of the Essence. **Time is of the essence of this Mortgage.**

(m) Release of Mortgage. If Mortgagor pays Mortgagee the Obligations, Mortgagee will cancel this Mortgage. Otherwise, it will remain in full force and effect. No release of the title, lien, or security interest created by this Mortgage will be valid unless signed by Mortgagee.

15. **Limited Liability**. Notwithstanding any other provision of this Mortgage or the other Loan Documents, but subject to the other provisions of this section, upon Mortgagee's determining that the "Work" (as defined in the Loan Agreement) has been fully and finally completed and any retainage released (the "Completion Date"), Mortgagor shall not be personally liable for any of the Obligations, and Mortgagee agrees to satisfy any unsatisfied debt or judgment against Mortgagor for any default under the Loan Documents from the Property, the Collateral, and any other collateral for the Loan. After the Completion Date, no other property or assets of Mortgagor or any general or limited partner of Mortgagor shall be subject to levy, execution, or other enforcement procedures for the satisfaction of such a debt or judgment.

Nothing in this Section shall: (1) release, impair, or otherwise affect the validity or enforceability of any of the Loan Documents or the perfection or priority of this Mortgage and Mortgagee's interest and title in the Property, the Collateral, or any other collateral for the Loan; (2) constitute a waiver of any obligation evidenced or secured by any Loan Document or in any way be construed to release or impair the title or interests created by this Mortgage or a security interest granted by any other Loan Document; or (3) limit the rights or remedies of Mortgagee under any of the Loan Documents, including the right to foreclose, either judicially or nonjudicially, Mortgagor's interest in the Property or to confirm any foreclosure or sale or to bring actions against Mortgagor and enter a judgment against Mortgagor, so long as the exercise of any remedy does not extend to execution against any property of Mortgagor or any general or limited partner of Mortgagor other than the Property, Collateral, and any other collateral for the Loan.

The limitation of liability set forth in this section shall be void and of no effect if Mortgagor delays or attempts to delay any foreclosure under this Mortgage or the foreclosure or exercise of any other remedy with respect to the Collateral or any other collateral for the Loan, including a claim by Mortgagor that this Mortgage or any of the other Loan Documents is invalid to the extent that Mortgagee would be precluded from exercising its remedies against the Property, Collateral, or other collateral for the Loan. Without limiting the generality of the

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preceding sentence, the limitation of liability in this section shall be void and of no effect if Mortgagor files a petition or begins any case or proceeding under any provision or chapter of the Federal Bankruptcy Code; if Mortgagor opposes Mortgagee's motion to lift the automatic stay in any such proceeding; or if Mortgagor files a proposed plan of reorganization that provides that Mortgagee would receive less than all of the Property, Collateral, and the other collateral for the Loan or receive a lien on less than all of the Property, Collateral, and the other collateral for the Loan.

The limitation of liability in this section shall not preclude Mortgagee from: (a) naming Mortgagor or any general partner of Mortgagor as a defendant in any action; (b) asserting that any unpaid amount under the Loan Documents is a defense, counterclaim, or setoff against any claim by Mortgagor or any partner of Mortgagor against Mortgagee; (c) exercising self-help remedies, such as setoff; or (d) enforcing any indemnity obligations, including any environmental indemnities.

Notwithstanding any of the foregoing, Mortgagee shall be entitled to injunctive relief in connection with the following, and Mortgagor and its general partners shall remain and be fully liable to Mortgagee for damages (including consequential and punitive damages) suffered by Mortgagee as a result of any of the following:

(a) Mortgagor's misapplication of (1) any rents and profits from the Property received by Mortgagor that were in existence at or accrued after the time of a default under any of the Loan Documents; (2) any insurance proceeds received before the exercise of Mortgagee's remedies, which proceeds are due to damage, loss, or destruction to the Property (to the full extent of such proceeds); and (3) any proceeds or awards resulting from the condemnation of all or any part of the Property (to the full extent of such proceeds or awards), if received before the exercise of Mortgagee's remedies;

(b) the failure to pay taxes, assessments, or other charges which create liens on any part of the Property and that are payable or applicable to a period before Mortgagee's exercise of remedies under the Loan Documents (to the full extent of any such taxes, assessments, or other charges);

(c) the failure to pay, escrow funds with Mortgagee sufficient to satisfy the claim of lien, or bond off any valid mechanics' liens, materialmen's lien or other liens, whether or not similar (arising before any such exercise of remedies) which create liens on any part of the Property and are not eliminated by Mortgagee's exercise of its rights under this Mortgage (to the full extent of the amount claimed by any lien claimant);

(d) fraud or material misrepresentation or willful damage or waste to the Property by or on behalf of Mortgagor;

(e) the failure after default (which default results in the exercise of remedies by Mortgagee) and before any such exercise of remedies, to maintain the Property in accordance with the Loan Documents (to the full extent of the cost of such maintenance);

(f) the failure to turn over to Mortgagee upon foreclosure any tenant's security deposits;

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(g) Mortgagor's removal or disposal of Collateral or collateral under any other Loan Document, in violation of the provisions of this Mortgage or any other Loan Document, to the extent of its fair market value as of the time of giving any notice to Mortgagor of default;

(h) any liability, cost, or expense resulting from any violation of the covenants, representations, and warranties regarding hazardous wastes and materials in this Mortgage or any of the other Loan Documents;

(i) any sale, transfer, or refinance of all or part of the Property or any interest in it, which is in violation of the terms of the Loan Agreement or this Mortgage, or any sale or transfer or refinance of other collateral pledged or assigned pursuant to this Mortgage or any other Loan Document; or

(j) Mortgagor's failure to complete the Work (as defined under the Loan Agreement).

As used in this Mortgage, the term "misapplication" means Mortgagor's failure to apply funds to the reasonable and proper costs of ownership, operation, maintenance, repair, and (when applicable) restoration of the Property, and the payment of principal, interest and other amounts to be paid or due under any of the Loan Documents or any other loan secured by the Property.

## 16. Prior Lien Documents:

(a) This Mortgage is subject, subordinate, and inferior to the following (together with all documents evidencing, governing, securing, guarantying, indemnifying or otherwise pertaining to the following documents and all modifications, restatements, extensions, renewals and replacements thereof, collectively, the "Prior Lien Documents"):

(i) Mortgage dated August 1, 1977 and recorded August 19, 1977 as document number 24066337 and filed as document LR 2960833 made by St. Stephen Terrace Corporation to Banco Mortgage Company, to secure a note for \$8,973,100.00;

(ii) Regulatory Agreement recorded August 19, 1977 as document number 24066338 and filed as document LR 2960834 made by Banco Mortgage Company and St. Stephens Terrace Corporation and the terms contained therein;

(iii) Supplemental Mortgage recorded November 9, 1978 as document number 24711814 and filed as document LR 3058671. Modification and Consolidation Agreement recorded November 9, 1978 as document 24711815 and filed as document LR 3058672;

(iv) Supplemental Mortgage recorded June 16, 1980 as document nos. 25487470 and 25487968 and filed as document LR 3165300;

(v) Second Modification and Consolidation Agreement recorded June 16, 1980 as document nos. 25487471 and 25487949 and filed as document LR 3165301;

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(vi) Assigned to East River Savings Bank by instrument recorded June 24, 1980 as document 25496318 and filed as document LR 3166484;

(vii) Modification Agreement recorded September 29, 1983 as document number 26800800 incorporating by reference Regulatory Agreement dated February 4, 1981 and recorded September 29, 1983 as document number 26800746 and filed as document LR – 3352970;

(viii) Last of assignment of record to Wells Fargo Bank, N.A. recorded June 22, 2007 as document number 0717316073; and;

(ix) Release and Assumption Agreement recorded November 3, 2009 as document no. 0930745067.

No amendments or modifications may be made to the Prior Lien Documents without the prior written consent of Mortgagee. A default or event of default under the Prior Lien Documents shall constitute an event of default hereunder. Mortgagor shall pay when due the indebtedness owing under the Prior Lien Documents and timely perform all other obligations of Mortgagor thereunder. If such indebtedness is not paid by Mortgagor when due or such obligations are not timely performed by Mortgagor, Mortgagee may, but shall not be obligated to, pay any such indebtedness or perform any such obligations for the account of Mortgagor, and any sum so expended shall be secured hereby. Mortgagor shall pay to Mortgagee all amounts so expended by Mortgagee with interest on such amounts from the date expended at the Default Rate, but not in excess of the highest rate permitted by applicable law.

(b) The Mortgagor will immediately, upon receiving any knowledge or notice of any default under the Prior Lien Documents, give written notice thereof to the Mortgagee and give to the Mortgagee immediately, upon receipt thereof, a true copy of each and every notice, summons, legal process, legal paper, or other communication relating in any way to claims that there exists a material and adverse breach of such Prior Lien Documents on the performance or enforcement thereof or claiming that there exist any default thereunder.

(c) Any proceeds payable to Mortgagor resulting from the foreclosure sale of the Prior Lien Documents are hereby assigned and to be paid to the Mortgagee up to the amount of the outstanding Obligations hereunder.

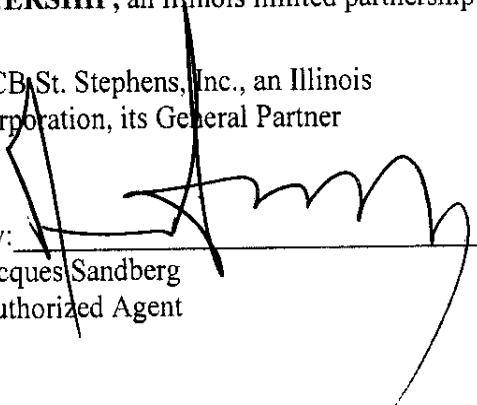
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IN WITNESS WHEREOF, Mortgagor has duly executed and sealed this Mortgage on the 4<sup>th</sup> day of JANUARY, 2012.

**MORTGAGOR:**

**TCB ST. STEPHENS LIMITED PARTNERSHIP**, an Illinois limited partnership

By: TCB St. Stephens, Inc., an Illinois corporation, its General Partner

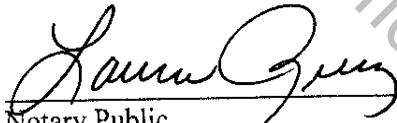
By:   
Jacques Sandberg  
Authorized Agent

STATE OF ILLINOIS )

) ss.

COUNTY OF COOK )

On this 4<sup>th</sup> day of JANUARY, 2012 before me appeared Jacques Sandberg, to me personally known, who, being by me duly sworn, did say that he is the Authorized Agent of TCB St. Stephens, Inc., an Illinois corporation (the "Corporation"), in its capacity as the General Partner of TCB St. Stephens Limited Partnership, an Illinois limited partnership (the "Partnership") and that the seal affixed to said instrument is the corporate seal of said Corporation, and that said instrument was signed and sealed in behalf of said Corporation in its capacity as the General Partner of the Partnership by authority of its board of directors, and said Authorized Agent acknowledged said instrument to be the free act and deed of said Corporation.

  
Notary Public  
My commission expires:





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## EXHIBIT A

### PARCEL 1:

THE SOUTH 115 FEET OF LOT 3 (EXCEPT THE EAST 62-1/2 FEET THEREOF), THE NORTH HALF OF LOT 5 (EXCEPT THE SOUTH 10 FEET THEREOF), AND THE SOUTH 116 FEET OF SAID LOT 5, ALL IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 2:

LOTS 1 TO 13 INCLUSIVE, (EXCEPT THOSE PARTS OF SAID LOTS TAKEN FOR STREET PURPOSES) IN E. H. SHELDON'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 3:

LOTS 1 THROUGH 7 AND THE 5 FOOT PRIVATE ALLEY LYING SOUTH OF AND ADJOINING LOTS 1 THROUGH 6, ALL IN THE SUBDIVISION OF THE NORTH 1/2 OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 4:

LOTS 1, 2 AND 3 IN THE SUBDIVISION OF THE NORTH 1/2 OF LOT 4 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 5:

LOTS 1 THROUGH 18 IN LOBRAICO'S SUBDIVISION OF PART OF BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

### PARCEL 6:

THE NORTH 5 FEET OF LOT 11, LOT 6 (EXCEPT THE WEST 7 FEET THEREOF), AND ALL OF LOTS 7 THROUGH 10 AND 16 THROUGH 23 IN THE SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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**PARCEL 7:**

LOTS 1 THROUGH 6 IN J. A LANDON'S SUBDIVISION OF LOTS 1, 2, 3, 4, 5 AND THE WEST 7 FEET OF LOT 6 IN THE SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 8:**

LOTS 1 THROUGH 6 IN THE SUBDIVISION OF LOTS 11, 12, 13, 14 AND 15 (EXCEPT THE NORTH 5 FEET OF LOT 11) IN THE SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, IN THE WEST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**PARCEL 9:**

ALL THAT PART OF W. GLADYS AVENUE LYING NORTH OF THE NORTH LINE OF THE SOUTH 116 FEET OF THAT PART OF LOT 5 LYING NORTH OF THE NORTH LINE OF W. VAN BUREN STREET IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO IN THE NORTHEAST 1/4 OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN AND THE WEST HALF OF THE NORTHWEST QUARTER OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN LYING NORTH OF THE NORTH LINE OF THE SOUTH 115 FEET OF THAT PART OF LOT 3 LYING NORTH OF THE NORTH LINE OF W. VAN BUREN STREET (EXCEPT THE EAST 62.5 FEET THEREOF) IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, AFOREMENTIONED; LYING NORTH OF THE NORTH LINE OF LOTS 13 TO 18 AND SAID NORTH LINE OF LOT 13 PRODUCED EAST 11 FEET IN LOBRAICO'S SUBDIVISION OF PART OF BLOCK 11, LYING SOUTH OF THE SOUTH LINE OF LOTS 1 TO 12 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING WEST OF THE WEST LINE OF LOT 23 IN SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO, AFOREMENTIONED; AND LYING WEST OF A LINE DRAWN FROM THE SOUTHEAST CORNER OF LOT 12 IN LOBRAICO'S SUBDIVISION TO THE NORTHWEST CORNER OF LOT 23 IN SUBDIVISION OF LOTS 6, 7 AND 8, AFOREMENTIONED; AND LYING EAST OF A LINE DRAWN FROM THE SOUTHWEST CORNER OF LOT 1 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED TO THE INTERSECTION OF THE WEST LINE OF LOT 3 AND THE NORTH LINE OF THE SOUTH 115 FEET OF THAT PART OF SAID LOT 3 LYING NORTH OF THE NORTH LINE OF W. VAN BUREN STREET IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED;

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ALSO

ALL OF THE NORTH-SOUTH 16 FOOT PUBLIC ALLEY LYING EAST OF THE EAST LINE OF LOTS 1 TO 18, BOTH INCLUSIVE, IN E. H. SHELDON'S SUBDIVISION OF LOTS 1 AND 2 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING WEST OF THE WEST LINE OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING WEST OF THE WEST LINE OF LOT 1 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING WEST OF THE WEST LINE OF LOTS 6 AND 7 AND THE WEST LINE OF THE 5 FOOT PRIVATE ALLEY BETWEEN SAID LOTS 6 AND 7 IN SUBDIVISION OF THE NORTH HALF OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING SOUTH OF A LINE DRAWN FROM THE NORTHEAST CORNER OF LOT 1 IN E. H. SHELDON'S SUBDIVISION AFOREMENTIONED, TO THE NORTHWEST CORNER OF LOT 6 IN THE SUBDIVISION OF THE NORTH 1/2 OF LOT 3 AFOREMENTIONED AND LYING NORTH OF THE SOUTH LINE OF LOT 18 IN E. H. SHELDON'S SUBDIVISION, PRODUCED EAST TO THE WEST LINE OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED;

ALSO

ALL OF THE EAST-WEST 16 FOOT PUBLIC ALLEY LYING SOUTH OF THE SOUTH LINE OF LOTS 6, 7 AND 8 IN SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; AND LYING SOUTH OF THE SOUTH LINE OF LOTS 1 TO 5, BOTH INCLUSIVE, IN J. A. LANDON'S SUBDIVISION OF LOTS 1, 2, 3, 4, 5 AND THE WEST 7 FEET OF LOT 6 IN A SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING NORTH OF THE NORTH LINE OF LOT 9 IN THE SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED; LYING EAST OF THE WEST LINE OF LOT 9 IN THE SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED, PRODUCED NORTH 16 FEET TO THE SOUTH LINE OF LOT 5 IN J. A. LANDON'S SUBDIVISION AFOREMENTIONED; AND LYING WEST OF A LINE DRAWN FROM THE SOUTHEAST CORNER OF LOT 8 TO THE NORTHEAST CORNER OF LOT 9 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED;

ALSO

ALL OF THE EAST-WEST 16 FOOT PUBLIC ALLEY LYING SOUTH OF THE SOUTH LINE OF LOT 6 IN SUBDIVISION OF LOTS 11, 12, 13, 14 AND 15 (EXCEPT THE NORTH 5 FEET OF LOT 11 IN SUBDIVISION OF LOTS 6, 7 AND 8 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING NORTH OF THE NORTH LINE OF LOTS 16 TO 22, BOTH INCLUSIVE, IN SUBDIVISION OF LOTS 6, 7, AND 8 AFOREMENTIONED; LYING EAST OF THE WEST LINE OF LOT 6 IN SUBDIVISION OF LOTS 11, 12, 13, 14 AND 15, EXCEPT THE NORTH 5 FEET OF LOT 11 AFOREMENTIONED, PRODUCED SOUTH 16 FEET TO THE NORTH LINE OF LOT 22 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED; AND LYING WEST OF A LINE DRAWN FROM THE SOUTHEAST CORNER OF LOT 6 IN SUBDIVISION OF LOTS 11, 12, 13, 14 AND 15, EXCEPT THE NORTH 5 FEET OF LOT 11 AFOREMENTIONED TO

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THE NORTHEAST CORNER OF LOT 16 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED;

ALSO

ALL OF THE NORTH-SOUTH 30 FOOT PUBLIC ALLEY LYING WEST OF THE WEST LINE OF LOTS 9, 10 AND 11 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED AND THE WEST LINE OF SAID LOT 9 PRODUCED NORTH 16 FEET TO THE SOUTH LINE OF LOT 5 IN J. A. LANDOR'S SUBDIVISION AFOREMENTIONED, AND LYING WEST OF THE WEST LINE OF LOTS 1 TO 6, BOTH INCLUSIVE, IN THE SUBDIVISION OF LOTS 11, 12, 13, 14 AND 15, EXCEPT THE NORTH 5 FEET OF LOT 11 AFOREMENTIONED AND THE WEST LINE OF SAID LOT 6 PRODUCED SOUTH 16 FEET TO THE NORTH LINE OF LOT 22 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED; LYING EAST OF THE EAST LINE OF LOT 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED, AND LYING EAST OF THE EAST LINE OF LOT 12 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING NORTH OF THE NORTH LINE OF LOTS 22 AND 23 IN SUBDIVISION OF LOTS 6, 7 AND 8 AFOREMENTIONED; AND LYING SOUTH OF THE SOUTH LINE OF LOTS 5 AND 6 IN J. A. LANDON'S SUBDIVISION AFOREMENTIONED;

ALSO

ALL OF THE NORTH-SOUTH 11 FOOT PUBLIC COURT LYING WEST OF THE WEST LINE OF LOT 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; LYING EAST OF THE EAST LINE OF LOT 13 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING SOUTH OF THE NORTH LINE OF LOT 13 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED PRODUCED EAST 11 FEET TO THE WEST LINE OF LOT 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; AND LYING NORTH OF THE SOUTH LINE OF LOT 13 IN LOBRAICO'S SUBDIVISION AFOREMENTIONED PRODUCED EAST 11 FEET TO THE WEST LINE OF LOT 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED;

ALSO

ALL OF THE EAST-WEST 20 FOOT PUBLIC ALLEY AS DEDICATED THROUGH THE CENTER OF LOTS 3, 4 AND 5 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED AND RECORDED IN THE OFFICE OF THE RECORDER OF DEEDS OF COOK COUNTY, ILLINOIS ON MAY 26, 1881, AS DOCUMENT NO. 329172 AND ON APRIL 10, 1908, AS DOCUMENT NO. 4185297; SAID ALLEY BEING FURTHER DESCRIBED AS LYING NORTH OF THE NORTH LINE OF LOTS 1 TO 12, BOTH INCLUSIVE, IN LOBRAICO'S SUBDIVISION AFOREMENTIONED; LYING SOUTH OF THE SOUTH LINE OF LOT 7 IN SUBDIVISION OF THE NORTH HALF OF LOT 3 IN BLOCK 11 IN ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED, LYING SOUTH OF THE SOUTH LINE OF LOTS 1, 2 AND 3 IN SUBDIVISION OF THE NORTH HALF OF LOT 4 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; AND LYING SOUTH OF THE NORTH LINE OF THE SOUTH 10 FEET OF THE NORTH HALF OF LOT 5 IN BLOCK 11 IN ROCKWELL'S ADDITION TO

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CHICAGO AFOREMENTIONED; LYING WEST OF THE EAST LINE OF LOT 5 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; AND LYING EAST OF THE WEST LINE OF LOT 3 IN BLOCK 11 OF ROCKWELL'S ADDITION TO CHICAGO AFOREMENTIONED; SAID PUBLIC STREET, PUBLIC ALLEYS AND PUBLIC COURT HEREIN VACATED BEING FURTHER DESCRIBED AS ALL THAT PART OF W. GLADYS AVENUE TOGETHER WITH ALL OF THE NORTH-SOUTH AND EAST-WEST PUBLIC ALLEYS AND PUBLIC COURT IN THE BLOCK BOUNDED BY WEST JACKSON BOULEVARD, W, VAN BUREN STREET, S. WESTERN AVENUE AND S. OAKLEY BOULEVARD.

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## EXHIBIT B

### PERMITTED TITLE EXCEPTIONS

1. GENERAL REAL ESTATE TAXES FOR THE YEAR 2011.

TAX NO. 17-18-120-055, AS TO A PORTION OF PARCEL 1 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-089, AS TO A PORTION OF PARCEL 2 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-090, AS TO A PORTION OF PARCEL 3 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-091, AS TO A PORTION OF PARCEL 4 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-092, AS TO A PORTION OF PARCEL 1 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-093, AS TO A PORTION OF PARCEL 7 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-094, AS TO A PORTION OF PARCEL 6 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-095, AS TO A PORTION OF PARCEL 8 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-096, AS TO A PORTION OF PARCEL 6 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-097, AS TO A PORTION OF PARCEL 1 AND A PORTION OF PARCEL 9, VOL. 593.

TAX NO. 17-18-120-098, AS TO A PORTION OF PARCEL 5 AND A PORTION OF PARCEL 9, VOL. 593.

NOTE: THE 2011 TAXES ARE NOT YET DUE AND PAYABLE.

2. MORTGAGE DATED AUGUST 1, 1977 AND RECORDED AUGUST 19, 1977 AS DOCUMENT NUMBER 24066337 AND FILED AS DOCUMENT LR 2960833 MADE BY ST. STEPHEN TERRACE CORPORATION TO BANCO MORTGAGE COMPANY, TO SECURE A NOTE FOR \$8,973,100.00.

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REGULATORY AGREEMENT RECORDED AUGUST 19, 1977 AS DOCUMENT NUMBER 24066338 AND FILED AS DOCUMENT LR 2960834 MADE BY BANCO MORTGAGE COMPANY AND ST. STEPHENS TERRACE CORPORATION AND THE TERMS CONTAINED THEREIN.

SUPPLEMENTAL MORTGAGE RECORDED NOVEMBER 9, 1978 AS DOCUMENT NUMBER 24711814 AND FILED AS DOCUMENT LR 3058671. MODIFICATION AND CONSOLIDATION AGREEMENT RECORDED NOVEMBER 9, 1978 AS DOCUMENT 24711815 AND FILED AS DOCUMENT LR 3058672.

SUPPLEMENTAL MORTGAGE RECORDED JUNE 16, 1980 AS DOCUMENT NOS. 25487470 AND 25487968 AND FILED AS DOCUMENT LR 3165300.

SECOND MODIFICATION AND CONSOLIDATION AGREEMENT RECORDED JUNE 16, 1980 AS DOCUMENT NOS. 25487471 AND 25487969 AND FILED AS DOCUMENT LR 3165301.

ASSIGNED TO EAST RIVER SAVINGS BANK BY INSTRUMENT RECORDED JUNE 24, 1980 AS DOCUMENT 25496318 AND FILED AS DOCUMENT LR 3166484.

MODIFICATION AGREEMENT RECORDED SEPTEMBER 29, 1983 AS DOCUMENT NUMBER 26800800 INCORPORATING BY REFERENCE REGULATORY AGREEMENT DATED FEBRUARY 4, 1981 AND RECORDED SEPTEMBER 29, 1983 AS DOCUMENT NUMBER 26800746 AND FILED AS DOCUMENT LR-3352970.

LAST OF ASSIGNMENT OF RECORD TO WELLS FARGO BANK, N.A. RECORDED JUNE 22, 2007 AS DOCUMENT NUMBER 0717316073.

RELEASE AND ASSUMPTION AGREEMENT RECORDED NOVEMBER 3, 2009 AS DOCUMENT NO. 0930745067.

AS AFFECTED BY THE RELEASE AND ASSUMPTION AGREEMENT BY AND AMONG CHICAGO TITLE LAND TRUST COMPANY, NOT INDIVIDUALLY, BUT AS TRUSTEE U/T/A/D JULY 24, 2009 AND KNOWN AS TRUST NO. 8002353453, COLONIAL POINT, L.L.C., A WISCONSIN LIMITED LIABILITY COMPANY, COLONIAL POINT II, L.L.C., A WISCONSIN LIMITED LIABILITY COMPANY, ST. STEPHEN TERRACE CORPORATION, AN ILLINOIS NON-FOR-PROFIT CORPORATION, THE COMMUNITY BUILDERS, INC., A MASSACHUSETTS NON-FOR-PROFIT CORPORATION AND TCB ST. STEPHENS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP RECORDED \_\_\_\_\_, 2012 AS DOCUMENT NO. \_\_\_\_\_.

3. SECURITY INTEREST OF REILLY MORTGAGE ASSOCIATES, LP, UNDER A FINANCING STATEMENT EXECUTED BY ST. STEPHAN TERRACE APPARTMENTS, AN ILLINOIS LIMITED PARTNERSHIP, AND RECORDED JULY 27, 2006 AS DOCUMENT NO. 0620847015.

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NOTE: ASSIGNMENT RECORDED OCTOBER 12, 2007 AS DOCUMENT NUMBER 0728509031 TO WELLS FARGO BANK, NATIONAL ASSOCIATION.

CONTINUATION STATEMENT RECORDED JUNE 3, 2011 AS DOCUMENT NO. 1115434010.

AS AFFECTED BY THE UCC FINANCING STATEMENT AMENDMENT RECORDED \_\_\_\_\_, 2012 AS DOCUMENT NO. \_\_\_\_\_.

4. LAND USE RESTRICTION AGREEMENT DATED AS OF JANUARY 6, 2012 AND RECORDED \_\_\_\_\_, 2012 AS DOCUMENT NO. \_\_\_\_\_ MADE BY AND BETWEEN THE COMMUNITY BUILDERS, INC., A MASSACHUSETTS NOT FOR PROFIT CORPORATION, DOING BUSINESS IN ILLINOIS AS TCB ILLINOIS NFP, INC. AND TCB ST. STEPHENS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP.

5. PROCEEDINGS PENDING IN THE CIRCUIT COURT OF COOK COUNTY, CASE NO. 09M1-400953, ON A COMPLAINT FILED BY THE CITY OF CHICAGO, AND AGAINST ST. STEPHEN TERRACE CORPORATION, ET AL, FOR BUILDING CODE VIOLATIONS.

LIS PENDENS RECORDED MARCH 23, 2009 AS DOCUMENT NO. 0908229004.

6. RESERVATION CONTAINED IN THE ORDINANCE OF VACATION ORDINANCE PASSED SEPTEMBER 15, 1976, A COPY OF WHICH WAS RECORDED OCTOBER 6, 1976 AS DOCUMENT NUMBER 23662854, FOR THE BENEFIT OF COMMONWELTH EDISON COMPANY AND ILLINOIS BELL TELEPHONE COMPANY, THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, TO OPERATE, MAINTAIN, CONSTRUCT, REPLACE AND RENEW OVERHEAD POLES, WIRES AND ASSOCIATED EQUIPMENT AND UNDERGROUND CONDUIT, CABLES AND ASSOCIATED EQUIPMENT FOR THE TRANSMISSION AND DISTRIBUTION OF ELECTRIC ENERGY AND TELEPHONIC AND ASSOCIATED SERVICES FOR EXISTING FACILITIES AND FUTURE CONSTRUCTION UNDER, OVER AND ALONG ALL OF THE PUBLIC STREET AND PUBLIC ALLEYS AS THEREIN VACATED, WITH THE RIGHT OF INGRESS AND EGRESS, WITH THE FURTHER PROVISION THAT NO BUILDINGS OR OTHER STRUCTURES SHALL BE ERECTED ON THE SAID RIGHT OF WAY THEREIN RESERVED OR OTHER USE MADE OF SAID AREA WHICH WOULD INTERFERE WITH THE CONSTRUCTION, OPERATION, MAINTENANCE, REPAIR, RENEWAL OR REPLACEMENT OF SAID FACILITIES. (AFFECTS PARCEL 9.)

7. RESERVATION CONTAINED IN THE ORDINANCE OF VACATION PASSED SEPTEMBER 15, 1976, A COPY OF WHICH WAS RECORDED OCTOBER 6, 1976 AS DOCUMENT NUMBER 23662854, FOR THE BENEFIT OF THE PEOPLES GAS, LIGHT AND COKE COMPANY, ITS SUCCESSORS AND/OR ASSIGNS, OF ALL OF THE PUBLIC STREET AND PUBLIC ALLEYS AS THEREIN VACATED AS A RIGHT OF WAY FOR EXISTING UNDERGROUND FACILITIES AND FOR THE CONSTRUCTION,



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OPERATION, MAINTENANCE, REPAIR, RENEWAL AND REPLACEMENT OF SUCH FACILITIES, WITH THE RIGHT OF INGRESS AND EGRESS AT ALL TIMES FOR ANY AND ALL SUCH PURPOSES, WITH THE FURTHER PROVISION THAT NO BUILDINGS OR OTHER STRUCTURES SHALL BE ERECTED ON SAID RIGHT OF WAY THEREIN RESERVED OR OTHER USE MADE OF SAID AREA WHICH WOULD INTERFERE WITH THE CONSTRUCTION, OPERATION, MAINTENANCE, REPAIR, RENEWAL OR REPLACEMENT OF SAID FACILITIES. (AFFECTS PARCEL 9.)

8. EASEMENT IN, UPON, UNDER, OVER AND ALONG THE LAND TO INSTALL AND MAINTAIN ALL EQUIPMENT FOR THE PURPOSE OF SERVING THE LAND AND OTHER PROPERTY WITH TELEPHONE AND ELECTRIC SERVICE, TOGETHER WITH RIGHT OF ACCESS TO SAID EQUIPMENT, AS CREATED BY GRANT TO COMMONWEALTH EDISON COMPANY AND ILLINOIS BELL TELEPHONE COMPANY, THEIR RESPECTIVE SUCCESSORS AND ASSIGNS, RECORDED APRIL 6, 1978 AS DOCUMENT NUMBER 24392318.

9. EASEMENT OVER THE LAND FOR THE PURPOSE OF INSTALLING AND MAINTAINING ALL EQUIPMENT NECESSARY TO SERVE THE SUBDIVISION AND OTHER PROPERTY WITH GAS SERVICE, TOGETHER WITH RIGHT OF ACCESS TO SAID EQUIPMENT, AS CREATED BY GRANT TO THE PEOPLES GAS, LIGHT AND COKE COMPANY, ITS SUCCESSORS AND/OR ASSIGNS, AS CREATED BY GRANT RECORDED MAY 15, 1978 AS DOCUMENT NUMBER 24446058.

10. CONDITIONS, COVENANTS AND RESTRICTIONS CONTAINED IN QUITCLAIM DEED RECORDED AUGUST 19, 1977 AS DOCUMENT NUMBER 24066336 AND FILED AS DOCUMENT LR 2960832 PROVIDING THAT NO DISCRIMINATION ON THE BASIS OF RACE, CREED, COLOR OR NATIONAL ORIGIN SHALL BE MADE IN THE SALE, LEASE, OR RENTAL OR IN USE OR OCCUPANCY OF THE LAND.

11. REGULATORY AGREEMENT FOR LIMITED DISTRIBUTION MORTGAGES DATED FEBRUARY 4, 1981 AND RECORDED SEPTEMBER 29, 1983 AS DOCUMENT NUMBER 26800746 AND FILED JANUARY 31, 1984 AS DOCUMENT LR3352970.

12. ENCROACHMENT OF 8 FOOT IRON FENCES BELONGING TO SUBJECT LAND OVER AND ONTO THE STREETS NORTH, EAST AND SOUTH OF THE LAND, BY DISTANCES OF UP TO 0.70 (NORTH), 1.71 (EAST) AND 0.58 (SOUTH) FEET, MORE OR LESS, AND OF THE GUARD RAIL ONTO THE STREET EAST OF THE LAND BY 1.61 FEET, MORE OR LESS, AS DISCLOSED BY THE SURVEY BY EDWARD J. MOLLOY & ASSOCIATES, LTD, ORDER NO. 2011-0228 DATED OCTOBER 31, 2011.

13. EXISTING UNRECORDED LEASES, IF ANY.

14. ASSIGNMENT OF LEASES, RENTS, AND SECURITY DEPOSITS DATED AS OF JANUARY 6, 2012 AND RECORDED \_\_\_\_\_, 2012 AS DOCUMENT NO. \_\_\_\_\_ MADE BY TCB ST. STEPHENS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP TO THE COMMUNITY BUILDERS, INC., A

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MASSACHUSETTS NOT FOR PROFIT CORPORATION, DOING BUSINESS IN ILLINOIS AS TCB ILLINOIS NFP, INC.

15. SECURITY INTEREST OF THE COMMUNITY BUILDERS, INC., UNDER A FINANCING STATEMENT EXECUTED BY TCB ST. STEPHENS LIMITED PARTNERSHIP, AND RECORDED \_\_\_\_\_, 2012 AS DOCUMENT NO. \_\_\_\_\_.

16. JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (SELLER FINANCING) DATED AS OF JANUARY 6, 2012 AND RECORDED \_\_\_\_\_, 2012 AS DOCUMENT NO. \_\_\_\_\_ MADE BY TCB ST. STEPHENS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP TO THE COMMUNITY BUILDERS, INC., A MASSACHUSETTS NOT FOR PROFIT CORPORATION, TO SECURE AN INDEBTEDNESS OF \$2,800,000.00.

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## EXHIBIT C

### DESCRIPTION OF COLLATERAL

The "Collateral" is the following described property, whether such property is now owned or created, entered into, or acquired in the future, including any additions, substitutions, or replacements for any such property and any products or proceeds from any such property:

- (1) All fixtures located on, attached, or affixed to the Property.
- (2) All articles of personal property, including all furniture and furnishings affixed or attached to, placed upon, or used in any way in connection with the use, enjoyment, occupancy, or operation of the Property;
- (3) All funds (including funds in any reserve relating to the Property required under the Loan Agreement), accounts, instruments, accounts receivable, documents, general intangibles (including trademarks, service marks, trade names, and symbols used in connection with the Property) and notes or chattel paper arising from any transactions related to the Property (collectively, the "General Intangibles");
- (4) All rents, royalties, issues, profits, revenue, income, and other benefits of the Property or arising from the use or enjoyment of it or from any lease, sublease, license, concession, or occupancy agreement pertaining to it or arising from any of the General Intangibles, and all leases, subleases, licenses, concessions, and occupancy agreements for the Property, including cash or securities deposited to secure performance by the tenants, lessees, sublessees, or licensees, as applicable, of their obligations, whether the cash or securities are to be held until the expiration of the terms of the leases, subleases, licenses, concessions, or occupancy agreements or applied to one or more of the installments of rent coming due before the expiration of their terms;
- (5) All building materials, supplies, and equipment located on the Property and all right, title, and interest of Mortgagor in and to all architectural renderings, models, plans, specifications, studies, and data relating to the Improvements;
- (6) All contracts by Mortgagor relating to any part of the Property and all revenue, income, and other benefits from them, including service contracts, maintenance contracts, construction contracts, and management or operation contracts;
- (7) All monetary deposits from Mortgagor to any public or private utility for utility service for the Property and all right, title, and interest of Mortgagor in water taps, sewer taps, and other utility services relating to the Property;
- (8) All permits, licenses, franchises, certificates, and other rights and privileges obtained in connection with the Property and all warranties and guaranties relating to the Improvements or to any fixtures, equipment, furniture, furnishings, personal property, and any of their components or installed on the Property;

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(9) All records and books of account relating to the rental, operation, and rehabilitation or construction of the Property;

(10) All policies of insurance Mortgagor is required to maintain pursuant to the Loan Agreement or any of the other Loan Documents;

(11) All proceeds (including claims and demands for proceeds) from the voluntary or involuntary conversion of any Collateral into cash or liquidated claims, including insurance proceeds relating to the Property or any Collateral and condemnation awards; and

(12) All other or greater rights and interests of every nature in the Property or in its possession or use and income from it.

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## HUD Secondary Financing Rider (Mortgagee Version)

THIS RIDER is attached to and made a part of the Promissory Note (NSP 2 Construction Loan) in the original principal amount of \$13,007,128 (the "Construction Note") and the Promissory Note (NSP 2 Construction/Permanent Loan) in the original principal amount of \$1,500,000 (the "Construction/Permanent Note") (collectively, the "Junior Note") and Mortgage, Security Agreement and Fixture Filing (herein, the "Junior Mortgage") between **TCB ST. STEPHENS LIMITED PARTNERSHIP**, an Illinois limited partnership, referred to herein as the "Borrower," and **THE COMMUNITY BUILDERS, INC.**, a Massachusetts nonprofit corporation, referred to herein as the "Junior Lender" (collectively, the Junior Note and Junior Mortgage are known as the "Junior Loan Documents"), each dated January [6], 2012. The terms and conditions of the Rider supersede the terms of the Junior Loan Documents, and should there be any conflict or inconsistency between this Rider and the Junior Loan Documents, the terms and conditions of this Rider shall prevail.

As used herein, "Senior Loan Documents shall mean (i) that certain Mortgage Note, dated August 1, 1997 (hereinafter referred to as the "Senior Note"), executed in favor of Banco Mortgage Company, in the principal amount of Eight Million Nine Hundred Seventy-Three Thousand One Hundred and 00/100 Dollars (\$8,973,100.00), as assigned to East River Savings Bank pursuant to an instrument recorded June 24, 1980 in the Office of the Recorder of Cook County, Illinois ("Recorder's Office") as Document No. 25496318 and as further assigned to Wells Fargo Bank, N.A., pursuant to an Assignment recorded June 22, 2007 as Document No. 0717316073; and (ii) that certain Mortgage dated August 1, 1977 (hereinafter referred to as the "Senior Mortgage") executed in favor of Banco Mortgage Company, and recorded on August 19, 1977, in the Recorder's Office as Document No. 24066337 securing the repayment of amounts not to exceed Eight Million Nine Hundred Seventy-Three Thousand One Hundred and 00/100 Dollars (\$8,973,100.00) which said Senior Mortgage and Senior Note were modified by a Supplemental Mortgage dated October 1, 1978 and recorded November 9, 1978 with Recorder's Office as Document No. 24711814; as further modified by a Modification and Consolidation Agreement dated October 1, 1978 and recorded November 9, 1978 with the Recorder's Office as Document No. 24711815; as further modified by a Supplemental Mortgage dated June 12, 1980 and recorded June 16, 1980 with the Recorder's Office as Document Nos. 25487470 and 25487968; as modified by a Second Modification and Consolidation Agreement dated June 12, 1980 and recorded June 16, 1980 with the Recorder's Office as Document Nos. 25487471 and 25487969; as assigned to East River Savings Bank by instrument dated June 18, 1980 and recorded June 24, 1980 with the Recorder's Office as Document No. 25496318; as further modified pursuant to a Modification Agreement dated August 1, 1983 and recorded September 29, 1983 with the Recorder's Office as Document No. 26800800; and as assigned by an Assignment to Wells Fargo Bank, N.A. dated October 31, 2006 and recorded June 22, 2007 with the Recorder's Office as Document No. 0717316073; and (iii) that certain Regulatory Agreement (the "Regulatory Agreement") dated August 1, 1977, and recorded August 19, 1977 as Document No. 24066338 in the Recorder's Office.

The Junior Lender, by acceptance of delivery and recordation of the Junior Mortgage, and the Borrower, by execution of the Junior Mortgage, agree to the following provisions incorporated in said Mortgage to the same extent as if fully rewritten therein:

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1. The Junior Loan Documents and all amounts now and/or hereafter advanced thereunder and/or secured thereby are specifically subordinate to the Senior Loan Documents and all amounts now and/or hereafter advanced thereunder and/or secured thereby.
2. The Junior Note may not mature, and may not bear a maturity date, prior to the date on which the Senior Note matures with the exception of the NSP2 Construction Loan which shall be paid off after all Conversion Conditions (as defined in the NSP2 Construction Loan documents) have been met. The term of the Junior Loan may be extended if the Junior Note matures, there are no surplus cash funds available for repayment and the Senior Loan has not been retired in full or HUD grants a deferment of amortization or forgiveness that results in an extended maturity of the Senior Loan.
3. The Junior Loan may be assumed when a sale or transfer of the physical assets occurs under the following conditions:
  - a. Not more than the excess, if any, of (i) 70 percent of the net proceeds of the sale or transfer is applied to the reduction of the Junior Loan over (ii) the amount paid on account of any other loans with respect to the Project which are junior to the Senior Loan but senior to the Junior Loan; provided, however, that if there are other loans which have the same priority as the Junior Loan, the foregoing amount shall be allocated paripassu among such loans based upon the total outstanding indebtedness of each.
  - b. As used herein, net proceeds are the funds available to the Borrower after:
    - i. Correcting any monetary or covenant default under any of the Senior Loan Documents; and
    - ii. Making required contributions to any reserve funds and needed improvements to the Project as evidenced by HUD's annual inspection reports.
4. If HUD approves a sale of the project pursuant to HUD guidelines for transfers of physical assets, then Junior Lender will agree to such transfer of ownership of the project subject to the confirmation by the Junior Lender that the transfer will not violate the NSP Regulations (as that term is defined in the NSP2 Construction Loan documents).
5. The Junior Note, Junior Mortgage and all other Junior Loan Documents automatically terminate if HUD acquires title to the project by foreclosure or a deed in lieu of foreclosure. Notwithstanding anything to the contrary herein, the Junior Lender may cure a default under the Senior Loan Documents prior to a conveyance by deed-in-lieu of foreclosure. The Borrower shall give written notice to the Junior Lender of a proposed tender of title in the event (a) the Secretary decides to accept a deed-in-lieu of foreclosure or (b) the Secretary receives notice from the holder of the Senior Mortgage of its election to accept a deed-in-lieu of foreclosure. The Borrower will give such written notice at the following address:

The Community Builders, Inc.  
 95 Berkeley Street – Suite 500  
 Boston, MA 02116  
 Attention: NSP 2 Program Manager

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With a Copy to:

The Community Builders, Inc.  
95 Berkeley Street  
Suite 500  
Boston, MA 02116  
Attention: General Counsel

The Junior Lender shall have thirty (30) days to cure the default after the notice of intent to accept a deed-in-lieu of foreclosure is received.

6. All work performed with the proceeds of the Junior Mortgage must be cost certified and conformed to Davis-Bacon requirements, if applicable in accordance with Program Obligations.
7. The Junior Mortgage is subject to and subordinate to the Senior Mortgage, the Regulatory Agreement and that certain Building Loan Agreement between the Borrower and Senior Lender.
8. Proceeds of the Junior Loan may only be used to cover allowable project costs or any anticipated operating shortfall.
9. As long as HUD or its successors or assigns is the insurer or holder of the Senior Mortgage, any payments due under the Junior Loan Documents shall be payable only from "surplus cash" (or "residual receipts") as that term is defined in the Regulatory Agreement and subject to the availability of such surplus cash (or residual receipts) in accordance with the provision of said Regulatory Agreement. Notwithstanding anything to contrary herein, equity from the Borrower's limited partner may be used to pay the NSP2 Construction Loan. The restriction on payment imposed by this paragraph shall not excuse any default caused by failure of the Borrower to pay the indebtedness evidenced by the Junior Note.
10. Borrower has obtained the prior written consent of the Senior Lender to the existence of the Junior Loan.
11. Except as provided for in Section 2 and Section 9 above, to the extent that the Junior Note provides for payments of principal and interest, such principal and interest shall be due and payable on or after the maturity date of the Senior Loan, provided that if the Senior Loan is prepaid in full, to the extent otherwise provided in the Junior Loan Documents, the holder of the Junior Note, at its option upon 30 days notice, may declare the whole principal sum or any balance thereof, together with interest thereon, immediately due and payable. Interest due pursuant to the terms of the Junior Note that is not paid in accordance therewith shall not create any default in the terms of the Junior Note, but shall accrue and be payable in full at or after the date of maturity of the Senior Loan.
12. The Junior Note is non-negotiable and may not be sold, transferred, assigned, or pledged by the Junior Lender except with the prior written approval of HUD. The foregoing notwithstanding, the Junior Note may be assigned to Bank of America, N.A. as security for the Borrower's line of credit.

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13. The Junior Lender certifies that the Junior Loan Documents represent a bona fide transaction and that it fully understands all of HUD's requirements for such secondary financing.
14. In the event of any conflict between (i) any of the Junior Loan Documents, and (ii) any of the Senior Loan Documents, the Section of the National Housing Act under which HUD insures the Senior Mortgage, and/or any applicable HUD rule, regulation or requirement (collectively, the "HUD Documents and Requirements"), the HUD Documents and Requirements shall be controlling in all respects.

[Signatures to follow on separate page.]

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[SIGNATURE PAGE TO HUD RIDER]

**Borrower:**

**TCB ST. STEPHENS LIMITED PARTNERSHIP,**  
an Illinois limited partnership

By: TCB St. Stephens, Inc., an Illinois corporation,  
its general partner

By:  \_\_\_\_\_

Name: Jacques Sandberg

Its: Authorized Agent

**Junior Lender:**

**THE COMMUNITY BUILDERS, INC.,** a Massachusetts  
nonprofit corporation

By: \_\_\_\_\_

Name:

Its:

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[SIGNATURE PAGE TO HUD RIDER]

**Borrower:**

**TCB ST. STEPHENS LIMITED PARTNERSHIP,**  
an Illinois limited partnership

By: TCB St. Stephens, Inc., an Illinois corporation,  
its general partner

By: 

Name: Jacques Sandberg

Its: Authorized Agent

**Junior Lender:**

**THE COMMUNITY BUILDERS, INC.,** a Massachusetts  
nonprofit corporation

By: 

Name: Karen E. Keltch

Its: Senior Vice President

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STATE OF Illinois  
COUNTY OF Cook

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that on this date \_\_\_\_\_, 2012, Jacques Sanberg, Authorized Agent, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of TCB St. Stephens, Inc, as General Partner of TCB St. Stephens Limited Partnership for the purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[seal]

Laura Ruiz  
Notary Public



STATE OF Massachusetts  
COUNTY OF Suffolk

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that on this date January 4, 2012, Karen E Kelleher, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her free and voluntary act and the free and voluntary act of Karen E Kelleher for the purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[seal]

Terrence Murphy  
Notary Public

