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22
Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption



1206945095

Doc#: 1206945095 Fee: \$94.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 03/09/2012 03:02 PM Pg: 1 of 29

211981

Report Mortgage Fraud
800-532-8785

The property identified as: PIN: 17-34-421-081-0000

Address:

Street: 3755 S. COTTAGE GROVE AVENUE

Street line 2:

City: CHICAGO

State: IL

ZIP Code: 60653

Lender: THE COMMUNITY BUILDERS, INC.

Borrower: OAKWOOD SHORES TERRACE ASSOCIATES LIMITED PARTNERSHIP

Loan / Mortgage Amount: \$450,000.00

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

Certificate number: B0E0594E-DD79-402C-B1FD-03BC2C029EB8

Execution date: 03/07/2012

29 pages

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This instrument was prepared by
and after recording return to:

Paul Davis, Esq.
Applegate & Thorne-Thomsen,
P.C.
626 West Jackson
Suite 400
Chicago, Illinois 60661

211981

Above space for Recorder's Use Only

**JUNIOR MORTGAGE, ASSIGNMENT OF
RENTS AND SECURITY AGREEMENT**

THIS JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT ("Mortgage") is made as of March 7, 2012, by **OAKWOOD SHORES TERRACE ASSOCIATES LIMITED PARTNERSHIP**, an Illinois limited partnership (the "Mortgagor" or "Partnership"), to **THE COMMUNITY BUILDERS, INC.**, a Massachusetts charitable corporation (the "Mortgagee" or "Lender").

RECITALS

WHEREAS, Mortgagor is obtaining a loan from Mortgagee in the principal sum of Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00) (the "Mortgage Loan"), or so much of that sum as Mortgagee may hereafter advance upon the Mortgage Loan to the Mortgagor, to finance the acquisition, development and construction of a 48-unit multi-family rental apartment building for rental to low-income and very-low income individuals and families to be located at 3753-3755 South Cottage Grove Avenue, Chicago, Illinois, and commonly known as Oakwood Shores Terrace Apartments (the "Project");

WHEREAS, contemporaneously with the execution and delivery of the Mortgage, Mortgagor has executed and delivered to Mortgagee that certain AHP Loan Promissory Note (together with any renewals, modifications, extensions, amendments and replacements, the "Note") as evidence of its indebtedness to Mortgagee in the principal sum of Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00), or so much of that sum as Mortgagee may hereafter advance upon the Mortgage Loan to the Mortgagor, with interest at the rates and payable at the times and in the manner specified in the Note.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, **MORTGAGOR HEREBY CONVEYS, GRANTS, MORTGAGES AND**

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WARRANTS TO MORTGAGEE, ITS SUCCESSORS AND ASSIGNS, the property located in Cook County, Illinois (the "Property"), legally described on **Exhibit A** attached hereto and incorporated herein;

FOR THE PURPOSE OF SECURING:

A. Payment of that certain indebtedness evidenced by the Note, which Note, together with any and all amendments, modifications, extensions and renewals thereof, however evidenced, are herein by reference made a part of this Mortgage;

B. Payment of all sums advanced by Mortgagee to protect the Property and to enforce its rights under this Mortgage;

C. Performance of Mortgagor's obligations and agreements with respect to the Note, this Mortgage, including the Affordable Housing Program Retention Agreement and Restrictive Covenants attached to this Mortgage as Exhibit B (the "Recapture Agreement"), and any other instrument now or hereafter given to evidence or further secure the payment of the Indebtedness (as that term is defined in **Section 1** herein) and any modification or amendment thereof (this Mortgage (including the Recapture Agreement), the Note and any other instruments or documents executed in connection with the Mortgage Loan, including any modifications, extensions and renewals thereof, are hereinafter referred to collectively as the "Loan Documents");

In addition to the Property, Mortgagor also grants, mortgages and warrants to Mortgagee, its successors and assigns, the following to secure the obligations set forth in paragraphs (A) through (C) above: (i) all buildings and improvements of every kind and description now or hereafter erected or placed on the Property (the "Improvements"); and

(ii) all goods affixed or to be affixed to the Property or the Improvements, and all machinery, apparatus, equipment, fittings, and articles of personal property of every kind and nature whatsoever, now or hereafter located in or upon the Property or the Improvements or any part thereof and used or usable in connection with any present or future operation of the Property and now owned or hereafter acquired by the Mortgagor, including but without limiting the generality of the foregoing, all gas and electric fixtures, heating, lighting, and plumbing fixtures, laundry, incinerating and power equipment, engines and machinery, radiators, heaters, furnaces, steam and hot water boilers, stoves, ranges, refrigerators, elevators, pipes, pumps, ducts, tanks, motors, compressors, conduits, switchboards, fire-prevention, fire-extinguishing, ventilating and communications apparatus, air-cooling and air-conditioning apparatus, bathtubs, sinks, water closets, basins, cabinets, mantels, furniture, shades, awnings, partitions, screens, blinds, curtains, carpeting and other furnishings (the "Personal Property").

The Property, Personal Property and Improvements together comprise the "Mortgaged Property," and are part and parcel of the Mortgaged Property and appropriated to the use of the Mortgaged Property and, whether affixed or annexed or not, shall conclusively be deemed subject to the lien of this Mortgage. The Mortgagor agrees to execute, acknowledge and deliver, from time to time, any other documents that are necessary to confirm and perfect the lien of this Mortgage on any Personal Property under the provisions of the Uniform Commercial Code. This Mortgage is also a security agreement, and is intended to be effective as a financing statement.

TO HAVE AND TO HOLD the Mortgaged Property unto Mortgagee, its successors and assigns, forever, for the purposes and uses set forth in this Mortgage provided that if the Mortgagor makes all payments when due under the Note and performs all of the agreements contained in this Mortgage, then this Mortgage and the aforesaid Note shall be null and void; otherwise to remain in full effect.

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Mortgagor hereby agrees, covenants with, represents and warrants to Mortgagee and any purchaser at any foreclosure sale, as of the date hereof and until the Indebtedness is paid in full and all other obligations of Mortgagor under this Mortgage and the Loan Documents are performed in full, as follows:

1. **Payment of Indebtedness.** Mortgagor shall pay, promptly when due, all indebtedness required to be paid pursuant to the Note and the Recapture Agreement; all charges, fees and other sums provided in the Loan Documents; and all other amounts, obligations and indebtedness secured by this Mortgage (collectively, the "Indebtedness"), and Mortgagor hereby waives all rights that now or hereafter are conferred by statute or otherwise to assert any right to any demand, counterclaim, offset, deduction or defense.

2. **Subordination of Mortgage.** This Mortgage is and shall be subject and subordinate in all respects to the following: all of which have been recorded in the Cook County Recorder's office prior to the recording of this Mortgage: (i) Declaration of Restrictive Covenants by the Chicago Housing Authority ("CHA") and the Mortgagor in favor of HUD, (ii) Right of First Refusal Agreement in favor of the CHA, (iii) Regulatory and Operating Agreement between the CHA and the Mortgagor ("R&O Agreement"), (iv) Regulatory Agreement between the City of Chicago ("City") and the Mortgagor, (v) Illinois Affordable Housing Tax Credit Regulatory Agreement by and among the Illinois Housing Development Authority, Lender and the Mortgagor, (vi) Agreement for the Sale and Redevelopment of Land by and among the City, the Mortgagee, the Mortgagor and Arches Retail Development, LLC, (vii) the lien of that certain Construction Mortgage, Security Agreement and Assignment of Leases and Rents and Fixture Filing executed and delivered by Mortgagor to and in favor of JPMorgan Chase Bank, N.A., securing repayment of a loan in the amount of \$5,600,000, and any other documents evidencing or securing such indebtedness, (viii) the lien of that certain Subordinate Mortgage, Security Agreement and Financing Statement, and Subordinate Assignment of Leases and Rents, each executed and delivered by Mortgagor to and in favor of the CHA, securing repayment of a loan in the amount of \$4,872,031, and any other documents evidencing or securing such indebtedness, and (ix) the lien of that certain Donation Tax Credit Subordinate Mortgage, Security Agreement and Financing Statement executed and delivered by Mortgagor to and in favor of CHA, securing repayment of a loan in the amount of \$193,794, and any other documents evidencing or securing such indebtedness.

3. **Care and Use of Mortgaged Property.** Mortgagor shall not commit any waste on the Mortgaged Property.

4. **Payment of Taxes and Impositions.** Mortgagor shall pay, not less than ten (10) days before any penalty or interest attaches, all real estate taxes and assessments (general or special), water charges, drainage charges, sewer charges and all other charges that may be imposed on the Mortgaged Property or any part thereof or interest therein (collectively, the "Impositions") and, at the request of Mortgagee, shall exhibit to Mortgagee official receipts evidencing such payments; provided, however, that if, by law, any such Impositions are payable in installments (or may be so paid at the option of the taxpayer), Mortgagor may pay the same together with any accrued interest on the unpaid balance in installments as they become due and before any cost may be added thereto for nonpayment.

5. **Payment of Expenses; No Liens.** Mortgagor shall (a) pay when due all expenses incurred and all claims for labor and materials furnished in connection with the Mortgaged Property; (b) keep the Mortgaged Property free from all liens, charges, mortgages, security agreements and encumbrances, other than (i) Impositions not yet due, (ii) the documents evidencing the indebtedness described in **Section 2** herein, (iii) residential leases not exceeding one year in duration entered into by Mortgagor in the ordinary course of its business, and (iv) such further liens and encumbrances as to which Mortgagee

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consents in writing; and (c) exhibit to Mortgagee, upon request, satisfactory evidence of the payment and discharge of any such liens, charges and encumbrances.

6. Intentionally omitted.

7. **Right to Contest.** Notwithstanding anything in this Mortgage to the contrary, Mortgagor shall have the right to contest the validity (or the applicability to Mortgagor, the Mortgaged Property, the Note or this Mortgage) of any tax, assessment, law, ordinance, lien, charge or encumbrance referred to in **Sections 4 or 5** herein of this Mortgage. Mortgagor agrees to prosecute any such contest diligently and by appropriate legal proceedings in order to (a) prevent the enforcement of the matter under contest and the sale or forfeiture of the Mortgaged Property or any portion thereof or interest therein, (b) not impair the lien of this Mortgage, and (c) not interfere with the use or occupancy of the Mortgaged Property or the normal conduct of business thereon.

8. **Insurance: Application of Insurance Proceeds.** The Mortgagor will keep the Improvements insured against loss from fire and such other hazards, casualties, and contingencies as required by the Mortgagee and in default thereof the Mortgagee shall have the right to obtain the required insurance. In the event the Mortgagee obtains such insurance, Mortgagor covenants that it shall immediately reimburse the Mortgagee for the cost. All insurance policies covering the Mortgaged Property shall be endorsed and contain loss payable clauses acceptable to the Mortgagee.

Subject to the rights of any senior lienholders identified in **Section 2**, if the Mortgaged Property, or any part thereof, is damaged by fire or other insured hazard, the amounts paid by any insurance company pursuant to the policy of insurance shall be paid to the Mortgagee to the extent of the indebtedness then remaining unpaid. Notwithstanding the foregoing, Mortgagor shall have the right to rebuild the Improvements as nearly as possible to its value, condition and operational character immediately prior to any such damage, and to use all available insurance proceeds therefore, provided that (a) sufficient funds from all sources are available to rebuild the Project, (b) Mortgagee shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under any Loan Documents. Mortgagee shall make the insurance proceeds available for such purpose, after the payment of all of Mortgagee's expenses in connection with such proceedings, including costs and reasonable attorneys' fees. If the casualty affects only part of the Project and total rebuilding is infeasible, Mortgagor shall have the right to use the proceeds for partial rebuilding and partial repayment of the Mortgage Loan. Subject to Lender's consent, which may be granted or denied in its reasonable discretion, the Note may be reamortized on terms acceptable to the Lender if a partial pre-payment is made from insurance proceeds received as the result of damage to or the partial destruction of the Mortgaged Property, and there is a resulting loss of income from the Mortgaged Property. Notwithstanding anything herein, if restoration is not feasible, then any insurance proceeds shall be used in a manner consistent with Section 11 of the Mixed-Finance Amendment to Consolidated Annual Contributions Contract between CHA and HUD relating to the Mortgaged Property (the "ACC Amendment").

9. **Assignment of Condemnation Awards.** For so long as any indebtedness remains outstanding, subject to the rights of any senior lienholders identified in **Section 2**, Mortgagor hereby assigns to Mortgagee, as additional security, all awards of damage resulting from condemnation proceedings or the taking of or injury to the Mortgaged Property for public use, and the proceeds of all such awards shall be paid to Mortgagee. Notwithstanding the foregoing, Mortgagor shall have the right to apply such proceeds towards the cost of repair or reconstruction of the Mortgage Property in accordance with **Section 8** and Mortgagee shall make such proceeds available for such purpose, after the payment of all of Mortgagee's expenses in connection with such proceedings, including costs and attorneys' fees. Mortgagor shall immediately notify Mortgagee of any actual or threatened condemnation or eminent domain proceedings

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and shall give to Mortgagee at any time any additional instruments requested by Mortgagee for the purpose of validly assigning all awards or appealing from any such award. Notwithstanding anything herein, if restoration is not feasible, then any condemnation proceeds shall be used in a manner consistent with Section 11 of the ACC Amendment.

10. **Further Representations, Warranties and Covenants of Borrower.** To induce Mortgagee to make any loan secured hereby, in addition to all other covenants, representations and warranties contained in this Mortgage, the Borrower further represents, warrants and covenants, as of the date hereof and until the Indebtedness is paid in full and all other obligations of Mortgagor under this Mortgage or any of the other Loan Documents are performed in full, as follows:

a. **Power and Authority.** The Borrower is a duly organized limited partnership that is validly existing, is qualified to do business and is in good standing in the State of Illinois, and has full power and due authority to execute, deliver and perform the obligations of Mortgagor under this Mortgage, the Note and all other Loan Documents.

b. **Nature of Loan and Mortgaged Property.** The proceeds of the Note are from a "business loan" (as that term is used in 815 ILCS 205/4(1)(c)); Mortgagor is borrowing money for the purpose of carrying on or acquiring a business of Mortgagor of the nature described in 815 ILCS 205/4(1)(c); and the proceeds of the Note shall be used exclusively for the purpose of carrying on or acquiring a business of Mortgagor of the nature described in 815 ILCS 205/4(1)(c).

11. **Mortgagee's Right of Inspection; Further Assurances.** Mortgagor shall (a) permit Mortgagee or its representatives to enter on and inspect the Mortgaged Property at all reasonable times and to inspect the Mortgaged Property, and (b) prepare such summaries and reports with respect to the Mortgaged Property as Mortgagee may request. Mortgagor, at its sole cost and expense, shall do such further acts and execute such further documents as Mortgagee may require at any time to better assign and confirm unto Mortgagee the rights now or hereafter intended to be granted to Mortgagee under this Mortgage or any other instrument or Loan Document. Mortgagor hereby appoints Mortgagee its attorney-in-fact and authorizes Mortgagee to execute, acknowledge and deliver in the name of Mortgagor the instruments required by Mortgagee pursuant this **Section 11** herein to the extent permitted by law. This power, being coupled with an interest, shall be irrevocable as long as any part of the indebtedness remains unpaid.

12. **Mortgagee's Right to Cure.** Upon the occurrence of any Event of Default (as defined in **Section 13** herein), Mortgagee may, at its option, in any form and manner and without inquiry into the validity thereof, make any payment or perform any act hereinbefore required of Mortgagor, including but not limited to making full or partial payments on other encumbrances, if any, discharging any tax lien, redeeming all or any portion of the Mortgaged Property from any tax sale, or contesting any tax or assessment. In no event shall such actions by Mortgagee be construed as a waiver of any Event of Default. The amount of all moneys paid for any of the purposes herein authorized, all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and all other moneys advanced by Mortgagee to protect the Mortgaged Property and the lien of this Mortgage shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice.

13. **Events of Defaults.** Any of the following shall constitute an "Event of Default" under this Mortgage:

a. **Non-Payment.** A failure to make any payment when due under the Loan Documents that is not cured within ten (10) days after receipt of notice by Mortgagor of a notice of default from the Mortgagee;

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b. **Non-Performance.** A failure of the Mortgagor to comply with the “Income and Affordability Restrictions” and the “AHP Regulations” during the “Retention Period,” each as defined in the Rider to Junior Mortgage Affordable Housing Program Retention Agreement and Restrictive Covenants that is attached to this Mortgage and incorporated herein in accordance with Section 35 hereof, which failure is not cured within a reasonable period of time, or a default shall occur in the performance of any other obligation of Mortgagor contained in any of the Loan Documents or any other instrument given as security for payment of the Indebtedness. If the default is reasonably capable of being cured within thirty (30) days, Mortgagor shall have such period to effect a cure prior to exercise of remedies by Mortgagee under the Loan Documents. If the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Mortgagor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Mortgagor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Mortgagee. In no event shall Mortgagee be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

Notwithstanding anything to contrary contained in the Note or this Mortgage, upon the occurrence of any default pursuant to this Section 13, Mortgagee shall provide prompt written notice of such default to the limited partner of the Mortgagor ("Limited Partner"), and Limited Partner shall have the right and opportunity, but not the obligation, to cure such default within a period of thirty (30) days after receipt of such notice ("Limited Partner Cure Period"). Mortgagee agrees, during the Limited Partner Cure Period, not to exercise its remedies under this Note or the Mortgage, and agrees that neither this Note nor the Mortgage will be considered in default until the expiration of all contractual notice and cure periods provided to the Mortgagor and Limited Partner. Mortgagee further agrees to accept cures tendered by Limited Partner pursuant to the same terms and conditions of the Note and Mortgage as are provided to Mortgagor.

The Lender and the Borrower acknowledge to one another that the Lender and/or an affiliate thereof is acting in multiple capacities with respect to the Project, including as lender of the loan evidenced by the Loan Documents, a lender under a senior and a subordinate loan, and as the general partner of the Borrower. Accordingly, the Lender and the Borrower agree that nothing in this Mortgage or under any of the Loan Documents associated with the financing, construction, completion, operations and/or maintenance of the Project to which the Borrower or the Lender is a party is intended, nor shall it be construed, to abrogate or diminish any obligations that the Lender or its affiliate may have to the Project, the Borrower and the Borrower's limited partner, whether expressly contained in the Borrower's Amended and Restated Agreement of Limited Partnership or implied by law, for so long as the Lender or its affiliate is the general partner of the Borrower. Notwithstanding anything to the contrary in any of the Loan Documents, the occurrence of any default under the Loan Documents that arises either directly or indirectly from any breach by the Borrower's general partner of its obligations under the Amended and Restated Agreement of Limited Partnership shall not constitute a default by the Borrower hereunder during any time that the Borrower's general partner is controlled by the Lender or an affiliate thereof.

14. **Mortgagee's Remedies on Default.** Upon the occurrence of any Event of Default and subject to the rights of the senior lienholders, if any, identified in **Section 2** and the terms of **Section 35** of this Mortgage, then:

a. **Acceleration.** The Indebtedness shall, at the option of Mortgagee, become immediately due and payable without demand or further notice, from the date of the first of any such Event of Default.

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b. **Foreclosure.** After acceleration, Mortgagee may immediately foreclose this Mortgage. Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 through 735 ILCS 5/15-1706 (the "Act"), to be placed in possession of the Mortgaged Property or, at its request, to have a receiver appointed, and such receiver or the Mortgagee, if and when placed in possession, shall have all rights, powers, immunities, and duties as provided for in Sections 15-1702 and 15-1703 of the Act.

c. **Other Remedies.** Mortgagee shall have the right, at its option and without regard to whether the Indebtedness is declared to be immediately due as provided in **Section 14(a)** above, either with or without process of law, forcibly or otherwise: (a) to enter upon and take possession of the Mortgaged Property; (b) to expel and remove any persons, goods or chattels occupying or upon the same, provided that Mortgagee shall comply with all affordable housing covenants and use restrictions of record in exercising its rights hereunder; (c) to collect or receive all the rents therefrom; (d) to manage and control the same; (e) to lease the same or any part thereof from time to time; and (f) after deducting all reasonable attorneys' fees and all reasonable expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, to apply the remaining net income so collected or received upon the Indebtedness or upon any deficiency decree entered in any foreclosure proceedings.

15. **Protective Advances; Fees and Expenses.** All advances, disbursements and expenditures made or incurred 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 Act (collectively the "Protective Advances"), shall have the benefit of all applicable provisions of the Act. The Protective Advances include the following:

a. All advances by the Mortgagee in accordance with the terms of the Mortgage to: (i) preserve or restore the improvements upon the Mortgaged Property; (ii) preserve the lien of the Mortgage or the priority thereof; or (iii) enforce the Mortgage, as referred to in Section 15-1302(b)(5) of the Act;

b. Payments by the Mortgagee of: (i) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (ii) real estate taxes and assessments and all other taxes assessed or imposed upon the Mortgaged Property or any part thereof; (iii) other obligations authorized by the 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 15-1505 of the Act;

c. Advances by the Mortgagee in settlement of any claims asserted by claimants under senior mortgages or any other prior liens;

d. Reasonable attorneys' fees and other costs incurred in connection with: (i) the foreclosure of the Mortgage as referred to in Sections 15-1504(d)(1) and (2) and Section 15-1510 of the Act; (ii) any action, suit or proceeding brought by or against the Mortgagee for the enforcement of the Mortgage or arising from the interest of the Mortgagee hereunder; or (iii) the commencement, prosecution or defense of any other action related to the Mortgage or the Mortgaged Property;

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

f. Reasonable expenses deductible from proceeds of sale as referred to in Sections 15-1512(a) and (b) of the Act;

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g. Expenses incurred and expenditures made by the Mortgagee for any one or more of the following: (i) premiums for casualty and liability insurance paid by the Mortgagee whether or not the Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation imposed by Section 15-1704(c)(1) of the Act of maintaining existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property; (ii) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (iii) payments deemed by the Mortgagee to be required for the benefit of the Mortgaged Property, by reason of the exercise by Mortgagee of any of its rights under **Section 14** herein, or required to be made by the owner of the Mortgaged 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 Mortgaged Property; (iv) shares or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property; (v) if any loan secured hereby is a construction loan, costs incurred by the Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, loan agreement or other agreement; (vi) payments deemed by the Mortgagee to be required pursuant to any lease or other agreement for occupancy of the Mortgaged Property; (vii) if the Mortgaged Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof deemed by the Mortgagee to be required to be paid; (viii) if the Mortgagor's interest in the Mortgaged 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; and (ix) if the Mortgage is insured, payments of FHA or private mortgage insurance required to keep such insurance in force.

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 Section 15-1302(b)(5) of the Act. All Protective Advances shall, except to the extent, if any, that any of the same are clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in: (i) determination of the amount of the Indebtedness at any time; (ii) the Indebtedness found due and owing to the Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments or orders 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 purposes; (iii) if the right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Sections 15-1603(d)(2) and (e) of the Act; (iv) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act; (v) application of income in the hands of any receiver or Mortgagee in possession; and (vi) computation of any deficiency judgment pursuant to Section 15-1508(b)(2) and (3) and Section 15-1511 of the Act. However, the amount of Indebtedness secured by this Mortgage, including any Protective Advances, shall not exceed \$900,000.

The following shall be included in any decree foreclosing the lien of this Mortgage and shall be paid out of the rents or proceeds of any sale made in pursuance of any such decree in the following order: (i) all costs and expenses of such suit or suits as described in this **Section 15** herein with interest as herein provided; (ii) all money advanced by Mortgagee for any purpose authorized in this Mortgage, with interest as herein provided; (iii) all of the accrued interest remaining unpaid on the Indebtedness; and (iv) the principal balance of the Note at such time remaining unpaid. The surplus of the proceeds of the sale, if any, shall then be paid to Mortgagor on reasonable request. In the event that, after legal proceedings are instituted to foreclose the lien of this Mortgage, tender is made of the entire amount of Indebtedness, Mortgagee shall be entitled to reimbursement for expenses incurred in connection with such legal proceedings, and no such suit or proceedings shall be dismissed or otherwise disposed of until such fees, expenses, and charges shall have been paid in full.

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16. **Waiver of Right of Redemption.** Mortgagor acknowledges that the Mortgaged Property does not constitute agricultural real estate, as defined in 735 ILCS 5/15-1201, or residential real estate, as defined in Section 15-735 ILCS 5/15-1219, and, pursuant to 735 ILCS 5/15-1601(b), hereby waives for Mortgagor and all its successors in interest and for any and all persons claiming any interest in the Mortgaged Property, to the maximum extent permitted by law, any and all rights of redemption otherwise available to Mortgagor under the Act.
17. **Prepayment Privilege.** Mortgagor shall have the privilege of making prepayments on the principal of the Note at any time without penalty.
18. **Mortgagee's Rights Cumulative.** The remedies and rights herein are cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise of, or omission to exercise, any such remedy or right accruing shall impair any such remedy or right or be construed to be a waiver of any Event of Default, nor shall it affect any subsequent Event of Default of the same or a different nature.
19. **No Usury.** Nothing contained in this Mortgage or in any of the other Loan Documents or in any transaction related hereto shall be construed or shall so operate either presently or prospectively (i) to require Mortgagor to pay interest in excess of the maximum amount of interest permitted by law to be charged in the case of the Indebtedness, but shall instead be deemed required payment of interest only to the extent of the lawful amount, or (ii) to require Mortgagor to make any payment or do any act contrary to law. Any interest in excess of that permitted by law that Mortgagee may have received in connection with the Indebtedness shall, at the option of Mortgagee, be (a) applied as a credit against the then unpaid principal balance under the Note, (b) applied as a credit against any accrued and unpaid interest on the unpaid principal balance under the Note (but not to exceed the maximum amount permitted by applicable law), (c) refunded to the Mortgagor or other payor thereof or (d) applied or refunded pursuant to any combination of the foregoing; and neither Mortgagor nor any of the other obligors under the Note shall have any action against Mortgagee for any damages whatsoever arising out of the payment or collection of any such interest.
20. **Partial Invalidity; Severability.** If the lien of this Mortgage is invalid or unenforceable as to any part of the Indebtedness or the Mortgaged Property, the unsecured or partially secured portion of the Indebtedness shall be completely paid prior to the payment of the remaining secured or partially secured portions of the Indebtedness. All payments made on the Indebtedness, whether voluntary or not, shall be considered to have been first paid on and applied to the full payment of that portion of the Indebtedness not secured or fully secured by the lien of this Mortgage. If any term, covenant or provision contained in any of the Loan Documents shall be determined to be void, illegal or unenforceable to any extent or shall otherwise operate to invalidate any such Loan Document, in whole or part, then such term, covenant or provision only shall be deemed not contained in such Loan Document; the remainder of such Loan Documents shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained therein.
21. **No Discharge of Mortgagor's Liability.** In the event of the voluntary sale or transfer, by operation of law or otherwise, of all or any part of the Mortgaged Property, Mortgagee is hereby authorized and empowered to deal with such vendee or transferee with reference to the Mortgaged Property on the terms or conditions hereof, as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from Mortgagor's liability, covenants or undertakings hereunder.
22. **Assignment of Rents.** It is agreed by the Mortgagor that upon the occurrence of any Event of Default, and subject to the rights of all senior lien holders identified in **Section 2** hereof, all the rents,

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income and profits from the Mortgaged Property shall be assigned and transferred over to the Mortgagee, both before and after foreclosure of this Mortgage and during the period of redemption. The Mortgagor does hereby constitute and appoint the Mortgagee its attorney-in-fact, irrevocably, with full power and authority to enter upon and take full possession of the Mortgaged Property at once, to lease and control the same, and to receive, collect and receipt for all rents, income and profits received, which are expressly assigned and pledged as additional security for the payment of the debt secured by this Mortgage; notwithstanding the foregoing, Mortgagee shall comply with all affordability covenants and use restrictions that are recorded against the Property. Out of the amounts collected, the Mortgagee shall be entitled to pay all taxes, payments in lieu of taxes, assessments, water and sewer charges, amounts due under contracts affecting the Mortgaged Property, liens, insurance premiums, operating expenses, repairs, and other charges upon the Mortgaged Property, as well as the payments due and owing under the Note, and may retain the cost of collecting such rents, income and profits to the extent that they are sufficient for that purpose, paying the surplus from time to time, if any, to the Mortgagor. In any action to foreclose, the Mortgagee shall be entitled to the appointment of a receiver of the Mortgaged Property as a matter of right, and without notice, with power to collect the rents, issues, and profits of the Mortgaged Property which are due or become due during the pendency of such foreclosure suit, and with power to manage the Mortgaged Property throughout. The Mortgagor, for itself and any subsequent owner, hereby waives any and all defenses to the application for a receiver as set forth above and hereby specifically consents to such appointment without notice, and nothing herein contained is to be construed to deprive the Mortgagee of any other right, remedy, or privilege it may now have under the law to have a receiver appointed or to take possession itself.

By its acceptance of this Mortgage, Mortgagee acknowledges and agrees that the foregoing assignment of rents set forth in this Section 22 of this Mortgage is subordinate in all respects, and shall remain subject and subordinate in all respects, to any assignment by Mortgagor of the rents, income and profits from the Mortgaged Property to any senior lien holder identified in Section 2 of this Mortgage or pursuant to the ACC Amendment. Notwithstanding anything herein, Lender acknowledges and agrees that rents collected from any public housing units and any operating funds for such units that may be provided by CHA to Mortgagor shall be used only in accordance with the R&O Agreement and All Applicable Public Housing Requirements (as defined in the R&O Agreement).

23. **Release of Mortgage.** Upon full payment of all of the indebtedness at the time and in the manner provided in this Mortgage, in the Note and in the other Loan Documents, and provided all covenants and agreements contained in this Mortgage and in the other Loan Documents are kept and performed, this Mortgage shall be null and void, and upon demand therefore following such payment, a release of the Mortgaged Property shall be made by Mortgagee to Mortgagor.

24. **Governing Law.** The terms and provisions of this Mortgage and the Note it secures shall be construed and governed by the laws of the State of Illinois without regard to the rules of conflicts of law of such state.

25. **Addresses for Notices.** All notices, demands, consents, requests, or other communications that are either required or contemplated in connection with this Mortgage shall be in writing, and shall be deemed given to the intended recipient thereof upon the earlier of: (a) actual delivery thereof at the address designated below for such intended recipient; (b) the first business day after deposit with a nationally recognized, reputable commercial courier service, such as Federal Express, with all charges prepaid; (c) when sent by facsimile transmission (with written confirmation of receipt); or (d) the third business day after the deposit thereof at any main or branch United States post office with postage prepaid for delivery thereof via certified or registered first class mail, return receipt requested, and in any such case addressed as follows:

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If to Mortgagor: Oakwood Shores Terrace Associates Limited Partnership
c/o The Community Builders, Inc.
95 Berkeley Street, Suite 500
Boston, MA 02116
Attn: Senior Vice President, Development Operations

And to:

The Community Builders, Inc.
95 Berkeley Street, Suite 500
Boston, MA 02116-6240
Attention: General Counsel

With copies to:

Applegate & Thorne-Thomsen, P.C.
626 West Jackson, Suite 400
Chicago, IL 60661
Attn: Bennett Applegate

JPMorgan Bank and Trust Company, National Association
c/o JPMorgan Chase Bank
2 Corporate Park, 7th Floor, Mail Code CT1-2000
Shelton, CT 06484
Attn: Geri Crolla

Red Stone Equity Holding, LLC
200 Public Square, Suite 1550
Cleveland, Ohio 44114
Attn: Managing Director and General Counsel

Bocarsly Emden Cowan Esmail & Arndt LLP
633 West Fifth Street, 70th Floor
Los Angeles, California 90071
Attention: Kyle Arndt, Esq.

Chicago Housing Authority
60 East Van Buren Street
Chicago, Illinois 60605
Attn: Chief Executive Officer

Chicago Housing Authority
60 East Van Buren Street, 12th Floor
Chicago, Illinois 60605
Attn: General Counsel

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

By notice complying with the foregoing provisions of this **Section 25** herein, the parties may from time to time change the above addresses applicable to them for the purposes hereof, except that any such notice shall not be deemed delivered until actually received. Copies of notices are for informational purposes only and may be sent by regular mail or in any other manner and the failure to give or to receive copies of notices shall not be deemed a failure to give notice to a party.

26. **Binding Effect; Miscellaneous Definitions.** All provisions and covenants of this Mortgage run with the land and shall inure to and bind the parties hereto and their respective heirs, devisees, representatives, vendees, successors and assigns.
27. **Non-Recourse Obligation.** The Mortgage Loan is a non-recourse obligation of Mortgagor. Neither Mortgagor nor any of its partners, general or limited, nor any other person or entity shall have any personal liability for repayment of the Mortgage Loan. The sole recourse of Lender under the Loan Documents for repayment of the Mortgage Loan shall be the exercise of its rights against the Mortgaged Property and related security thereunder.
28. **Transfer.** So long as any indebtedness under the Mortgage Loan remains outstanding and notwithstanding anything in the Loan Documents to the contrary, Lender agrees that any limited partner of Mortgagor may sell, transfer, assign or otherwise dispose of all or any part of its interest in Mortgagor in accordance with the terms and conditions of its Amended and Restated Agreement of Limited Partnership, as amended or revised ("Partnership Agreement"), without the prior written consent of Lender.
29. **Captions.** The captions or headings at the beginning of any paragraph or portion of any paragraph in this Mortgage are for the convenience of Mortgagor and Mortgagee and for purposes of reference only and shall not limit or otherwise alter the meaning of the provisions of this Mortgage.
30. **General Partner Change.** The withdrawal, removal and/or replacement of the general partner of Mortgagor pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Mortgage Loan.
31. **Force Majeure.** There shall be no default for construction or rehabilitation delays beyond the reasonable control of Mortgagor, provided that such delays do not exceed one hundred eighty (180) days, or such longer period of time as may be specified in the Loan Documents.
32. **Purchase Rights.** The execution and delivery of the right of first refusal agreements for the Chicago Housing Authority and the Lender permitted under the Partnership Agreement shall not constitute a default under the Loan Documents or accelerate the maturity of the Mortgage Loan thereunder.

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33. **Loan Assumption.** If the rights granted in the Right of First Refusal Agreement described above are not exercised and the Mortgaged Property is sold subject to low-income housing use restrictions as contained in the Regulatory Agreement between the City and Mortgagor or other covenant of record, any requisite consent of Mortgagee to said sale, and to the assumption without penalty of the Mortgage Loan obligations by the purchaser and the release of Mortgagor from such obligations, shall not be unreasonably withheld.

34. **Mortgagee Approvals.** In any approval, consent, or other determination by Mortgagee required under any of the Loan Documents, Mortgagee shall act reasonably and in good faith.

35. **AHP Covenants.** The document entitled "Rider to Mortgage: Affordable Housing Program Retention Agreement and Restrictive Covenants" attached hereto as **Exhibit B** is hereby incorporated into this Mortgage as if fully set forth herein and shall remain a part of this Mortgage throughout the fifteen year retention period commencing on the date of completion of construction of the Project as approved by the Federal Home Loan Bank of San Francisco and ending fifteen (15) years after the same date (the "Retention Period"). Upon the expiration of the Retention Period, the Mortgagor and Mortgagee acknowledge and agree that the Rider to Mortgage: Affordable Housing Program Retention Agreement and Restrictive Covenants" shall no longer be a part of this Mortgage.

[Remainder of Page Intentionally Left Blank]

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WITNESS the due execution hereof on the day and year first above written.

OAKWOOD SHORES TERRACE ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership

By: **Oakwood Shores Terrace GP L.L.C.**, an Illinois limited liability company, its General Partner

By: **GBCD Partnership Services, Inc.**, a Massachusetts corporation, its manager

By _____
Jacques Sandberg, Authorized Agent

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Jacques Sandberg, the Authorized Agent of GBCD Partnership Services, Inc., the manager of Oakwood Shores Terrace GP L.L.C., the general partner of Oakwood Shores Terrace Associates Limited Partnership, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of the corporation as general partner of and on behalf of Oakwood Shores Terrace Associates Limited Partnership, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on March 5, 2012.

Margaret A. Grassano
Notary Public

My Commission Expires:



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EXHIBIT A

Legal Description of the Real Estate

[To come]

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EXHIBIT B

RIDER TO JUNIOR MORTGAGE AFFORDABLE HOUSING PROGRAM RETENTION AGREEMENT AND RESTRICTIVE COVENANTS (AHP Rental Project)

This Rider to Junior Mortgage – Affordable Housing Program Retention Agreement and Restrictive Covenants (AHP Rental Project) (this “Rider”) is attached to and made part of the foregoing Junior Mortgage, Assignment of Rents and Security Agreement (the “Mortgage”) between Oakwood Shores Terrace Associates Limited Partnership (referred to as the “Borrower” or “Mortgagor”) and The Community Builders, Inc., a Massachusetts not for profit corporation (referred to as the “Lender” or “Mortgagee”). This Rider is a form of “retention agreement” referred to below.

RECITALS:

- A. **Whereas**, pursuant to Section 721 of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 (“FIRREA”), the Federal Housing Finance Agency (“FHFA”) is required to cause each Federal Home Loan Bank to establish an affordable housing program (“AHP”) to assist members of each Federal Home Loan Bank to finance affordable housing for very low-, low-, or moderate-income households.
- B. **Whereas**, The Federal Home Loan Bank of San Francisco (the “FHLB”) also has established an Affordable Housing Program Implementation Plan (as amended from time to time, the “Implementation Plan”) and policies, procedures, guidelines and instructions covering, among other things, feasibility, disbursement, monitoring and modifying affordable housing projects participating in the AHP (as amended from time to time, the “AHP Policies and Procedures”).
- C. **Whereas**, JPMorgan Bank and Trust Company, National Association, a member of FHLB (the “Member Bank”), submitted an application to the FHLB (the “AHP Application”) on behalf of the Mortgagee for an AHP Subsidy (defined below) in connection with the property identified in the AHP Application and the improvements to be constructed thereon and the tangible and intangible personal property associated or connected therewith, all of which is encumbered by the Mortgage (the “Project”).
- D. **Whereas**, pursuant to regulations (including, without limitation, those contained in 12 CFR Part 1291) promulgated by the FHFA pursuant to FIRREA (the “AHP Regulations”), members of each Federal Home Loan Bank are required to provide for the repayment of any direct subsidy should said direct subsidy or the Project or a portion of the Project be unused or improperly used.

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- E. **Whereas**, the Lender has executed and delivered a Promissory Note (AHP Rental Project) in favor of the Member Bank (the "Lender Note"), in connection with a \$450,000 loan that Lender will receive from the Member Bank that is funded with the proceeds of the Federal Home Loan Bank's Affordable Housing Program. The Member Bank will disburse proceeds of the \$450,000 loan to the Lender pursuant to the Affordable Housing Program Direct Subsidy Agreement Rental Project among the Member Bank, Borrower and Federal Home Loan Bank of San Francisco for Project no. 10A11052 effective May 28, 2010 (the "Subsidy Agreement") and the Federal Home Loan Bank of San Francisco's Affordable Housing Program Implementation Plan. Each disbursement by the Member Bank to the Lender of the Affordable Housing Program funds will be evidenced by the Lender Note. The Lender, in turn, will use the loan proceeds it receives from the Member Bank evidenced by the Lender Note to advance the principal sums of its Loan to Mortgagor that are evidenced by the Note.
- F. **Whereas**, in consideration for its receipt of the loan of the AHP Subsidy from Lender, Mortgagor has executed the Mortgage, which includes this Rider, in favor of the Lender.
- G. **Whereas**, the Lender, Mortgagor, FHLB and Member Bank desire to cause the Income and Affordability Restrictions (defined below) and related covenants and restrictions required by the Subsidy Agreement to become recorded restrictions burdening the Project as defined below.

By signing the Mortgage and this Rider, Borrower hereby agrees as follows:

1. **AHP Subsidy.** The secured obligation described in and secured by the Mortgage represents the "AHP Subsidy" in the amount of Four Hundred Fifty Thousand and No/100 Dollars (\$450,000.00) used or to be used in connection with the purchase, construction or rehabilitation of the Project.
2. **Definitions.** As used in this Rider, the following capitalized terms have the following meanings:

"Income and Affordability Restrictions" means income limitations as amended or modified or adjusted annually according to the current applicable median income data from time to time with the approval of the FHLB and rent limitations such that the Project units are affordable for households with incomes at or below the levels committed to be served in the AHP Application; namely, five (5) units shall be rented to very-low income households whose income equals or is less than forty percent (40%) of area median income, as adjusted for family size; twenty (20) units shall be rented to very-low income households whose income equals or is less than fifty percent (50%) of area median income, as adjusted for family size; and eleven (11) units shall be rented to very-low income households whose income equals or is less than sixty percent (60%) of area

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median income, as adjusted for family size.

“**Loan**” means the loan of the AHP Subsidy by the Lender to Borrower in the principal amount evidenced by the Note.

“**Loan Documents**” means the Note, the Subsidy Agreement, the Mortgage, and all other documents relating to or securing the Note, each as renewed, amended, modified, restated and extended from time to time. The Loan Documents do not include the Lender Note.

“**Note**” means the Note evidencing the Loan (and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof), dated as of the date hereof, executed by the Borrower and payable to the Lender in the principal amount of the Loan. The Note is secured by this Mortgage.

“**Retention Period**” means the period commencing on the date of the completion of the Project as determined by FHLB in its discretion and ending fifteen (15) years after the same date.

All other capitalized terms not otherwise defined herein or in the Mortgage shall be as defined in the Subsidy Agreement.

3. Covenants.

- (a) **Compliance.** Borrower shall comply with the AHP Regulations, the FHLB’s AHP Policies and Procedures, the Subsidy Agreement and the commitments made in the AHP Application.
- (b) **Income and Affordability Restrictions.** Borrower shall cause the Project’s 36 rental units to remain occupied by and affordable for households with incomes that are consistent with the Income and Affordability Restrictions for the duration of the Retention Period. The Income and Affordability Restrictions shall terminate upon foreclosure or a deed in lieu of foreclosure of the Mortgage or a senior Mortgage that creates a lien against the Project.
- (c) **Notice of Proposed Transfer or Refinancing.** Borrower shall give the FHLB or its designee notice of a sale, refinancing, foreclosure or transfer in lieu of foreclosure of the Project occurring prior to the end of the Retention Period at least fifteen (15) calendar days prior to the anticipated happening of such an event. Notwithstanding any other provision contained in the Mortgage, in case of any sale or transfer of the Project, Borrower shall ensure that the documentation of such sale or transfer includes a provision acceptable to Lender in its sole discretion that the Project will continue to be used for affordable housing consistent with the AHP Regulations and AHP Application.

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- (d) **Repayment.** In case of a sale or refinancing of the Project prior to the end of the Retention Period, Borrower shall on demand repay all principal and accrued interest on the Note in full, unless:
- (i) The Project continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the Income and Affordability Restrictions committed to in the approved AHP Application for the duration of the Retention Period; or
 - (ii) If authorized by the FHLB, in its discretion, the households are relocated, due to the exercise of eminent domain, or for expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the Income and Affordability Restrictions committed to in the approved AHP Application for the remainder of the Retention Period.
- (e) **No Discrimination.** Borrower shall not discriminate in the rental of affordable housing units based on age, race, religion, sex, national origin, handicap or familial status, and shall obey all applicable fair housing laws.
- (f) **Monitoring Information.** Borrower shall provide to Lender, AHP Sponsor, Member Bank and FHLB, promptly following Lender, AHP Sponsor or the FHLB's request, any and all information the FHLB, Member Bank and AHP Sponsor individually or collectively require to meet their respective obligations to monitor projects which have received AHP subsidies, under the AHP Regulations, AHP Application and any applicable law, in a format as required by or acceptable to the FHLB and Lender.
- (g) **Notice of Violation (Default); Additional Information.** Borrower shall promptly give written notice to the FHLB, Lender, Member Bank and AHP Sponsor of an occurrence of noncompliance with the requirements of the AHP Regulations, the FHLB's AHP Policies and Procedures or the Subsidy Agreement at the earliest possible date after discovery of such noncompliance, and after Borrower has had reasonable time to investigate and evaluate the occurrence which may constitute noncompliance, but in any event, notice shall be given no later than thirty (30) calendar days following discovery of an occurrence that constitutes noncompliance. In addition, Borrower shall provide to Lender, Member Bank, AHP Sponsor or the FHLB, or all of them, within fifteen (15) calendar days following the request of Member Bank, Lender or the FHLB, or both, as the case may be, information and requested documentation concerning the Project and the Loan.

4. **Cure Rights.** Notwithstanding anything to the contrary in the Note or Mortgage:

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- (a) Borrower shall have the right to cure any defaults and Lender agrees to accept cures tendered by Borrower within thirty (30) days of written notice to Borrower of such default, plus such additional time as is reasonably necessary to cure the default provided Borrower has commenced the cure within such thirty (30) day period and is diligently prosecuting the cure.
- (b) If a default is eliminated by an approved modification of the AHP Application consistent with Paragraph 11 of the Subsidy Agreement (or any successor provision) and the AHP Regulations, the default shall be deemed cured.
- (c) Lender shall give Borrower's tax credit investor, if any ("Investor"), the same written notice of default given to the Borrower as required herein; provided, that Lender's failure to give separate written notice to Investor shall not impair or invalidate any notice of default given to Borrower or give rise to any liability on the part of Lender to Investor or any other third party. Investor shall have the right to cure defaults within the time periods provided to Borrower herein, and performance of a cure by Investor or an affiliate of Investor shall have the same effect as would like performance by Borrower. Investor's address for notice purposes is:

Red Stone Equity Holding, LLC
 200 Public Square, Suite 1550
 Cleveland, OH 44114
 Attention: Managing Director and General Counsel

Or such other address provided Lender by Investor from time to time.

- 5. **Expenses of FHLB.** Borrower hereby agrees that if Borrower brings any action or proceeding against the FHLB seeking to obtain any legal or equitable relief under or arising out of the Note, the Subsidy Agreement between AHP Sponsor and FHLB, as assigned to and assumed by the Lender, pertaining to the Note, the Loan represented by the Note or any transaction contemplated in connection therewith, and such relief is not granted by a final decision, after any and all appeals of court of competent jurisdiction, Borrower will pay the attorneys' fees and other costs incurred by the FHLB in connection therewith. The FHLB shall be a third party beneficiary of the terms and provisions of this paragraph and shall be entitled to take any and all remedies available under applicable law to enforce this provision against Borrower.
- 6. **Inconsistent Provisions.** The provisions of this Rider shall supersede any conflicting provision contained in the Mortgage, but only to the extent of such inconsistency. No provision herein shall impair or modify any obligation set forth in the Subsidy Agreement.

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7. **Non-Recourse.** As set forth in the Mortgage, the Loan is a nonrecourse obligation of the Mortgagor.
8. **Three-Year Tax Credit Period.** If the Project was assisted by federal tax credits, and in the event that it is determined that Section 42(h)(6)(E)(ii) of the Internal Revenue Code is applicable to the Lender, and in the event that Lender were to take over ownership of the Project as a result of a foreclosure, Lender by accepting the Mortgage agrees that it will comply with the three-year extended use requirement as specified therein.
9. **Permitted Transfers.** Notwithstanding anything to the contrary contained in the Mortgage, this Rider or any other Loan Document, the execution, delivery and exercise of the right of first refusal agreements for the benefit of the Chicago Housing Authority or the Lender set forth in Borrower's Amended and Restated Agreement of Limited Partnership, if and as amended (the "Partnership Agreement") or other agreement reviewed and approved by Lender (collectively, the "Option") shall not constitute a breach or default under the Loan Documents; provided that the Option is subject, subordinate and inferior to the liens and security interests of the Loan Documents, and that the exercise of any rights thereunder are subject to the terms of the Loan Documents.

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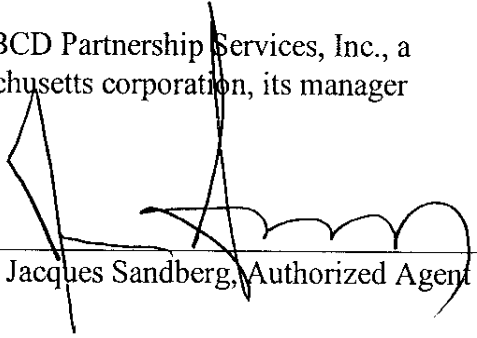
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WITNESS the due execution hereof on the day and year first above written.

**OAKWOOD SHORES TERRACE
ASSOCIATES LIMITED PARTNERSHIP**, an
Illinois limited partnership

By: **Oakwood Shores Terrace GP L.L.C.**, an
Illinois limited liability company, its General
Partner

By: GBCD Partnership Services, Inc., a
Massachusetts corporation, its manager

By: 

Jacques Sandberg, Authorized Agent

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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

The undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Jacques Sandberg, the Authorized Agent of GBCD Partnership Services, Inc., the manager of Oakwood Shores Terrace GP L.L.C., the general partner of Oakwood Shores Terrace Associates Limited Partnership, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he signed and delivered such instrument as his own free and voluntary act, and as the free and voluntary act of the corporation as general partner of and on behalf of Oakwood Shores Terrace Associates Limited Partnership, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on March 5, 2012.

Margaret A. Grassano
 Notary Public

My Commission Expires:



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EXHIBIT A LEGAL DESCRIPTION

***PARCEL 1:

THAT PART OF LOT 66 IN ELLIS' EAST OR SECOND ADDITION TO CHICAGO TOGETHER WITH THAT PART OF LOTS 6 TO 14, INCLUSIVE, IN ASSESSOR'S DIVISION OF LOTS 63, 64 AND 65 IN ELLIS' EAST OR SECOND ADDITION TO CHICAGO, TAKEN AS A TRACT, IN THE SOUTHEAST QUARTER OF SECTION 34 AND FRACTIONAL SECTION 35, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF EAST 38TH STREET, BEING ALSO THE NORTH LINE OF MADDEN WELLS SUBDIVISION, WITH THE EAST LINE OF THE 80 FOOT WIDE SOUTH COTTAGE GROVE AVENUE; THENCE NORTH 69 DEGREES 56 MINUTES 33 SECONDS EAST, ALONG THE NORTH LINE OF EAST 38TH STREET, AFORESAID, 260.00 FEET; THENCE NORTH 19 DEGREES 58 MINUTES 00 SECONDS WEST, 196.58 FEET; THENCE NORTH 69 DEGREES 56 MINUTES 33 SECONDS EAST, 78.39 FEET TO THE WEST LINE OF THE 66 FOOT WIDE SOUTH ELLIS AVENUE; THENCE NORTH 22 DEGREES 04 MINUTES 47 SECONDS WEST, ALONG THE WEST LINE OF SOUTH ELLIS AVENUE, AFORESAID, 20.66 FEET TO THE SOUTHEAST CORNER OF SAID LOT 6; THENCE NORTH 22 DEGREES 04 MINUTES 47 SECONDS WEST, ALONG THE WEST LINE OF SOUTH ELLIS AVENUE, AFORESAID, 3.36 FEET; THENCE SOUTH 69 DEGREES 56 MINUTES 33 SECONDS WEST, 337.50 FEET TO THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE, AFORESAID; THENCE SOUTH 19 DEGREES 58 MINUTES 00 SECONDS EAST, 220.58 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Continued...

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Legal Description - continued...

EXCEPT THE FOLLOWING:

C1:

THAT PART OF LOT 66 IN ELLIS' EAST OR SECOND ADDITION TO CHICAGO TOGETHER WITH THAT PART OF LOTS 6 TO 14, INCLUSIVE, IN ASSESSOR'S DIVISION OF LOTS 63, 64 AND 65 IN ELLIS' EAST ADDITION TO CHICAGO, TAKEN AS A TRACT, IN THE SOUTHEAST QUARTER OF SECTION 34 AND FRACTIONAL SECTION 35, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +35.00 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +21.00 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF EAST 38TH STREET, BEING ALSO THE NORTH LINE OF MADDEN WELLS SUBDIVISION, WITH THE EAST LINE OF THE 80 FOOT WIDE SOUTH COTTAGE GROVE AVENUE; THENCE NORTH 19 DEGREES 58 MINUTES 00 SECONDS WEST, ALONG THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE, AFORESAID, 192.17 FEET; THENCE NORTH 70 DEGREES 02 MINUTES 00 SECONDS EAST, 109.17 FEET; THENCE SOUTH 19 DEGREES 58 MINUTES 00 SECONDS EAST, 95.71 FEET; THENCE SOUTH 70 DEGREES 02 MINUTES 00 SECONDS WEST, 54.71 FEET; THENCE SOUTH 19 DEGREES 58 MINUTES 00 SECONDS EAST, 13.00 FEET; THENCE NORTH 70 DEGREES 02 MINUTES 00 SECONDS EAST, 2.08 FEET; THENCE SOUTH 19 DEGREES 58 MINUTES 00 SECONDS EAST, 8.58 FEET; THENCE NORTH 70 DEGREES 02 MINUTES 00 SECONDS EAST, 28.62 FEET; THENCE SOUTH 19 DEGREES 58 MINUTES 00 SECONDS EAST, 74.74 FEET TO THE NORTH LINE OF EAST 38TH STREET, AFORESAID; THENCE SOUTH 69 DEGREES 56 MINUTES 33 SECONDS WEST, 85.17 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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Legal Description - continued...

C2:

THAT PART OF LOT 66 IN ELLIS' EAST OR SECOND ADDITION TO CHICAGO TOGETHER WITH THAT PART OF LOTS 6 TO 14, INCLUSIVE, IN ASSESSOR'S DIVISION OF LOTS 63, 64 AND 65 IN ELLIS' EAST ADDITION TO CHICAGO, TAKEN AS A TRACT, IN THE SOUTHEAST QUARTER OF SECTION 34 AND FRACTIONAL SECTION 35, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT, LYING BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +49.00 CHICAGO CITY DATUM AND LYING ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +35.00 CHICAGO CITY DATUM AND LYING WITHIN ITS HORIZONTAL BOUNDARY DESCRIBED AS FOLLOWS: BEGINNING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF EAST 38TH STREET, BEING ALSO THE NORTH LINE OF MADDEN WELLS SUBDIVISION, WITH THE EAST LINE OF THE 80 FOOT WIDE SOUTH COTTAGE GROVE AVENUE; THENCE NORTH 19 DEGREES 58 MINUTES 00 SECONDS WEST, ALONG THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE, AFORESAID, 192.17 FEET; THENCE NORTH 70 DEGREES 02 MINUTES 00 SECONDS EAST, 85.00 FEET; THENCE SOUTH 19 DEGREES 58 MINUTES 00 SECONDS EAST, 192.03 FEET TO THE NORTH LINE OF EAST 38TH STREET, AFORESAID; THENCE SOUTH 69 DEGREES 56 MINUTES 33 SECONDS WEST, 85.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXCEPT THAT PART OF C1 AND C2 DESCRIBED AS FOLLOWS:

THAT PART OF LOT 66 IN ELLIS' EAST OR SECOND ADDITION TO CHICAGO TOGETHER WITH THAT PART OF LOTS 6 TO 14, INCLUSIVE, IN ASSESSOR'S DIVISION OF LOTS 63, 64 AND 65 IN ELLIS' EAST ADDITION TO CHICAGO, TAKEN AS A TRACT AND DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF EAST 38TH STREET, BEING ALSO THE NORTH LINE OF MADDEN WELLS SUBDIVISION, WITH THE EAST LINE OF THE 80 FOOT WIDE SOUTH COTTAGE GROVE AVENUE; THENCE NORTH 19 DEGREES 58 MINUTES 00 SECONDS WEST, ALONG THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE, AFORESAID, 74.87 FEET; THENCE NORTH 70 DEGREES 02 MINUTES 00 SECONDS EAST, 59.33 FEET TO THE POINT OF BEGINNING; THENCE NORTH 19 DEGREES 58 MINUTES 00 SECONDS WEST, 7.75 FEET; THENCE NORTH 70 DEGREES 02 MINUTES 00 SECONDS EAST, 18.25 FEET; THENCE SOUTH 19 DEGREES 58 MINUTES 00 SECONDS EAST, 7.75 FEET; THENCE SOUTH 70 DEGREES 02 MINUTES 00 SECONDS WEST, 18.25 FEET TO THE POINT OF BEGINNING.***

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Legal Description - continued...

PARCEL 2:

A PERPETUAL, NON-EXCLUSIVE EASEMENT FOR CONSTRUCTION AND USE OF A SHARED PARKING LOT AND FOR ACCESS OVER THE ACCESS ROAD PURSUANT TO THAT CERTAIN SHARED PARKING LOT AGREEMENT RECORDED MARCH 9, 2012 AS DOCUMENT NUMBER 1206945086 OVER THE PREMISES DESCRIBED AS FOLLOWS:

THAT PART OF LOTS 4, 5, 6, 14 AND 15 TAKEN AS A TRACT, IN ASSESSOR'S DIVISION OF LOTS 63, 64 AND 65 IN ELLIS' EAST OR SECOND ADDITION TO CHICAGO, AFORESAID, TAKEN AS A TRACT, IN THE SOUTHEAST QUARTER OF SECTION 34 AND FRACTIONAL SECTION 35, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT THE POINT OF INTERSECTION OF THE NORTH LINE OF EAST 38TH STREET, BEING ALSO THE NORTH LINE OF MADDEN WELLS SUBDIVISION, WITH THE EAST LINE OF THE 80 FOOT WIDE SOUTH COTTAGE GROVE AVENUE; THENCE NORTH 69 DEGREES 56 MINUTES 33 SECONDS EAST, ALONG THE NORTH LINE OF EAST 38TH STREET, AFORESAID, 260.00 FEET; THENCE NORTH 19 DEGREES 58 MINUTES 00 SECONDS WEST, 196.58 FEET; THENCE NORTH 69 DEGREES 56 MINUTES 33 SECONDS EAST, 78.39 FEET TO THE WEST LINE OF THE 66 FOOT WIDE SOUTH ELLIS AVENUE; THENCE NORTH 22 DEGREES 04 MINUTES 47 SECONDS WEST, ALONG THE WEST LINE OF SOUTH ELLIS AVENUE, AFORESAID, 20.66 FEET TO THE SOUTHEAST CORNER OF SAID LOT 6; THENCE NORTH 22 DEGREES 04 MINUTES 47 SECONDS WEST, ALONG THE WEST LINE OF SOUTH ELLIS AVENUE, AFORESAID 3.36 FEET TO THE POINT OF BEGINNING; THENCE SOUTH 69 DEGREES 56 MINUTES 33 SECONDS WEST, 337.50 FEET TO THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE, AFORESAID; THENCE NORTH 19 DEGREES 58 MINUTES 00 SECONDS WEST, ALONG THE EAST LINE OF SOUTH COTTAGE GROVE AVENUE, AFORESAID, 59.32 FEET; THENCE NORTH 69 DEGREES 56 MINUTES 33 SECONDS EAST, 203.00 FEET; THENCE SOUTH 20 DEGREES 03 MINUTES 27 SECONDS EAST, 40.30 FEET; THENCE NORTH 69 DEGREES 56 MINUTES 33 SECONDS EAST, 133.42 FEET TO THE WEST LINE OF SOUTH ELLIS AVENUE; THENCE SOUTH 24 DEGREES 31 MINUTES 02 SECONDS EAST, ALONG SAID WEST LINE, 7.50 FEET; THENCE SOUTH 22 DEGREES 04 MINUTES 47 SECONDS EAST, ALONG SAID WEST LINE, 11.55 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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Legal Description - continued...

PARCEL 3:

A PERPETUAL, NON-EXCLUSIVE EASEMENT FOR SUPPORT; INGRESS AND EGRESS; USE, MAINTENANCE, REPAIR AND REPLACEMENT OF SHARED AREAS AND FACILITIES; AND USE OF SHARED STAIRWAYS PURSUANT TO THAT CERTAIN RECIPROCAL EASEMENT AND OPERATING AGREEMENT RECORDED MARCH 9, 2012 AS DOCUMENT NUMBER 1206945085.***

PERMANENT REAL ESTATE INDEX NOS. 17-34-421-081, 17-34-421-082, 17-34-421-093, 17-34-421-096, 17-34-421-099, 17-34-421-100, and 17-34-421-101

ADDRESSES: 3755 S COTTAGE GROVE AVENUE, CHICAGO, ILLINOIS

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