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Prepared By/Return To:

Elvin E. Charity
Charity & Associates, P.C.
20 N. Clark Street, Suite 1150
Chicago, Illinois 60602



Doc#: 1401416027 Fee: \$74.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 01/14/2014 12:40 PM Pg: 1 of 19

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MODIFICATION AGREEMENT

This Modification Agreement ("Agreement") is made as of November 1, 2013, by and between BELMONT VILLAGE L.P. an Illinois limited partnership ("Borrower"), with a mailing address of c/o 630 Dundee Road, Suite 235, Northbrook, Illinois 60062, and BMO HARRIS BANK N.A., a national banking association, formerly known as HARRIS TRUST AND SAVINGS BANK, as mortgagee and secured party (the "Lender"), with a mailing address of BMO Harris Bank N.A., 111 West Monroe Street, 2nd Floor, East, Chicago, Illinois 60603.

Factual Background

A. Under a construction loan agreement dated September 23, 1999 (the "Loan Agreement"), Lender agreed to make a construction loan (the "Loan") to Borrower. Capitalized terms used here without definition have the meanings given to them in the Loan Agreement.

B. The Loan is evidenced by a Note (the "Prior Note") dated September 23, 1999, made payable to Lender in the stated principal amount of Two Million Eighty Thousand and No/100 Dollars (\$2,080,000.00). The Prior Note is secured by a Mortgage dated September 23, 2009, executed by Borrower in favor of Lender. The Mortgage was recorded on September 24, 1999 in the Office of the Recorder of Cook County, Illinois as Document No. 99906582.

C. The Mortgage encumbers certain property located at 4629-53 W. Belmont Ave., and 4701-05 W. Belmont Ave., in the City of Chicago, County of Cook, State of Illinois, and more

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particularly described on Exhibit B attached hereto. As used herein, the term "Property" refers to all of the property which is encumbered by the Mortgage.

D. As used here, the term "Loan Documents" means the Loan Agreement, the Prior Note, the Mortgage, and any other documents executed in connection with the Loan. This Agreement and the Replacement Note (as hereinafter defined) shall be considered Loan Documents.

E. Borrower and Lender now wish to modify the Loan Documents as set forth below.

Agreement

NOW, THEREFORE, in consideration of the agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower and Lender agree as follows:

1. Recitals. The recitals set forth above in the Factual Background are true, accurate and correct.
2. Reaffirmation of Loan. Borrower reaffirms all of its obligations under the Loan Documents, and Borrower acknowledges that it has no claims, offsets or defenses with respect to the payment of sums due under the Prior Note or any other Loan Document.
3. Modification of Loan Documents. The Loan Documents, are hereby amended as follows: As of the date of this Agreement, the principal balance of the Loan is One Million Seven Hundred Forty-Seven Thousand Four Hundred Sixty-Eight and 63/100 Dollars (\$1,747,468.63), which is the principal balance outstanding under the Prior Note, and contemporaneously with the execution and delivery of this Agreement, the Borrower shall execute and deliver to the Lender a replacement promissory note of the Borrower (the "Replacement Note") in the principal amount of One Million Seven Hundred Forty-Seven Thousand Four Hundred Sixty-Eight and 63/100 Dollars (\$1,747,468.63), substantially in the form set forth as Exhibit A hereto. Upon receipt of the Replacement Note, the Lender will: (i) record the aggregate unpaid principal balance of the Prior Note in its records as the aggregate unpaid principal amount of the Replacement Note; (ii) mark the Prior Note as replaced by the Replacement Note; and (iii) return the Prior Note to Borrower. Thereafter, all references in the Loan Agreement, the Mortgage, and any and all instruments or documents provided for therein or delivered or to be delivered thereunder or in connection therewith to the Prior Note shall be deemed references to the Replacement Note; and (iv) the Replacement Note shall be deemed to be a Loan Document. The replacement of the Prior Note with the Replacement Note shall not be construed (x) to deem paid or forgiven the unpaid principal amount of, or unpaid accrued interest on, the Prior Note outstanding at the time of replacement, or (y) to release, cancel, terminate or otherwise adversely affect all or any part of any lien, mortgage, deed of trust, assignment, security interest or other encumbrance heretofore granted to or for the benefit of the Lender, as payee under the Prior Note, including without limitation, the lien of the Mortgage on the Property.
4. Conditions Precedent. Before this Agreement becomes effective and any party becomes obligated under it, all of the following conditions shall have been satisfied at Borrower's sole cost and expense in a manner acceptable to Lender in the exercise of Lender's sole judgment:
 - (a) Lender shall have received an endorsement to the Lender's Title Policy upon recording of this Agreement providing such assurance as Lender may require that the validity and first lien priority of the Mortgage has not been and will not be impaired by this Agreement or the transactions contemplated by it.

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(b) Lender shall have received fully executed and, where appropriate, acknowledged originals of this Agreement, and any other documents which Lender may require or request in accordance with this Agreement or the other Loan Documents.

(c) Lender shall have received reimbursement, in immediately available funds, of all costs and expenses incurred by Lender in connection with this Agreement, including charges for title insurance (including endorsements), recording, filing and escrow charges, fees for appraisal, architectural and engineering review, construction services and environmental services, mortgage taxes, and legal fees and expenses of Lender's counsel. Such costs and expenses may include the allocated costs for services of Lender's in-house staffs, such as legal, appraisal, construction services and environmental services. Borrower acknowledges that the extension fee payable in connection with this transaction does not include the amounts payable by Borrower under this subsection.

(d) Lender shall have received the executed Replacement Note from Borrower.

(e) Lender shall have received such other documents as the Lender may reasonably request.

5. Borrower's Representations and Warranties. Borrower represents and warrants to Lender as follows:

(a) Loan Documents. All representations and warranties made and given by Borrower in the Loan Documents are true, accurate and correct as of the date of this Agreement.

(b) No Default. No Event of Default has occurred and is continuing, and no event has occurred and is continuing which, with notice or the passage of time or both, would be an Event of Default.

(c) Property. Borrower lawfully possesses and holds fee simple title to all of the Property which is real property, and the Mortgage is a first and prior lien on the Property. Borrower owns all of the Property which is personal property free and clear of any reservations of title and conditional sales contracts, and also of any security interests other than the Mortgage, which is a first and prior lien on such property. There is no financing statement affecting any Property on file in any public office except for financing statements in favor of Lender.

(d) Borrowing Entity. Borrower is a limited partnership, which is duly organized, validly existing and in good standing under the laws of the State of Illinois. There have been no changes in the organization, composition, ownership structure or formation documents of Borrower since the inception of the Loan.

(e) General Partner. Affordable Housing IV LLC, an Illinois limited liability company ("General Partner") is the sole general partner of Borrower. General Partner is a limited liability company, which is duly organized and validly existing under the laws of the State of Illinois. There have been no changes in the organization, composition, ownership structure or formation documents of General Partner since the inception of the Loan.

(f) Members of General Partner. Richard J. Robin, an individual, Steven D. Kant, an individual, and James Perlman, an individual, are the sole members of General Partner.

(g) Authorization. Borrower is duly authorized to execute and deliver this Agreement and the Replacement Note and is and will continue to be duly authorized to borrow monies under the Loan

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Documents, as amended hereby, and to perform its obligations under the Loan Documents, as amended hereby.

(h) No Conflicts. The execution and delivery of this Agreement and the Replacement Note, and the performance by Borrower of its obligations under the Loan Documents, as amended hereby, does not and will not conflict with any provision of law or of any agreement binding upon Borrower.

(i) Validity and Binding Effect. The Loan Documents, as amended hereby, are, and the Replacement Note, when duly executed and delivered, will be, legal, valid and binding obligations of Borrower, enforceable against Borrower in accordance with their respective terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of creditors' rights or by general principals of equity limiting the availability of equitable remedies.

6. Incorporation. This Agreement shall form a part of each Loan Document, and all references to a given Loan Document shall mean that document as hereby modified.

7. No Prejudice; Reservation of Rights. This Agreement shall not prejudice any rights or remedies of Lender under the Loan Documents. Lender reserves, without limitation, all rights which it has against any guarantor of the Note.

8. No Impairment. Except as specifically hereby amended, the Loan Documents shall each remain unaffected by this Agreement and all such documents shall remain in full force and effect. Nothing in this Agreement shall impair the lien of the Mortgage, which as hereby amended shall remain one Mortgage, creating a first lien encumbering the Property.

9. Purpose and Effect of Lender's Approval. Lender's approval of any matter in connection with the Loan shall be for the sole purpose of protecting Lender's security and rights. No such approval shall result in a waiver of any default of Borrower. In no event shall Lender's approval be a representation of any kind with regard to the matter being approved.

10. Disclosure to Title Company. Without notice to or the consent of Borrower, Lender may disclose to any title insurance company which insures any interest of Lender under the Mortgage (whether as primary insurer, coinsurer or reinsurer) any information, data or material in Lender's possession relating to Borrower, the Loan, the Improvements or the Property.

11. Integration. The Loan Documents, including this Agreement: (a) integrate all the terms and conditions mentioned in or incidental to the Loan Documents; (b) supersede all oral negotiations and prior and other writings with respect to their subject matter; and (c) are intended by the parties as the final expression of the agreement with respect to the terms and conditions set forth in those documents and as the complete and exclusive statement of the terms agreed to by the parties. If there is any conflict between the terms, conditions and provisions of this Agreement and those of any other agreement or instrument, including any of the other Loan Documents, the terms, conditions and provisions of this Agreement shall prevail.

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12. Miscellaneous. This Agreement and any attached consents or exhibits requiring signatures may be executed in counterparts, and all counterparts shall constitute but one and the same document. If any court of competent jurisdiction determines any provision of this Agreement or any of the other Loan Documents to be invalid, illegal or unenforceable, that portion shall be deemed severed from the rest, which shall remain in full force and effect as though the invalid, illegal or unenforceable portion had never been a part of the Loan Documents. This Agreement shall be governed by the laws of the State of Illinois, without regard to the choice of law rules of that State. As used here, the word "include(s)" means "includes(s), without limitation," and the word "including" means "including, but not limited to."

IN WITNESS WHEREOF, Borrower and Lender have executed this Agreement as of the above written date.


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BORROWER:

BELMONT VILLIAGE L.P.,
an Illinois limited partnership

By: AFFORDABLE HOUSING IV, LLC, an
Illinois limited liability company, its general
partner

By: 
Name: RICHARD J. RUBIN
Title: MEMBER

Address for Notices:

Belmont Village, L.P.
c/o American Housing Partners
630 Dundee Road, Suite 235
Northbrook, Illinois 60602

LENDER:

BMO HARRIS BANK N.A., formerly known as
HARRIS TRUST AND SAVINGS BANK, a
national banking association

By: _____
Name: _____
Title: _____

Address for Notices:

BMO Harris Bank N.A.
111 West Monroe Street, 2nd Floor, East
Chicago, Illinois 60603

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BORROWER:

BELMONT VILLIAGE L.P.,
an Illinois limited partnership

By: AFFORDABLE HOUSING IV, LLC, an
Illinois limited liability company, its general
partner

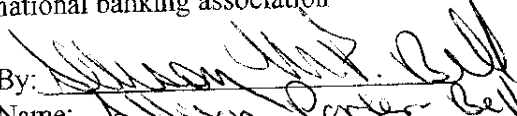
By: _____
Name: _____
Title: _____

Address for Notices:

Belmont Village, L.P.
c/o American Housing Partners
630 Dundee Road, Suite 235
Northbrook, Illinois 60602

LENDER:

BMO HARRIS BANK N.A., formerly known as
HARRIS TRUST AND SAVINGS BANK, a
national banking association

By: 
Name: Allen Porter Bell
Title: Vice President

Address for Notices:

BMO Harris Bank N.A.
111 West Monroe Street, 2nd Floor, East
Chicago, Illinois 60603

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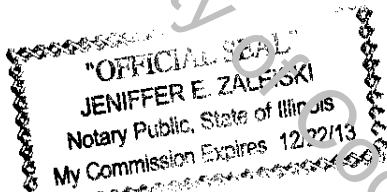
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STATE OF ILLINOIS)

) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that RICHARD ROBIN, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the MEMBER of Affordable Housing IV, LLC,, an Illinois limited liability company, which is the general partner of Belmont Village L.P., an Illinois limited partnership, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said limited liability company for the uses and purposes therein.

Given under my hand and notarial seal this 27th day of November 2013.



[Signature]
Notary Public

My Commission Expires:

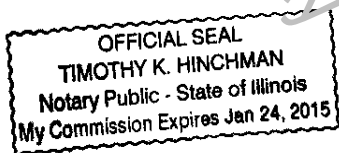
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STATE OF ILLINOIS)

COUNTY OF COOK)
) SS

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Allison Peter Bell, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the Vice President of BMO Harris Bank, N.A., formerly known as Harris Trust and Savings Bank, a national banking association, appeared before me this day in person and acknowledged that (s)he signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said national banking association for the uses and purposes therein.

Given under my hand and notarial seal this 19th day of December, 2013.



Timothy K. Hinchman
Notary Public

My Commission Expires: 01/24/2015

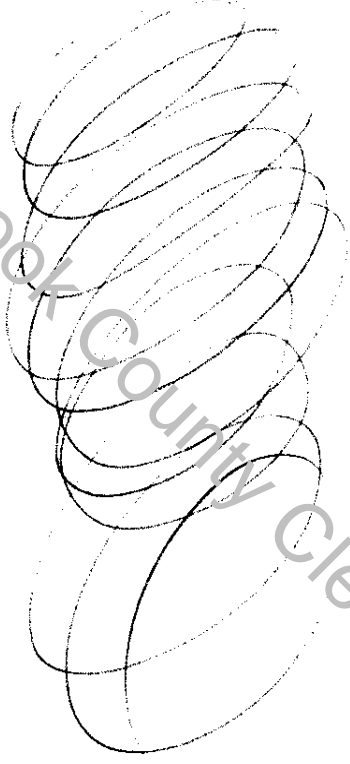
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EXHIBIT A

FORM OF REPLACEMENT NOTE

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REPLACEMENT PROMISSORY NOTE

\$1,747,468.63

November 1, 2013

FOR VALUE RECEIVED, BELMONT VILLAGE L.P., an Illinois limited partnership ("Borrower"), hereby promises to pay to the order of BMO HARRIS BANK N.A., a national banking association, formerly known as Harris Trust and Savings Bank (together with any and all of its successors and assigns and/or any other holder of this Replacement Note, "Lender"), without offset, in immediately available funds in lawful money of the United States of America, at 111 West Monroe Street, 2nd Floor, East, Chicago, Illinois 60603, or at such other place as the holder of this Replacement Note may from time to time require, the principal sum of One Million Seven Hundred Forty-Seven Thousand Four Hundred Sixty-Eight and 63/100 Dollars (\$1,747,468.63) (or the unpaid balance of all principal advanced against this Replacement Note, if that amount is less), together with interest on the unpaid principal balance of this Replacement Note from day to day outstanding as hereinafter provided.

ARTICLE I

PAYMENT TERMS

Section 1.1 Replacement Note. This Replacement Note is executed and delivered pursuant to the Modification (as hereinafter defined) amends, restates, and replaces and supersedes that certain promissory note secured by mortgage (the "Prior Note") dated September 23, 1999 in the original stated principal amount of Two Million Eighty Thousand and No/100 Dollars (\$2,080,000.00) executed by Borrower to the order of Lender. This Replacement Note shall not be construed (a) to deem paid or forgiven the unpaid principal amount of, or unpaid accrued interest on, the Prior Note outstanding at the time of replacement, or (b) to release, cancel, terminate or otherwise adversely affect all or any part of any lien, mortgage, deed of trust, assignment, security interest or other encumbrance heretofore granted to or for the benefit of the Lender, as payee under the Prior Note.

Section 1.2 Interest Rate, Payment Schedule and Maturity Date. Interest shall accrue on the outstanding principal balance evidenced by this Replacement Note at the rate of six and a half percent (6.50%) per annum from the date hereof. Payment of principal and accrued interest in arrears shall be due and payable monthly commencing on December 1, 2013, and continuing on the 1st day of each calendar month thereafter in an amount equal to Thirteen Thousand Seven Hundred Seventy-Eight and 65/100 Dollars (\$13,778.65) (the "Monthly Loan Payment Amount"). The Monthly Loan Payment Amount is based upon an eighty-three (83) month amortization schedule of substantially equal installment payments of principal and interest, provided that a balloon payment of the entire principal balance of this Replacement Note then unpaid, together with all accrued and unpaid interest and all other amounts payable hereunder and under the other Loan Documents, shall be due and payable in full on September 30, 2020 (the "Maturity Date"), the final maturity of this Replacement Note. The unpaid principal balance shall continue to bear interest after the Maturity Date at the Default Interest Rate set forth in this Replacement Note until and including the date on which it is paid in full.

Section 1.3 Security; Loan Documents. The security for this Replacement Note includes a Construction Mortgage, Personal Property Security Agreement, Assignment of Leases and Rentals and Financing Statement (as the same may from time to time be amended, restated, modified or supplemented, the "Mortgage") dated September 23, 1999 executed by Borrower in favor of Lender, conveying and encumbering certain real and personal property more particularly described therein (the "Property"). This Replacement Note, the Mortgage, the Construction Loan Agreement between Borrower and Lender dated

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September 23, 1999, (as the same may from time to time be amended, restated, modified or supplemented, the "Loan Agreement") and that certain Modification Agreement (the "Modification"), dated as of November 1, 2013, between the Lender and the Borrower. The Replacement Note, the Loan Agreement, the Mortgage, the Modification and all other documents now or hereafter securing, guaranteeing or executed in connection with the loan evidenced by this Replacement Note (the "Loan"), as the same may from time to time be amended, restated, modified or supplemented, are herein sometimes called individually a "Loan Document" and together the "Loan Documents." From and after the date of this Replacement Note, all references in the Loan Documents to the term "Loan" shall mean the Loan as evidenced by this Replacement Note. CAPITALIZED TERMS NOT OTHERWISE DEFINED HEREIN SHALL HAVE THE MEANINGS ASSIGNED TO SUCH TERMS IN THE LOAN AGREEMENT.

Section 1.4 Computation of Interest. Interest shall be calculated on the basis of a 360 day year comprised of twelve 30 day months.

Section 1.5 Application of Payments Prior to Default. Prior to the Lender's invocation of the terms and provisions of Section 2.4 hereof, all monies paid by Borrower to Lender shall be applied in the following order of priority: (a) first, toward payment of all amounts due and owing pursuant to Section 2.5 hereof; (b) next, toward payment of interest which has accrued on the outstanding principal balance of the Loan and which is due and payable; (c) next, toward payment of other fees and sums due to Lender pursuant to Sections 2.6 or any other provision hereof or pursuant to the provisions of any other Loan Documents; and (d) last, toward payment of the outstanding principal balance of the Loan.

Section 1.6 Prepayments. This Note may be prepaid in whole or in part, at any time and from time to time, upon payment of the applicable Lender Make-Whole Amount, as set forth below. All such prepayments shall be made upon not less than (thirty) 30 Business Days prior notice to Lender, and shall be accompanied by accrued interest on the amount prepaid through the date fixed for prepayment. All such prepayments shall be applied to the several installments due hereon in the inverse order of their maturities. If Borrower prepays any principal amount of the loan evidenced by this Note before its scheduled due date (whether as the result of acceleration, voluntary prepayment, or otherwise), Borrower hereby promises to pay to Lender a funding indemnity equal to the applicable Lender Make-Whole Amount.

For purposes hereof, "Lender Make-Whole Amount" means, in connection with the prepayment of any portion of the loan evidenced by this Note, whether by acceleration or otherwise, the amount determined by the Lender, equal to the difference, if any (but not below zero), between (i) the discounted cash flow of the installments of principal that have been prepaid together with interest scheduled to accrue thereon as determined as of the date of the prepayment, minus (ii) the aggregate principal amount of the loan evidenced by this Note that has been prepaid. In determining the discounted cash flow, the discount rate to be applied shall be the U.S. Treasury Rate with a maturity similar to the weighted average life of the principal amount of the loan evidenced by this Note which is being prepaid. The discounted cash flow shall be calculated in accordance with accepted financial practice and on the same periodic basis as payments on the loan evidenced by this Note is payable. For purposes of this definition, "U.S. Treasury Rate" shall be determined by reference to the yields for U.S. Treasury Notes as indicated (currently on page "678" thereof) on the Telerate Access Service for actively traded U.S. Treasury Notes at approximately 10:00 A.M. (Eastern Standard Time) on the Business Day preceding such date of prepayment or, if such yield shall not be reported as of such time or the yields reported as of such time are not ascertainable, then the "U.S. Treasury Rate" shall be determined by reference to the most recent Federal Reserve Statistical Release H.15(519) which has become publicly available at least two Business Days prior to such date of prepayment and which shall be the most recent weekly average yield on actively traded U.S. Treasury Notes adjusted to a constant maturity equal to the remaining weighted average life of the outstanding principal amount of the loan evidenced by this Note which is being

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prepaid. The Borrower hereby acknowledges and agrees that the Lender Make-Whole Amount due hereunder is secured by the collateral securing this Note. "Business Day" means any day other than a (i) Saturday or Sunday or (ii) a day on which banking and savings and loan institutions in the State of Illinois are authorized or obligated by law or executive order to be closed.

Section 1.7 Nonrecourse. Neither Borrower nor any partner of Borrower shall be personally liable for the repayment of any of the principal of or interest due under this Replacement Note or for any deficiency judgment that Lender may obtain after foreclosure on its collateral after default by Borrower, provided, however, that Borrower shall not be exonerated or exculpated for any deficiency, loss or damage suffered by Lender resulting from:

- (a) Borrower's fraud or material misrepresentation;
 - (b) the intentional misapplication by Borrower of insurance or condemnation proceeds;
 - (c) the Borrower committing or suffering to occur intentional waste or intentional damage to the Property;
 - (d) Borrower's failure to comply with provisions of the Mortgage prohibiting the voluntary sale or further encumbering of the collateral;
 - (e) Borrower's failure to apply proceeds of rents and other income of the collateral toward the costs of maintenance and operation of the Property and to the payment of taxes, lien claims, insurance premiums and debt service and other indebtedness to the extent that the Mortgage or other Loan Documents required such rents and income to be so applied;
 - (f) Borrower's collection of rentals for periods of more than one month in advance under leases of the Property;
 - (g) the Borrower's failure to pay any loss, liability or expense (including reasonable attorney's fees) incurred by Lender or any of its affiliates arising out of any claim or allegation made by Borrower, its successors or assigns, that this Replacement Note or the Loan Documents establish a joint venture or partnership arrangement between Borrower and Lender or that for any purpose this Replacement Note is not recognized as debt;
 - (h) the Borrower's indemnification obligations under Section 8.16 of the Loan Agreement;
- or
- (i) any liability or claim relating to the misapplication or mishandling of any security deposits or other tenant deposits; and

provided further, that the foregoing limitations on Borrower's personal liability with respect to principal and interest shall not impair the validity of the indebtedness secured by Lender's collateral or the lien on or security interest in the collateral or the right of Lender as mortgagee or secured party to foreclose and/or enforce the collateral after default by Borrower. In the event any party shall have guaranteed all or part of the Loan by separate written guaranty, none of the foregoing limitations on Borrower's personal liability for payment of principal and interest shall modify, diminish or discharge the personal liability of any such guarantor as set forth in any such written guaranty. None of the foregoing limitations on Borrower's personal liability shall modify, diminish or discharge the personal liability of Borrower or any individual under the Environmental Indemnity of even date herewith or under any indemnification

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provisions of the Mortgage or any of the other Loan Documents. Nothing herein shall be deemed to be a waiver of any right which Lender may have under Sections 506(a), 506(b), 1111(b) or any other provision of the Bankruptcy Reform Act, as amended, to file a claim for the full amount of the debt owing to Lender by Borrower or to require that all collateral shall continue to secure all of the indebtedness owing to Lender in accordance with this Replacement Note, the Mortgage and the other Loan Documents.

ARTICLE II

SECURITY, DEFAULTS, AND REMEDIES

Section 2.1 Security for Payment. Payment of this Replacement Note is secured by, among other things, the Mortgage by Borrower in favor of Lender, constituting a first lien on the Property.

Section 2.2 Events of Default. Each of the following shall constitute a "Default" by Borrower:

(a) Failure to pay any sum, on the date such sum becomes due and payable under this Replacement Note, including without limitation, interest or principal or both, either as a monthly installment or on the Maturity Date, and the continuation of such failure to pay for five (5) days after written notice thereof from Lender. For purposes of this paragraph, notice shall be deemed to have been delivered two (2) business days after mailing by first class United States mail, postage prepaid to the addresses set forth in Section 8.4 of the Loan Agreement.

(b) The occurrence of any other Default (as that term is defined in the Loan Agreement, the Mortgage or any of the other Loan Documents) that is not cured after any applicable notice and within any grace period therein contained.

Section 2.3 Acceleration of Maturity. At any time during the existence of any Default, and at the option of Lender, the entire unpaid principal balance under this Replacement Note, together with interest accrued thereon and all other sums due from Borrower hereunder or under any of the other Loan Documents, shall become immediately due and payable without additional notice.

Section 2.4 Default Interest Rate. While any Default exists, Borrower promises to pay interest on the unpaid principal balance of the Loan from time to time, at a rate (the "Default Interest Rate") equal to five percent (5%) per annum, and all unpaid interest that has accrued under this Replacement Note, whether before or after the occurrence of the Default, shall be paid at the time of, and as a condition precedent to, the curing of the Default. While any Default exists, Lender is expressly authorized to apply payments made under this Replacement Note as it may elect against (a) any or all amounts, or portions thereof, then due and payable hereunder or under any of the other Loan Documents, (b) the unpaid principal balance of the Loan, or (c) any combination thereof.

Section 2.5 Late Charges. If any payment of interest or principal due under this Replacement Note or any escrow fund payment for taxes or insurance required under the Mortgage is not paid to Lender within fifteen (15) days of the date such installment or payments is due, Borrower shall pay to Lender in addition to all other payments whether or not as a result of default, a late charge of five cents (\$.05) for each dollar so overdue to defray part of the increased cost of collection the late payments and the opportunity cost incurred by Lender because of the unavailability of the funds.

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Section 2.6 Attorneys Fees. If any attorney is engaged (a) after the occurrence of a Default to collect the indebtedness evidenced hereby or due under the other Loan Documents, whether or not legal proceedings are thereafter instituted by Lender; (b) to represent Lender in any bankruptcy, reorganization, receivership, or other proceedings affecting creditor's rights and involving a claim under this Replacement Note; or (c) to protect the lien of the Mortgage and any other proceedings whatsoever in connection with any of the Loan Documents or the Property, then Borrower shall pay to Lender all reasonable attorneys' fees and expenses in connection therewith, in addition to all other amounts due hereunder.

Section 2.7 Nature of Remedies. Lender's remedies under this Replacement Note, the Mortgage and all of the other Loan Documents shall be cumulative and concurrent and, may be pursued singly, successively or together against any or all of Borrower and any other "Obligors" (as that term is hereinafter defined), the Property, and any other security described in the Loan Documents or any portion or combination of the Property and other security, and Lender may resort to every other right or remedy available at law or in equity without first exhausting the rights and remedies contained herein, all in Lender's sole discretion. Failure of Lender, for any period of time or on more than one occasion, to exercise its option to accelerate the Maturity Date shall not constitute a waiver of the right to exercise the same at any time during the continued existence of the Default or in the event of any subsequent Default. Lender shall not by any other omission or act be deemed to waive any of its rights or remedies hereunder unless such waiver is in writing and signed by Lender, and then only to the extent specifically set forth therein. A waiver in connection with one event shall not be construed as continuing or as a bar to or as a waiver of any right or remedy in connection with a subsequent event.

ARTICLE III

OTHER MATTERS

Section 3.1 Notices. Except as otherwise hereinabove provided, any notice that Lender or Borrower may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipients thereof pursuant to and at the addresses set forth in the Loan Agreement or at such other address as such intended recipient may, from time to time, by notice in writing, designate to the sender pursuant hereto. Any such notice shall be deemed to have been delivered and received two (2) business days after mailing by United States registered or certified mail, postage prepaid, return receipt required, or the first business day following deposit, with all delivery charges prepaid, with a national delivery service for overnight delivery, or when delivered in person. Unless specifically required herein, notice of the exercise of any option granted to Lender by this Replacement Note is not required to be given.

Section 3.2 Governing Law. The place of negotiation, execution, delivery, and payment of this Replacement Note, the location of the Property, and the place of performance under the Loan Documents being the State of Illinois, this Replacement Note, the Mortgage, and the other Loan Documents shall be governed by and construed in accordance with the laws of that State.

Section 3.3 Waivers, Consents, Etc. Borrower and any and all others who are now or may become liable for all or part of the obligations of Borrower under this Replacement Note (all of the foregoing being referred to herein collectively as "Obligors") agree to be jointly and severally bound hereby and jointly and severally (a) waive and renounce to the fullest extent permitted by law any and all redemption and execution rights and the benefit of all valuation and appraisal privileges against the indebtedness evidenced hereby or by any extension or renewal hereof; (b) waive presentment and demand for payment, notices (other than expressly required hereby or by the other Loan Documents) of

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nonpayment and of dishonor, protest of dishonor, and notice of protest; (c) waive, to the fullest extent permitted by law, all notices in connection with delivery and acceptance hereof and all other notices in connection with the performance, default, or enforcement of the payment hereof or hereunder (other than expressly required hereby or by the other Loan Documents); (d) waive any and all lack of diligence and delays in the enforcement of the payment hereof; (e) agree that the liability of each of Obligors shall be unconditional and without regard to the liability of any other person or entity for the payment hereof, and shall not in any manner be affected by any indulgence or forbearance granted or consented to by Lender with respect hereto; and (f) consent to any and all extensions of time, renewals, waivers or modification that may be granted by Lender with respect to the payment or other provisions hereof, and to the release of any security at any time given for the payment hereof, or any part thereof, with or without substitution and to the release of any person or entity liable for the payment hereof.

Section 3.4 Interpretation. The headings of sections and paragraphs in this Replacement Note are for convenience only and shall not be construed to limit or define the content, scope or intent of the provisions hereof. As used in this Replacement Note, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable where the context so requires. If any provision of this Replacement Note, or any paragraph, sentence, clause, phrase or word, or the application thereof, in any circumstances, is adjudicated to be invalid, the validity of the remainder of this Replacement Note shall be construed as if such invalid part were never included herein. Time is of the essence of this Replacement Note.

Section 3.5 Business Loan. Borrower hereby represents that the proceeds of the Loan will be used for the purpose specified in Section 205/4 of Chapter 815 of the Illinois Compiled Statutes, as amended, and that the indebtedness evidenced hereby constitutes a "business loan" within the purview of that Section.

Section 3.6 Interest Laws. It being the intention of Lender and Borrower to comply with the laws of the State of Illinois, it is agreed that, notwithstanding any provision to the contrary in this Replacement Note, the Mortgage, or any of the other Loan Documents, no such provision shall require the payment or permit the collection of any amount ("Excess Interest") in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection of all or any portion of the indebtedness evidenced by this Replacement Note. If any Excess Interest is provided for, or is adjudicated to be provided for, in this Replacement Note, the Mortgage, or any of the other Loan Documents, then in such event (a) the provisions of this Section shall govern and control; (b) neither Borrower nor any other Obligors shall be obligated to pay any Excess Interest; (c) any Excess Interest that Lender may have received hereunder shall, at the option of Lender, (i) be applied as a credit against the then outstanding principal balance of the Loan, accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) be refunded to the payor thereof, or (iii) be applied in any combination of the foregoing; (d) the applicable interest rate or rates hereunder shall be automatically subject to reduction to the maximum lawful contract rate allowed under the applicable usury laws of the aforesaid State, and this Replacement Note, the Mortgage, and the other Loan Documents shall be deemed to have been and shall be reformed and modified to reflect such reduction in such applicable interest rate or rates; and (e) neither Borrower nor any other Obligors shall have any action against Lender for any damages whatsoever arising out of the payment or collection of any Excess Interest.

Section 3.7 Subsequent Holders. Upon any endorsement, assignment, or other transfer of this Replacement Note by Lender or by operation of law, the term "Lender," as used herein, shall mean the endorsee, assignee, or other transferee or successor to Lender then becoming the holder of this Replacement Note. Lender shall use best efforts to provide Borrower with notice of any such transfer or

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assignment, but any failure by Lender to provide such notice shall not affect the validity or effectiveness of any such assignment or transfer.

Section 3.8 Subsequent Obligors. This Replacement Note and all provisions hereof shall be binding on all persons, claiming under or through Borrower. The terms "Borrower" and "Obligors," as used herein, shall include the respective successors, assigns, legal and personal representatives, executors and administrators.

Section 3.9 Partial Invalidity. Borrower and Lender intend and believe that each provision in this Replacement Note comports with all applicable local, state and federal laws and judicial decisions. However, if any provision or provisions, or if any portion of any provision or provisions, of this Replacement Note is found by a court of law to be in violation of any applicable local, state or federal ordinance, statute, law, administrative or judicial decisions, or public policy, and if such court should declare such portion, provision or provisions of this Replacement Note to be illegal, invalid, unlawful, void or unenforceable as written, then it is the intent both of Borrower and Lender that such portion, provision or provisions shall be given force to the fullest possible extent that it or they are legal, valid and enforceable, that the remainder of this Replacement Note shall be construed as if such illegal, invalid, unlawful, void or unenforceable portion, provision or provisions were not contained therein and the rights, obligations and interest of Borrower under the remainder of the Replacement Note shall continue in full force and effect.

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IN WITNESS WHEREOF, Borrower has duly executed this Replacement Note as of the date first above written.

BORROWER:

BELMONT VILLIAGE L.P.,
an Illinois limited partnership

By: AFFORDABLE HOUSING IV, LLC, an Illinois limited
liability company, its general partner

By: _____

Name: _____

Title: _____

Property of Cook County Clerk's Office

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EXHIBIT B

LEGAL DESCRIPTION

PARCEL 1:

LOTS 85 THRU 94, INCLUSIVE, IN KOESTER & ZANDER'S SECTION LINE SUBDIVISION IN THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1, 2 AND 3 (EXCEPT THE WEST 6/10 FEET OF LOT 3) IN KOESTER & ZANDER'S SECTION LINE SUBDIVISION OF THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 27, TOWNSHIP 40, NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

STREET ADDRESS: 4629-53 WEST BELMONT AVENUE, CHICAGO, ILLINOIS
4701-05 WEST BELMONT AVENUE, CHICAGO, ILLINOIS

P.I.N.: 13-27-102-001;
13-27-102-002;
13-27-102-003;
13-27-102-004;
13-27-102-005;
13-27-102-006;
13-27-102-007;
13-27-102-008;
13-27-102-009;
13-27-102-010;
13-27-101-006;
13-27-101-007;
13-27-101-038