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Illinois Anti-Predatory Lending Database Program



Doc#: 1427429073 Fee: \$64.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 10/01/2014 12:15 PM Pg: 1 of 14

Certificate of Exemption

Report Mortgage Fraud
800-532-8785

The property identified as: PIN: 29-34-107-023-0000

Address:

Street: 410 EAST MARGARET

Street line 2:

City: THORNTON

State: IL

ZIP Code: 60476

Lender: THORNCREEK INVESTORS, LLC

Borrower: THORNCREEK SENIOR LIVING, L.P.

Loan / Mortgage Amount: \$157,700.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

(13)

GIT 40014429

Certificate number: 63990E87-C82D-4AAC-AB2E-208ADBEC0570

Execution date: 09/29/2014

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This instrument was prepared by and
after recording return to:

Warren P. Wenzloff, Esq.
Applegate & Thorne-Thomsen, P.C.
626 W. Jackson Blvd.
Suite 400
Chicago, Illinois 60661

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 September ~~21~~ 2014, by **THORNCREEK SENIOR LIVING, L.P.**, an Illinois limited partnership (the "Borrower"), to **THORNCREEK INVESTORS, LLC**, an Illinois limited liability company (the "Lender").

FOR GOOD AND VALUABLE CONSIDERATION, including the indebtedness recited in this Mortgage, the receipt of which is hereby acknowledged, **BORROWER HEREBY CONVEYS, GRANTS, MORTGAGES AND WARRANTS TO LENDER, ITS SUCCESSORS AND ASSIGNS**, the real estate, situated in Cook County, Illinois (the "Mortgaged Property"), legally described on **Exhibit A** attached hereto and incorporated herein;

FOR THE PURPOSE OF SECURING:

A. Payment of that certain indebtedness in an aggregate principal amount of One Hundred Fifty-Seven Thousand Seven Hundred and No/100 Dollars (\$157,700.00), evidenced by a Promissory Note of even date herewith made by Borrower to Lender (the "Note"), and which Note, together with any and all amendments, modifications, extensions and renewals thereof, is by this reference made a part of this Mortgage;

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

C. Performance of Borrower's obligations and agreements with respect to the Note, this Mortgage 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, the Note, any guaranty thereof and all other instruments or documents referred to above, including any

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modifications, extensions and renewals, are hereinafter referred to sometimes individually as a "Loan Document" or collectively as the "Loan Documents");

TO HAVE AND TO HOLD the Mortgaged Property unto Lender, its successors and assigns, forever, free from all rights and benefits under and by virtue of, and hereby releasing and waiving all rights under and by virtue of, the homestead exemption laws of the State of Illinois, and for the purposes and uses herein set forth.

Borrower hereby agrees, covenants with, represents and warrants to Lender 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 Borrower under this Mortgage and any of the other Loan Documents are performed in full, as follows:

1. **Payment of Indebtedness.** Borrower shall pay, promptly when due, all indebtedness required to be paid pursuant to the Note; 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"), without, and Borrower 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: (i) the lien of that certain Mortgage in favor of MB Financial Bank, N.A. securing repayment of a loan in the amount of \$8,294,261 which is to be recorded in the Recorder's Office of Cook County, Illinois, and any other documents evidencing or securing such indebtedness; (ii) the lien of that certain Mortgage in favor of Cook County, Illinois securing repayment of a loan made pursuant to the HOME program in the amount of \$2,400,000, which is to be recorded in the Recorder's Office of Cook County, Illinois, and any other documents evidencing or securing such indebtedness; (iii) the lien of that certain Junior Mortgage, Assignment of Rents and Security Agreement securing repayment of a loan in the amount of \$141,600 in favor of Turnstone Development Corporation and any other documents evidencing or securing such indebtedness (all of the foregoing are "Permitted Encumbrances").
3. **Care and Use of Mortgaged Property.** Borrower shall not commit any waste on the Mortgaged Property.
4. **Payment of Taxes and Impositions.** Borrower 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 Lender, shall exhibit to Lender 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), Borrower 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.** Borrower 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 Impositions not yet due and the documents evidencing the indebtedness described in **Section 2** herein; and (c) exhibit to Lender, upon request, satisfactory evidence of the payment and discharge of any such liens, charges and encumbrances.

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5. **Right to Contest.** Notwithstanding anything in this Mortgage to the contrary, Borrower shall have the right to contest the validity (or the applicability to Borrower, 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, Borrower agrees to prosecute any such contest diligently and by appropriate legal proceedings that (a) will 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) will not impair the lien of this Mortgage, and (c) will not interfere with the use or occupancy of the Mortgaged Property or the normal conduct of business thereon.

6. **Assignment of Condemnation Awards.** Borrower hereby assigns to Lender, 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 Lender and Borrower shall have the right to apply such proceeds towards the cost of repair or reconstruction of the Mortgage Property and Lender shall make such proceeds available for such purpose, after the payment of all of Lender's expenses in connection with such proceedings, including costs and attorneys' fees. Borrower shall immediately notify Lender of any actual or threatened condemnation or eminent domain proceedings and shall give to Lender at any time any additional instruments requested by Lender for the purpose of validly assigning all awards or appealing from any such award.

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

a. **Power and Authority.** Borrower is duly organized and validly existing, is qualified to do business and is in good standing in the state in which the Mortgaged Property is located, and has full power and due authority to execute, deliver and perform the obligations of Borrower 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)); Borrower is borrowing money for the purpose of carrying on or acquiring a business of Borrower 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 Borrower of the nature described in 815 ILCS 205/4(1)(c).

8. **Lender's Right to Cure.** Upon the occurrence of any Event of Default (as defined in **Section 9** herein), Lender 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 Borrower, 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 Lender 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 Lender 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.

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

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a. **Non-Payment.** A default shall occur, and shall continue for ten (10) days after notice to Borrower from Lender in the payment when due of any amount under any of the Loan Documents;

b. **Non-Observance; Non-Performance; False or Inaccurate Representation or Warranty.** A default shall occur in the performance of any other obligation of Borrower contained in any of the Loan Documents or any other instrument given as security for payment of the Indebtedness, or any representation, warranty or statement made in any of the Loan Documents or in any other material furnished to Lender by or on behalf of Borrower in connection with the Indebtedness secured hereby proves to be false or inaccurate in any material respect as of the date of making or issuance thereof and any of the foregoing continues for thirty (30) days after notice from Lender to Borrower, provided, however, if Borrower has commenced the cure of such default within thirty (30) days, then such thirty (30) day period shall be extended so long as Borrower is diligently pursuing the cure.

c. **Bankruptcy; Insolvency.** Any one of the following events shall occur:

(1) A trustee, receiver or other custodian is applied for or consented to by Borrower; or, in the absence of such application or consent, is appointed and not discharged within ninety (90) days;

(2) Any bankruptcy, reorganization, debt arrangement, composition, readjustment, dissolution, liquidation or other case or proceeding is commenced under any federal, state or other bankruptcy or insolvency law in respect of Borrower and, if such case or proceeding is not commenced by Borrower, it is consented to or acquiesced in by the person or persons against which the same was commenced or remains undismissed for sixty (60) days; or

(3) A writ or warrant of attachment or similar order shall be issued by any court against all or a substantial portion of the property of Borrower and is not dismissed or bonded over within ninety (90) days.

10. **Lender's Remedies on Default. Upon the occurrence of any Event of Default, then:**

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

b. **Foreclosure.** After acceleration, Lender may immediately foreclose this Mortgage. Lender 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.** Lender shall have the right, at its option and without regard to whether the Indebtedness is declared to be immediately due as provided in **Section 10(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; (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

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so collected or received upon the Indebtedness or upon any deficiency decree entered in any foreclosure proceedings.

11. **Protective Advances; Fees and Expenses.** All advances, disbursements and expenditures made or incurred by the Lender 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, including without limitation those provisions of the Act referred to below:

a. All advances by the Lender 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 Lender 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 Lender 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 Lender for the enforcement of the Mortgage or arising from the interest of the Lender hereunder; or (iii) the commencement, prosecution or defense of any other action related to the Mortgage or the Mortgaged Property;

e. Reasonable lender'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;

g. Expenses incurred and expenditures made by the Lender for any one or more of the following: (i) premiums for casualty and liability insurance paid by the Lender whether or not the Lender 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 Lender to be required for the benefit of the Mortgaged Property, by reason of the exercise by Lender of any of its rights under **Section 10** 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 Lender for demolition, preparation for and completion of

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construction, as may be authorized by the applicable commitment, loan agreement or other agreement; (vi) payments deemed by the Lender 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 Lender to be required to be paid; (viii) if the Borrower'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 Lender 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 Lender in possession; and (vi) computation of any deficiency judgment pursuant to Sections 15-1508(b)(2) and (3) and Section 15-1511 of the Act.

There shall be included in any decree foreclosing the lien of this Mortgage and 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 11 herein with interest as herein provided; (ii) all money advanced by Lender 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 overplus of the proceeds of the sale, if any, shall then be paid to Borrower 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, Lender 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.

12. **Waiver of Right of Redemption.** Borrower 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 Borrower 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 Borrower under the Act.

13. **Prepayment Privilege; Evasion.** Borrower shall have the privilege of making prepayments on the principal of the Note at any time without penalty.

14. **Lender'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.

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15. **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 Borrower 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 require payment of interest only to the extent of the lawful amount, or (ii) to require Borrower to make any payment or do any act contrary to law. Any interest in excess of that permitted by law that Lender may have received in connection with the Indebtedness shall, at the option of Lender, 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 Borrower or other payor thereof or (d) applied or refunded pursuant to any combination of the foregoing; and neither Borrower nor any of the other obligors under the Note or any guaranty given as additional security for the Indebtedness shall have any action against Lender for any damages whatsoever arising out of the payment or collection of any such interest.

16. **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 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.

17. **No Discharge of Borrower'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, Lender 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 Borrower, without in any way releasing or discharging Borrower from Borrower's liability, covenants or undertakings hereunder.

18. **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 therefor following such payment, a release of the Mortgaged Property shall be made by Lender to Borrower.

19. **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.

20. **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 Company, with all charges prepaid; (c) when sent by facsimile transmission (with written confirmation of receipt); or (d) the third business day after the

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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:

If to Borrower: Thorncreek Senior Living, L.P.
10 S. LaSalle Street, Suite 3510
Chicago, Illinois 60603

With a copy to:

Applegate & Thorne-Thomsen, P.C.
626 W. Jackson Blvd., Suite 400
Chicago, IL 60661
Attn: Warren P. Wenzloff, Esq.

And to:

NEF Assignment Corporation
10 South Riverside Plaza
Suite 1700
Chicago, Illinois 60606
Attn: Asset Management

If to Lender: Thorncreek Investors LLC
10 S. LaSalle Street, Suite 3510
Chicago, Illinois 60603

By notice complying with the foregoing provisions of this **Section 20** herein, Borrower and Lender 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.

21. **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.

22. **Captions.** The captions or headings at the beginning of any paragraph or portion of any paragraph in this Mortgage are for the convenience of Borrower and Lender and for purposes of reference only and shall not limit or otherwise alter the meaning of the provisions of this Mortgage.

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

Thorncreek Senior Living, L.P.
an Illinois limited partnership

By: Thorncreek Investors, LLC
its general partner

By: Turnstone Thorncreek, LLC,
its managing member

By: Turnstone Development Corporation, its
sole member

By: William Schneider
William Schneider, Executive Director

Property of Cook County Clerk's Office

ACKNOWLEDGMENT

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 William Schneider, Executive Director of Turnstone Development Corporation, a Member of Thorncreek Turnstone, LLC, an member of Thorncreek Investors, LLC, General Partner of Thorncreek Senior Living, L.P., 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 Member of Thorncreek Turnstone, LLC, the member of Thorncreek Investors, LLC, the general partner of the Borrower for the uses and purposes set forth therein.

Given under my hand and notarial seal on September 17, 2014.

Joan T. Holowaty
Notary Public

My Commission Expires:



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EXHIBIT "A"

PARCEL 1:

LOT 2 IN TELSHE SUBDIVISION, BEING A SUBDIVISION IN THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 34, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID SUBDIVISION RECORDED SEPTEMBER 19, 2014 AS DOCUMENT NO. 1426216080, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR ACCESS, BOTH VEHICULAR AND PEDESTRIAN, AND PARKING AS CREATED BY THE EASEMENT AGREEMENT DATED SEPT. 26, 2014 MADE BY AND BETWEEN RIVERSIDE INVESTMENTS, LLC AND THORNCREEK SENIOR LIVING, L.P., RECORDED OCTOBER 1ST, 2014 AS DOCUMENT NO. 1427429062 OVER PORTIONS SPECIFIED IN SAID AGREEMENT OF THAT PART OF LOT 1 IN TELSHE SUBDIVISION, BEING A SUBDIVISION OF PART OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 34, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT OF SAID SUBDIVISION RECORDED SEPTEMBER 19, 2014 AS DOCUMENT NO. 1426216080, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 1; THENCE NORTH 89 DEGREES 53 MINUTES 55 SECONDS EAST, A DISTANCE OF 150.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 60.00 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 55 SECONDS WEST, A DISTANCE OF 14.50 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 73.97 FEET; THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 135.50 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 133.73 FEET TO THE POINT OF BEGINNING.

Property address: 410 East Margaret Street, Thornton, IL 60476
Tax Number: 29-34-107-023

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RIDER TO LOAN DOCUMENTS

This Rider is attached to and made a part of the Promissory Note and Junior Mortgage, Assignment of Rents and Security Agreement evidencing, securing, and governing a loan in the amount of One Hundred Fifty-Seven Thousand Seven Hundred and No/100 Dollars (\$157,700.00) (the "Loan") made by Thorncreek Investors, LLC ("Lender") to Thorncreek Senior Living, L.P. ("Borrower" or "Partnership") for the construction or rehabilitation of Thorncreek Senior Living Apartments, 410 Margaret Drive, Thornton, Illinois (the "Project"). The Amended and Restated Agreement of Limited continuing the Partnership is referred to herein as the "Partnership Agreement".

The parties hereto agree that the following covenants, terms, and conditions shall be part of and shall modify or supplement each of the documents evidencing, securing, or governing the disbursement of the Loan (the "Loan Documents"), and that in the event of any inconsistency or conflict between the covenants, terms, and conditions of the Loan Documents and this Rider, the following covenants, terms, and conditions shall control and prevail:

1. **[Intentionally Omitted].**

2. **General Partner Change.** The withdrawal, removal, and/or replacement of a general partner of the Partnership 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 Loan, provided that any required substitute general partner is reasonably acceptable to Lender and is selected with reasonable promptness.

3. **Monetary Default.** If a monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and each of the general and limited partners of the Partnership, as identified in the Partnership Agreement, simultaneous written notice of such default. Borrower shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in the Loan Documents.

4. **Non-Monetary Default.** If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and each of the general and limited partners of the Partnership, as identified in the Partnership Agreement, simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Borrower shall have such period to effect a cure prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in 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 Borrower (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 Borrower shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Lender. If Borrower fails to take corrective action or to cure the default within a reasonable time, Lender shall give Borrower and each of the general and limited partners of the Partnership written notice thereof, whereupon the limited partner may remove and replace the general partner with a substitute general partner who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. In no event shall Lender 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.

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5. **Casualty, Condemnation, Etc.** In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Borrower shall have the right to rebuild the Project, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that provides adequate security to Lender for repayment of the Loan or if such proceeds are insufficient then Borrower shall have funded any deficiency, (b) Lender shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, and (c) no material default then exists under the Loan Documents. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to Lender for repayment of the remaining balance of the Loan.

6. **Force Majeure.** There shall be no default for construction or rehabilitation delays beyond the reasonable control of Borrower, 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.

7. **Purchase Rights.** The execution and delivery of the purchase option and right of first refusal agreement described in the Limited Partnership Agreement shall not constitute a default under the Loan Documents or accelerate the maturity of the Loan thereunder. Any requisite consent of Lender to (a) the exercise of said purchase option and right of first refusal agreement by the project sponsor identified therein, and to (b) the assumption without penalty of Loan obligations by the project sponsor and the release of Borrower from such obligations, shall not be unreasonably withheld. Subject to any such consent requirement, the exercise of rights under such agreement shall not constitute a default or accelerate maturity of the Loan.

8. **Loan Assumption.** If the purchase option and right of first refusal agreement described in the Limited Partnership Agreement is not exercised and the Project is sold subject to low-income housing use restrictions as contained in an existing regulatory agreement or other recorded covenant, any requisite consent of lender to said sale, and to the assumption without penalty of loan obligations by the purchaser and the release of Borrower from such obligations, shall not be unreasonably withheld.

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

10. **Subordination to Extended Low-Income Housing Commitment.** Lender acknowledges that Borrower and Lender intend to enter into, or concurrently with the execution and delivery of the Loan Documents are entering into, an extended use agreement, which constitutes the extended low income housing commitment described in Section 42(h)(6)(B) of the Internal Revenue Code, as amended. Lender agrees to subordinate the Loan and Lender's rights under the Loan Documents executed in conjunction therewith to the relevant provisions of said extended use agreement. This subordination is being made in consideration of the allocation of tax credits to the Project, absent which the development of the Project would not occur, and this mortgage loan would not be made.

11. **Subordination of Senior Loans.** Lender agrees to subordinate the Loan and Lender's rights under the Loan Documents executed in conjunction therewith to the Construction Loan Documents (as those terms are defined in the Partnership Agreement) and Permanent Loan Documents, and the rights of the lenders thereof.

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In Witness Whereof, the undersigned have caused this Rider to be executed this 29 day of September, 2014.

Borrower:

Thorncreek Senior Living, L.P.
an Illinois limited partnership

By: Thorncreek Investors, LLC
its general partner

By: Turnstone Thorncreek, LLC,
its managing member

By: Turnstone Development Corporation, its sole
member

By: William Schneider
William Schneider, its Executive Director

Lender:

Thorncreek Investors, LLC
its general partner

By: Turnstone Thorncreek, LLC,
its managing member

By: Turnstone Development Corporation, its sole
member

By: William Schneider
William Schneider, its Executive Director

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