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Doc#: 1433718121 Fee: \$66.00
RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 12/03/2014 03:46 PM Pg: 1 of 15

FINAL

This document prepared by
and when recorded return to:
Randall L. Johnson
Assistant Corporation Counsel
City Hall, Room 600
Chicago, Illinois 60602

212383

STANDSTILL AND SUBORDINATION AGREEMENT

THIS STANDSTILL AND SUBORDINATION AGREEMENT (the "Agreement") is entered into this 1st day of December, 2014 by and between the City of Chicago, Illinois, an Illinois municipal corporation (the "City"), by and through its Department of Planning and Development, with offices at 121 North LaSalle Street, Chicago, Illinois 60602, Cicero and George Elderly Corporation, an Illinois corporation ("General Partner"), with offices at 325 N. Wells St., 8th Floor; Chicago, Illinois 60654, Hispanic Housing Development Corporation, an Illinois not-for-profit corporation ("Grantee"), with offices at 325 N. Wells St., 8th Floor; Chicago, Illinois 60654, and Cicero & George Limited Partnership, an Illinois limited partnership ("Borrower"), with offices at N. Wells St., 8th Floor, Chicago, Illinois 60654.

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RECITALS

WHEREAS, as of the date hereof, the City is making a loan in the principal amount of \$4,987,394 (the "City Loan") to the Borrower to finance acquisition and/or construction costs in connection with the construction of one building which shall contain, as of the completion of construction thereof, 70 multi-family residential dwelling units and related parking facilities located at 4800 W George Street (a/k/a 2900-12 N. Cicero Avenue), Chicago, Illinois 60641 in Chicago, Illinois, as more specifically described on Exhibit A attached hereto and hereby made a part hereof (the "Project"); and

WHEREAS, in connection with the City Loan, the Borrower has executed and delivered that certain promissory note dated as of the date hereof in the principal amount of \$4,987,394 payable to the City; and

WHEREAS, in connection with the City Loan, the Borrower has executed and delivered that certain Junior Mortgage, Security Agreement and Financing Statement ("Mortgage") made as of the date hereof; and

WHEREAS, the Borrower and the Grantee now desire to execute that certain Amended and Restated Agreement of Limited Partnership of Cicero & George Limited Partnership (the "Limited Partnership Agreement") dated as of December 1, 2014 by and among General Partner, Grantee, Bank of America, N.A., a national banking association ("Investor LP") and Banc of America CDC Special Holding Company, Inc., a North Carolina corporation (the "Special LP") which Limited Partnership Agreement contains (i) a certain Purchase Option in Section 9.04, and (ii) a certain Right of First Refusal in Section 9.05, copies of which are attached hereto as Exhibit B (collectively the "Option Agreement"); and

NOW, THEREFORE, in consideration of the mutual promises contained herein, and for such other good and valuable consideration, the receipt of which is hereby acknowledged, the City and the parties hereto agree as follows:

SECTION 1. The above recitals are hereby incorporated as if fully set forth herein.

SECTION 2. The Grantee agrees that until all of the terms and provisions of that certain HOME Regulatory Agreement dated as of the date hereof and LIHTC Regulatory Agreement dated as of the date hereof, both of which Regulatory Agreements are between the City and the Borrower (collectively the "Regulatory Agreement") shall no longer be in effect, Grantee will not exercise any right, power or option granted by Borrower under the Option Agreement (including without limitation any purchase option, right of first refusal or right to assign rights under the Option Agreement to any other entity) without the prior written consent of the City. Grantee acknowledges and agrees that the terms and provisions of this Agreement do not violate any terms or provisions of the Option Agreement or any other agreement, instrument or document executed by the Borrower, the General Partner or the Grantee, and/or in favor of the Borrower, the General Partner or the Grantee (collectively, the "Borrower Documents"), and that to the extent the terms and provisions of this Agreement are inconsistent with any Borrower

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Document, such Borrower Document shall be deemed to have been superseded by this Agreement.

SECTION 3. Borrower and Grantee hereby agree and understand that the Option Agreement may not be modified or amended without the City's prior written consent.

SECTION 4. Borrower, General Partner and Grantee intentionally and unconditionally subject and subordinate any liens, interests, claims and charges of the Option Agreement in favor of the Mortgage, and any claim or charge upon the Project and understand that in reliance upon, and in consideration of this subjection and subordination, the City Loan will be made and as part and parcel thereof, specific monetary and other obligations are being entered into that would not be made or entered into but for the City's reliance upon this subordination.

SECTION 5. The City hereby consents to the delivery of the Option Agreement attached hereto as Exhibit B as part of the Limited Partnership Agreement.

SECTION 6. Nothing contained in this Agreement, nor any act of the City, shall be deemed or construed by any of the parties hereof or by third persons, to create any relationship of third-party beneficiary, principal, agent, limited or general partnership, joint venture, or any association or relationship involving the City.

SECTION 7. Borrower, Grantee and the General Partner hereby expressly agree that no member, official, employee or agent of the City shall be individually or personally liable to Borrower, Grantee or the General Partner, their successors or assigns in the event of any default or breach by the City under this Agreement.

SECTION 8. Borrower, Grantee and the General Partner agree that neither of such parties may assign or transfer this Agreement without the prior written consent of the City. Borrower, Grantee and the General Partner consent to the City's sale, assignment, transfer or other disposition of this Agreement at any time in whole or in part.

SECTION 9. This Agreement may not be altered, modified or amended except by a written instrument signed by all the parties hereto.

SECTION 10. If any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such provision shall be deemed severed from this Agreement to the extent of such invalidity or unenforceability, and the remainder hereof will not be affected thereby, each of the provisions hereof being severable in any such instance.

SECTION 11. This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois.

SECTION 12. Wherever in this Agreement provision is made for the approval or consent of the City, or any matter is to be to the City's satisfaction, or the like, unless specifically

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stated to the contrary, such approval, consent, satisfaction or the like shall be made, given or determined by the City in its sole discretion subject to review by Corporation Counsel.

SECTION 13. This Agreement shall be in full force and effect from the date hereof and shall continue in effect so long as any of the terms or provisions of the Regulatory Agreement shall be in effect.

SECTION 14. This Agreement shall inure to the benefit of and shall be binding upon the City, Borrower, Grantee and the General Partner and the City's successors and assigns. This Agreement is intended to be and is for the sole and exclusive benefit of the parties hereto and the successors and assigns of the City.

SECTION 15. The use of the singular form of any word herein shall also include the plural, and vice versa. The use of the masculine, feminine and neuter pronouns for any word herein shall be fully interchangeable.

SECTION 16. This Agreement may be executed in several counterparts each of which shall be an original and all of which shall constitute but one and the same instrument.

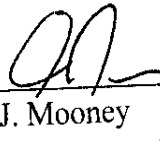
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IN WITNESS WHEREOF, the City, the Borrower, Grantee and the General Partner have executed this Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, by and through its Department of Planning and Development

By: 
Andrew J. Mooney
Commissioner

CICERO & GEORGE LIMITED PARTNERSHIP, an Illinois limited partnership

By: **CICERO AND GEORGE ELDERLY CORPORATION**, an Illinois corporation and its sole general partner

By: _____
Hipolito Roldan
President

CICERO AND GEORGE ELDERLY CORPORATION, an Illinois corporation

By: _____
Hipolito Roldan
President

HISPANIC HOUSING DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation

By: _____
Hipolito Roldan
President

Property of Cook County Clerk's Office

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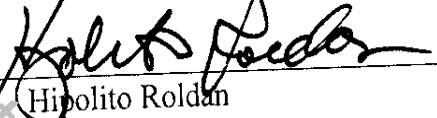
IN WITNESS WHEREOF, the City, the Borrower, Grantee and the General Partner have executed this Agreement by their duly authorized representatives, all as of the date first written hereinabove.

CITY OF CHICAGO, ILLINOIS, by and through its Department of Planning and Development

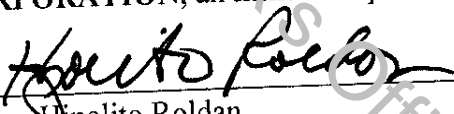
By: _____
Andrew J. Mooney
Commissioner

CICERO & GEORGE LIMITED PARTNERSHIP, an Illinois limited partnership

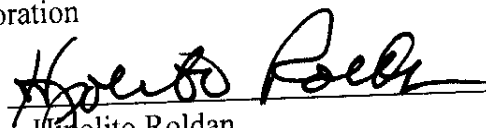
By: **CICERO AND GEORGE ELDERLY CORPORATION**, an Illinois corporation and its sole general partner

By: 
Hipolito Roldan
President

CICERO AND GEORGE ELDERLY CORPORATION, an Illinois corporation

By: 
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President

HISPANIC HOUSING DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation

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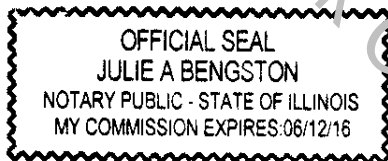
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO
HEREBY CERTIFY THAT Andrew J. Mooney, personally known to me to be the
Commissioner of the Department of Planning and Development of the City of Chicago, Illinois
(the "City") and personally known to me to be the same person whose name is subscribed to the
foregoing instrument, appeared before me this day in person and acknowledged that as such
Commissioner, he signed and delivered the said instrument pursuant to authority, as his free and
voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes
therein set forth.

GIVEN under my hand and notarial seal this 1st day of December 2014

Julie A Bengston
Notary Public



(SEAL)

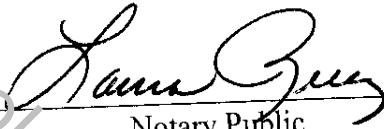
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Hipolito Roldan, personally known to me to be the President of Cicero and George Elderly Corporation, an Illinois corporation (the "General Partner") and the sole general partner of Cicero & George Limited Partnership, an Illinois limited partnership (the "Borrower") and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such President, he signed and delivered the said instrument pursuant to authority given by the Board of Directors of the General Partner, and as his free and voluntary act and deed on behalf of the General Partner and on behalf of the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 1st day of December, 2014.



Notary Public



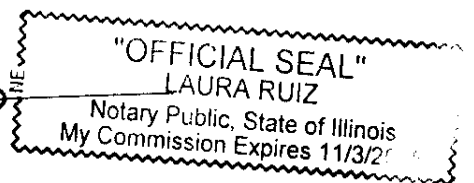
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Hipolito Roldan, personally known to me to be the President of Cicero & George Elderly Corporation, an Illinois corporation (the "Corporation") and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such President, he signed and delivered the said instrument pursuant to authority given by the Board of Directors of the Corporation, and as his free and voluntary act and deed on behalf of the Corporation for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 1st day of December, 2014.



Notary Public



STATE OF ILLINOIS)

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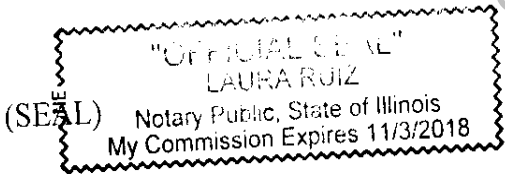
COUNTY OF COOK) SS.
)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Hipolito Roldan, personally known to me to be the President of Hispanic Housing Development Corporation, an Illinois not-for-profit corporation ("Grantee"), and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such President, he signed and delivered the said instrument pursuant to authority given by the Board of Directors of the Grantee, and as his free and voluntary act and deed and as the free and voluntary act and deed of the Grantee for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 1st day of December, 2014.

Laura Ruiz

Notary Public



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EXHIBIT A

Legal Description of Premises

LOTS 6, 7, 8, 9 AND 10 IN BLOCK 2 IN FALCONERS SECOND ADDITION TO CHICAGO, A SUBDIVISION OF THE SOUTH HALF OF THE NORTHEAST QUARTER OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. ✓

Commonly Known Address or Location: 4800 West George Street (a/k/a 2900-12 N. Cicero Avenue), Chicago, Illinois 60641. ✓

Permanent Index Numbers: 13-28-223-029, 13-28-223-030, 13-28-223-031, 13-28-223-032, and 13-28-223-033 ✓

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EXHIBIT B

Purchase Option and Right of First Refusal Agreement

SEE ATTACHED

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A large, stylized handwritten signature in black ink, consisting of several loops and curves, is written over the diagonal watermark text.

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~~“Related Permanent Loan”). Under no circumstances will a Mortgagee Limited Partner be considered to be acting on behalf or as an agent or the alter ego of the Investor Limited Partner. A Mortgagee Limited Partner may take any actions that the Mortgagee Limited Partner, in its discretion, determines to be advisable in connection with its Related Permanent Loan (including in connection with the enforcement of its Related Permanent Loan). Each Partner agrees, to the extent permitted by applicable law, that no Mortgagee Limited Partner owes the Partnership or any Partner any fiduciary duty or other duty or obligation whatsoever by virtue of such Mortgagee Limited Partner being a limited partner or member in the Investor Limited Partner. Neither the Partnership nor any Partner will make any claim against a Mortgagee Limited Partner, or against the Investor Limited Partner in which the Mortgagee Limited Partner is a partner or member, relating to a Related Permanent Loan and alleging any breach of any fiduciary duty, duty of care, or other duty whatsoever to the Partnership or to any Partner based in any way upon the Mortgagee Limited Partner’s status as a limited partner or member of the Investor Limited Partner. Notwithstanding any provision to the contrary in this Section 9.01(e), General Partner shall not obtain or consent to any Related Permanent Loan unless (i) General Partner has obtained the prior Consent of the Investor Limited Partner and (ii) the Investor Limited Partner has determined, based on the financial projections prepared at the time of requesting such Consent and the advice of Investor Tax Counsel, that the Related Permanent Loan will not result in any reallocation of Tax Credits or other tax benefits among the Partners.~~

9.02 Refinancing and Sale

The Partnership may not increase the amount of or otherwise materially modify any Permanent Loan, obtain any new Permanent Loan or refinance any Permanent Loan including any required Transfer of Partnership assets for security or mortgage purposes, and may not sell, lease, exchange or otherwise Transfer all or substantially all the assets of the Partnership without the Consent of the Investor Limited Partner. In the event that an Affiliate of Bank of America, N.A. shall be ready, willing and able to furnish financing on substantially equivalent terms, the Consent of the Investor Limited Partner to any proposed refinancing of a Permanent Loan may be conditioned upon the substitution of such Affiliate as the maker of such refinanced Permanent Loan. Notwithstanding the foregoing, no such Consent shall be required for the leasing of apartments to tenants in the normal course of operations; provided, however, unless such Consent is obtained the Partnership shall lease the Project in such a manner as to qualify as a “qualified low-income housing project” under Section 42(g)(1) of the Code, and shall lease all of the Low Income Units to Qualified Tenants.

9.03 Sales Commissions

In connection with the sale of the Property by the Partnership, no Person may receive real estate commissions in excess of that which is reasonable, customary, and competitive with those paid in similar transactions in the same geographic area. Real estate commissions may be paid to an Affiliate of General Partner.

9.04 Purchase Option

9.04(a) Starting on the 15th anniversary of the Completion Date, and expiring on the 16th anniversary of the Completion Date, provided that at such time no Material Default has occurred

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and is continuing under this Agreement, General Partner ("Purchase Option Party"), will have a the right to purchase the Partnership's fee interest in the Property and the Improvements from the Partnership, or to purchase Investor Limited Partner's and Special Limited Partner's Interest in the Partnership (Purchase Option Party may only purchase both of Investor Limited Partner's and Special Limited Partner's Interest under this Section 9.04), subject to all then existing liens and encumbrances to title, by paying the Partnership or the Investor Limited Partner, as applicable, a purchase price equal to the greater of the amounts set forth below:

9.04(a)(i) If the purchase is of the Partnership's fee interest in the Property and the Improvements, the greater of:

9.04(a)(i)(A) 100% of the then fair market value of the Partnership's fee interest in the Property and the Improvements (subject to the then existing rent and other restrictions on the Project), reduced by customary costs of sale, including customary sales commissions, or

9.04(a)(i)(B) all then outstanding amounts under all of the Partnership's Loans plus the amount of all federal, state and local taxes which Investor Limited Partner would be obligated to pay arising out of such sale, and

9.04(a)(ii) If the purchase is of the Investor Limited Partner's and Special Limited Partner's Interests in the Partnership, the greater of:

9.04(a)(ii)(A) 100% of the then fair market value of the Investor Limited Partner's and Special Limited Partner's Interests in the Partnership, based upon a "deemed sale" analysis (that is the fair market value of the Interest shall be the amount Investor Limited Partner and Special Limited Partner would receive upon liquidation of the Partnership following the sale of the Partnership's fee interest in the Property and the Improvements at fair market value, with the fair market value of the Partnership's fee interest in the Property and the Improvements being determined by an appraisal, and the distribution of the proceeds from such sale in accordance with this Agreement, provided that all customary costs that would be incurred in connection with a customary sales transaction in the geographic area in which the Project is located, including without limitation reasonable brokerage commissions shall be deducted in determining the net proceeds that would be distributed following the sale (the aggregate deduction for such costs, expenses, and brokerage commissions shall not exceed 6% of fair market value of the Partnership's interest in the Property and the Improvements), or

9.04(a)(ii)(B) the amount of any income tax which Investor Limited Partner would be obligated to pay arising out of such sale.

In addition, the Purchase Option Party will also pay for any bonding expenses relating to such transaction, including, but not limited to, any repurchase or similar bond reasonably required by Investor Limited Partner. In addition, the Purchase Option Party, or if the credit worthiness of the Purchase Option Party at such time does not meet Investor Limited Partner's then current underwriting standards another Person approved by Investor Limited Partner, will also provide a guarantee for any tax credit recapture in form and substance satisfactory to Investor Limited Partner.

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Such purchase price will be paid by Purchase Option Party accepting a deed to the Property and the Improvements or the Interests, as applicable, subject to all then outstanding amounts under all of the Partnership's Loans and paying any excess of the purchase price determined above over such outstanding amounts in cash. To exercise the rights to purchase the Partnership's fee interest in the Property and the Improvements or the Interests under this Section 9.04, Purchase Option Party must deliver to Investor Limited Partner an irrevocable written notice of such exercise.

The purchase by Purchase Option Party will be closed within 60 days after the later of (i) Purchase Option Party's exercise of such right, or (ii) the determination of the purchase price in accordance with this Section 9.04. Purchase Option Party and Investor Limited Partner will attempt to negotiate the fair market value of the Partnership's fee interest in the Property and the Improvements or of the Interests, as applicable. If Investor Limited Partner and Purchase Option Party have been unable to agree upon such fair market value within 30 days after Purchase Option Party exercises such right, then the fair market value will be determined by an Independent Appraiser in accordance with the procedures set forth in Section 7.07(f). Any conveyance of the Project from the Partnership to Purchase Option Party under this Section 9.04 will be made by such transfer documents with the minimum of representations or warranties as necessary to provide fee title insurance substantially equivalent to the fee title insurance received by the Partnership with respect to its acquisition of the Project, without representation or warranty of any kind by the Partnership except with respect to such assignment. Any conveyance of the Interests from Limited Partners to Purchase Option Party under this Section 9.04 will be made by Assignments without representations or warranties except that the Investor Limited Partner and the Special Limited Partner will represent that such Partner has not previously transferred its Interest and such Partner's Interest is free of liens or encumbrances other than those contemplated by the Partnership's Permanent Loans and/or by this Agreement.

9.05 Right of First Refusal

If the Partnership receives a bona fide third party offer to purchase the Partnership's interest in the Property and the Improvements from the Partnership, provided that at such time General Partner is not in default under this Agreement, then Hispanic Housing, provided that such Person is then a qualified nonprofit organization or other Person which is qualified under Code Section 42 to be the holder of a right of first refusal under Code Section 42(i)(7), and is in good standing (such Person may be referred to the "ROFO Party") will have a right of first refusal to purchase the Partnership's fee interest in the Property and the Improvements from the Partnership, subject to all then existing liens and encumbrances to title, by paying the Partnership a purchase price equal to all then outstanding amounts under all of the Partnership's Loans plus the amount of any income tax which Investor Limited Partner would be obligated to pay arising out of such sale to ROFO Party. Such purchase price will be paid by ROFO Party taking an assignment of the Partnership's fee interest in the Property and a deed to the Improvements from the Partnership, subject to all then outstanding amounts under all of the Partnership's Loans and paying any excess of the purchase price determined over such outstanding amounts in cash. To exercise the right of first refusal in this Section 9.05, ROFO Party must deliver to Investor Limited Partner an irrevocable written notice of such exercise. The purchase by ROFO Party will be closed within 90 days after ROFO Party's exercise of such right. Any conveyance from the Partnership to ROFO Party under this Section 9.05 will be made by such transfer documents

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with the minimum of representations or warranties as necessary to provide fee title insurance substantially equivalent to the fee title insurance received by the Partnership with respect to its acquisition of the Property, without representation or warranty of any kind by the Partnership except with respect to such transfer documents. All rights of first refusal and options to purchase hereby granted are subject and subordinate to the liens created by all existing and future Loan Documents and all amendments, modifications, extensions and renewals thereof.

ARTICLE 10 PROFITS, LOSSES AND DISTRIBUTIONS**10.01 Distributions Prior to Dissolution****10.01(a) Distribution of Cash Flow.**

Subject to any Requisite Approvals, (i) net rental income generated through the Completion Date shall be includable in Designated Proceeds and shall be available to the Developer and General Partner for the purposes and subject to the conditions set forth Section 6.07 hereof. From and after the Completion Date, Cash Flow for each Fiscal Year (or fractional portion thereof) shall be distributed within 90 days after the end of each Fiscal Year, in the following order of priority:

First, to the Investor Limited Partner the payment of any unpaid Tax Credit Shortfall Payments;

Second, if with respect to the Fiscal Year to which such Cash Flow relates, Limited Partner has a tax liability with respect to the net profits of the Project allocated to Limited Partner for such Fiscal Year, then Cash Flow will be distributed to Limited Partner up to the amount of such tax liability;

Third, to the Investor Limited Partner an amount equal to any amounts contributed by the Investor Limited Partner pursuant to Section 6.04(b)(iii) (if any), and any amount advanced by Investor Limited Partner or Special Limited Partner, as Investor Limited Partner or Special Limited Partner, respectively, to the Partnership (if any);

Fourth, to pay the Asset Management Fee to the Special Limited Partner;

Fifth, to the payment of any Deferred Development Fee until the Deferred Development Fee, including any accrued interest thereon, is paid in full;

Sixth, if the then balance in the Operating Reserve is less than \$210,000, to apply all or any Cash Flow remaining after application of clause Fifth to replenish the balance in the Operating Reserve to \$210,000, or such other amount which may be approved by Investor Limited Partner;

Seventh, to payment of the Sponsor Loan, until the Sponsor Loan is repaid in full;

Eighth, to repayment of any Operating Expense Loans then outstanding;