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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1513429101 Fee: \$94.00
RHSP Fee: \$9.00 RPAF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 05/14/2015 04:52 PM Pg: 1 of 29

40017064 (10/16)

Report Mortgage Fraud
800-532-8785

The property identified as: PIN: 16-01-305-001-0000

Address:

Street: 1045 N. Sacramento

Street line 2:

City: Chicago

State: IL

ZIP Code: 60622

Lender: Hispanic Housing Development Corporation

Borrower: Sacramento and Thomas Limited Partnership

Loan / Mortgage Amount: \$392,806.00

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.

Certificate number: CDDE2B1C-D198-4C71-BF50-55F720321EB4

Execution date: 05/14/2015

CCRD REVIEWER

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This instrument was prepared by:

William G. Skalitzky, Esq.
Applegate & Thorne-Thomsen, P.C.
626 W. Jackson Blvd., Suite 400
Chicago, Illinois 60661

and after recording return to:

IFF
One North LaSalle Street, Suite 700
Chicago, Illinois 60602
Attention: President

Above space for Recorder's Use Only

FOURTH JUNIOR LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (AHP LOAN)

THIS FOURTH JUNIOR LEASEHOLD MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (AHP LOAN) ("Mortgage") is made as of May 14, 2015, by **SACRAMENTO AND THOMAS LIMITED PARTNERSHIP**, an Illinois limited partnership (the "Mortgagor"), to **HISPANIC HOUSING DEVELOPMENT CORPORATION**, an Illinois not for profit corporation (the "Mortgagee").

RECITALS

WHEREAS, Mortgagor is the holder of that certain leasehold estate in certain property commonly known as 1045 N. Sacramento Avenue, in the City of Chicago, County of Cook and State of Illinois, as more particularly described on Exhibit A attached hereto and incorporated herein by reference (the "Leasehold Estate");

WHEREAS, Mortgagor is obtaining a loan from Mortgagee in the principal sum of Three Hundred Ninety-Two Thousand Eight Hundred Six and No/100 Dollars (\$392,806.00) (the "Mortgage Loan"), or so much of that sum as Mortgagee may hereafter advance upon the Mortgage Loan to the Mortgagor, to finance the acquisition of the Leasehold Estate and the construction and development of a forty-nine (49) unit four-story multifamily apartment building, of which forty-eight (48) units shall be rented to homeless Veterans of the Armed Forces of the United States (as each term is defined in the McKinney-Vento Act, 42 U.S.C. Section 11302, and in 38 U.S.C. Sections 101(2) and 101(19) (2013)), and which shall be known as 65th Infantry Regiment Veterans Housing and shall be located on the Leasehold Estate (the "Project"); and

WHEREAS, contemporaneously with the execution and delivery of the Mortgage, Mortgagor has executed and delivered to Mortgagee that certain Promissory Note (AHP Loan)

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(together with any renewals, modifications, extensions, amendments and replacements, the "Note") as evidence of its indebtedness to Mortgagee in the principal sum of Three Hundred Ninety-Two Thousand Eight Hundred Six and No/100 Dollars (\$392,806.00) or so much of that sum as Mortgagee may hereafter advance upon the Mortgage Loan to the Mortgagor, without interest (a zero percent (0%) interest rate), and payable at the times and in the manner specified in the Note. The Note's stated maturity date is December 31, 2047.

WHEREAS, contemporaneously with the execution and delivery of the Mortgage, Mortgagor has executed that certain Retention/Repayment Agreement for Rental Projects Using Low Income Housing Tax Credits (LIHTC) Affordable Housing Program Repayment Agreement (the "AHP Retention Agreement"), which (i) is between and among the Mortgagor, Mortgagee and IFF, and (ii) relates to the Three Hundred Ninety-Two Thousand Eight Hundred Six and No/100 Dollars (\$392,806.00) Affordable Housing Program award received by Mortgagee through the Federal Home Loan Bank of Chicago, AHP Project No. 2014A07027 (the "AHP Grant");

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, **MORTGAGOR HEREBY CONVEYS, GRANTS, MORTGAGES AND WARRANTS TO MORTGAGEE, ITS SUCCESSORS AND ASSIGNS**, the following:

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

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

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FOR THE PURPOSE OF SECURING:

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

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

C. Performance of all obligations contained in, and repayment of any sums due pursuant to the AHP Retention Agreement, the Affordable Housing Program Subsidy Agreement for project no. 2014A07027 with an effective date of November 17, 2014 among the Federal Home Loan Bank of Chicago, Mortgagee and IFF, and any other document executed by Mortgagor or Mortgagee in connection with the award of the AHP Grant (collectively, the "Subsidy Documents"); and

D. Performance of Mortgagor'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** hereafter) and any modification or amendment thereof (this Mortgage, the Note and any other instruments or documents executed in connection with the Mortgage Loan, including any modifications, extensions and renewals thereof, are hereinafter referred to collectively as the "Loan Documents").

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

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

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

2. **Subordination of Mortgage.** This Mortgage is and shall be subject and subordinate in all respects to the following: (a) the Leasehold Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing by Mortgagor in favor of Bank of America, N.A. dated and recorded concurrently herewith in the Cook County Recorder's Office (the "Recorder's

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Office); (b) the Junior Leasehold Mortgage, Security Agreement and Financing Statement by Mortgagor in favor of the City of Chicago (“City”) dated and recorded concurrently herewith in the Recorder’s Office; (c) the Assignment of Leases and Rents by Mortgagor in favor of the City dated and recorded concurrently herewith in the Recorder’s Office; (d) the Third Junior Leasehold Mortgage, Security Agreement and Financing Statement (DCEO Loan and Donation Proceeds) by Mortgagor in favor of the Hispanic Housing Development Corporation dated and recorded concurrently herewith in the Recorder’s Office; (e) the Low Income Housing Tax Credit Extended Use Agreement between the Mortgagor and Illinois Housing Development Authority dated and recorded concurrently herewith in the Recorder’s Office; (f) the Illinois Affordable Housing Tax Credit Regulatory Agreement between the Mortgagor and Illinois Housing Development Authority dated and recorded concurrently herewith in the Recorder’s Office; (g) the Regulatory Agreement between the Mortgagor and City dated and recorded concurrently herewith in the Recorder’s Office, and all advances made or to be made under any of the foregoing and to all renewals, extensions, modifications or replacements thereof of any of the foregoing documents. The City, Bank of America, N.A. and IFF (in connection with its forthcoming permanent loan for the Project) are collectively, the “Senior Lenders.” Mortgagor will execute a subordination agreement in favor of IFF subordinating the lien of this Mortgage to the mortgage that will secure IFF’s forthcoming permanent loan.

3. **Care and Use of Mortgaged Leasehold Property.** Mortgagor shall not commit any waste on the Mortgaged Leasehold Property.
4. **Payment of Taxes and Impositions.** Mortgagor shall pay, not less than ten (10) days before any penalty or interest attaches, all real estate taxes and assessments (general or special), water charges, drainage charges, sewer charges and all other charges that may be imposed on the Mortgaged Leasehold Property or any part thereof or interest therein (collectively, the “Impositions”) and, at the request of Mortgagee, shall exhibit to Mortgagee official receipts evidencing such payments; provided, however, that if, by law, any such Impositions are payable in installments (or may be so paid at the option of the taxpayer), Mortgagor may pay the same together with any accrued interest on the unpaid balance in installments as they become due and before any cost may be added thereto for nonpayment.
5. **Payment of Expenses; No Liens.** Mortgagor shall pay when due all expenses incurred and all claims for labor and materials furnished in connection with the Mortgaged Leasehold Property, and shall exhibit to Mortgagee, upon request, satisfactory evidence of the payment and discharge of any such liens, charges and encumbrances. Mortgagor shall also keep the Mortgaged Leasehold Property free from all liens, charges, mortgages, security agreements and encumbrances, other than (i) Impositions not yet due, (ii) the documents evidencing the indebtedness described in **Section 2** herein, including such further liens and encumbrances as to which the Senior Lenders consent in writing to the extent required by their respective loan documents, (iii) the Leasehold Mortgage, Assignment of Leases and Rents and Security Agreement by Mortgagor in favor of Bank of America, N.A. dated concurrently herewith and recorded hereafter in the Recorder’s Office, (iv) the Affordable Housing Land Use Restriction Agreement between the Mortgagor and Bank of America, N.A., dated concurrently herewith and recorded hereafter in the Recorder’s Office, and (v) liens and encumbrances approved in writing by the Mortgagee.

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6. **Leasehold Mortgage Rider.** The Leasehold Mortgage Rider attached hereto as Exhibit B is incorporated herein by reference and is made a part of this Mortgage as if stated verbatim herein.

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

8. **Insurance; Application of Insurance Proceeds.** The Mortgagor will keep the Improvements insured against loss from fire and such other hazards, casualties, and contingencies as required by the Mortgagee. Should Mortgagor fail to purchase and maintain the required insurance coverages, Mortgagee shall have the right to obtain the required insurance in accordance with the Illinois Collateral Protection Act, 815 ILCS Section 180/1 et seq. In the event the Mortgagee obtains such insurance, Mortgagor will be responsible for payment of the costs of that insurance, including interest and other charges that Mortgagee may impose in connection with the placement of such insurance, until the effective date of the cancellation or expiration of such insurance. Without limitation of any other provision of this Mortgage, the cost of such insurance shall be added to the indebtedness secured hereby if it is not promptly paid by Mortgagee upon Mortgagor's written demand. All insurance policies covering the Mortgaged Leasehold Property shall be endorsed and contain loss payable clauses acceptable to the Mortgagee.

Subject to the rights of any senior lienholders identified in **Section 2**, if the Mortgaged Leasehold Property, or any part thereof, is damaged by fire or other insured hazard, the amounts paid by any insurance company pursuant to the policy of insurance shall be paid to the Mortgagee to the extent of the indebtedness then remaining unpaid. Notwithstanding the foregoing, Mortgagor shall have the right to rebuild the Improvements as nearly as possible to its value, condition and operational character immediately prior to any such damage, and to use all available insurance proceeds therefore, provided that (a) sufficient funds from all sources are available to rebuild the Project, (b) Mortgagee shall have the right to approve plans and specifications for any major rebuilding and the right to approve disbursements of insurance proceeds for rebuilding under a construction escrow or similar arrangement, (c) no material default then exists under any Loan Documents or Subsidy Documents, and (d) Mortgagor has secured the prior written consent of the foregoing senior lienholders and any other party with consent rights concerning the use of such proceeds. Mortgagee shall make the insurance proceeds available for such purpose, after the payment of all of Mortgagee's expenses in connection with such proceedings, including costs and reasonable attorneys' fees. If the casualty affects only part of the Project and total rebuilding is infeasible, Mortgagor shall have the right to use the proceeds for partial rebuilding and partial repayment of the Loan. Subject to Mortgagee and IFF's consent (during the term of the Collateral Assignment, which is defined hereafter in Section 14(d)), which may be granted or denied in their reasonable discretion, the Note's payment requirements may be restructured on terms acceptable to

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the Mortgagee and IFF (during the term of the Collateral Assignment) if (i) a partial pre-payment is made from insurance proceeds received as the result of damage to or the partial destruction of the Mortgaged Leasehold Property, and (ii) there is a resulting loss of income from the Mortgaged Leasehold Property.

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

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

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

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

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

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law. This power, being coupled with an interest, shall be irrevocable as long as any part of the Indebtedness remains unpaid.

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

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

a. **Non-Payment.** A failure to make any payment when due under the Loan Documents or AHP Retention Agreement that is not cured within 15 days after receipt by Mortgagor of a written notice of default from the Mortgagee;

b. **Non-Observance; Non-Performance; False or Inaccurate Representation or Warranty.** A default shall occur in the performance of any other obligation of Mortgagor contained in any of the Subsidy Documents, 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 Mortgagee by or on behalf of Mortgagor in connection with the Indebtedness secured hereby proves to be false or inaccurate in any material respect. If a non-monetary event of default occurs, prior to exercising any remedies thereunder, Mortgagee shall give written notice of such default to Mortgagor, each of Mortgagor's general partner and limited partners (the "Limited Partner") as identified in the Mortgagor's Amended and Restated Limited Partnership Agreement dated as of May 14, 2015 (the "Partnership Agreement"), if and as amended, and to each of the other entities listed in Section 25 hereof. Unless a shorter period of time required by the AHP Retention Agreement, if the default is reasonably capable of being cured within thirty (30) days, Mortgagor shall have such period to effect a cure prior to exercise of remedies by Mortgagee under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. Unless a shorter period of time required by the AHP Retention Agreement, if the default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Mortgagor (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Mortgagor shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Mortgagee. If Mortgagor fails to take corrective action or to cure the default within the first thirty (30) day cure period, Mortgagee shall give Mortgagor, its general partner and its Limited Partner (each as identified in the Partnership Agreement) written notice thereof. In no event shall Mortgagee be precluded from exercising remedies if required by the terms of the Subsidy Documents, or if its security becomes or is about to become materially jeopardized by any

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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.

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 Mortgagor; 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 Mortgagor and, if such case or proceeding is not commenced by Mortgagor, 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 Mortgagor and is not dismissed or bonded over within ninety (90) days.

d. **Sale.** The sale, transfer, assignment or conveyance of the Mortgagor's ownership interest in the Mortgaged Leasehold Property without (i) complying with the requirements set forth in the Subsidy Documents, and (ii) the Mortgagee's prior written consent, which consent shall not be unreasonably withheld, conditioned or delayed.

Notwithstanding anything to the contrary contained herein, Mortgagee shall accept or reject, if deficient, any cure of a default or Event of Default made or tendered by one or more of Mortgagor's Limited Partner and/or the Senior Lenders (as defined in the Note) within the time for cure required herein on the same basis as if made or tendered by Mortgagor on its own behalf. Limited Partner may cure in its sole discretion, but is under no obligation to cure, any Event of Default of the Mortgagor.

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

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

b. **Foreclosure.** After acceleration, Mortgagee may immediately foreclose this Mortgage. Mortgagee shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 through 735 ILCS 5/15-1706 (the "Act"), to be placed in possession of the Mortgaged Leasehold 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.

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

d. **Forbearance.** The Mortgagee is an affiliate of the Mortgagor through its status as the sole shareholder of Sacramento and Thomas Corporation, an Illinois corporation and the general partner ("General Partner") of the Mortgagor. Notwithstanding any provision in this Mortgage to the contrary, Mortgagee agrees that, until the end of the Compliance Period (as defined in 26 U.S.C. Section 42(i)(1) (2009)), it shall not exercise any rights or foreclosure remedies under or in connection with the Loan Documents, including this Mortgage, except with the prior written consent of (i) the Mortgagor's Limited Partner, which consent may be withheld in the Limited Partner's sole and absolute discretion, and (ii) the Senior Lenders. The foregoing forbearance provision shall not apply during the period in which the Mortgagee shall have collaterally assigned all of its rights, title and interests in this Mortgage to IFF pursuant to the Collateral Assignment of Promissory Note (AHP Loan) and Fourth Junior Leasehold Mortgage, Assignment of Rents and Security Agreement (AHP Loan) among Mortgagor, Mortgagee and IFF of even date herewith (the "Collateral Assignment").

15. **Protective Advances; Fees and Expenses.** All advances, disbursements and expenditures made or incurred by the Mortgagee before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively the "Protective Advances"), shall have the benefit of all applicable provisions of the Act. The Protective Advances include the following:

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

b. Payments by the Mortgagee of: (i) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (ii) real estate taxes and assessments and all other taxes assessed or imposed upon the Mortgaged Leasehold 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;

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- c. Advances by the Mortgagee in settlement of any claims asserted by claimants under senior mortgages or any other prior liens;
- d. Reasonable attorneys' fees and other costs incurred in connection with: (i) the foreclosure of the Mortgage as referred to in Sections 15-1504(d)(1) and (2) and Section 15-1510 of the Act; (ii) any action, suit or proceeding brought by or against the Mortgagee for the enforcement of the Mortgage or arising from the interest of the Mortgagee hereunder; or (iii) the commencement, prosecution or defense of any other action related to the Mortgage or the Mortgaged Leasehold Property;
- e. Reasonable Mortgagee's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Section 15-1508(b)(1) of the Act;
- f. Reasonable expenses deductible from proceeds of sale as referred to in Sections 15-1512(a) and (b) of the Act;
- g. Expenses incurred and expenditures made by the Mortgagee for any one or more of the following: (i) premiums for casualty and liability insurance paid by the Mortgagee whether or not the Mortgagee or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation imposed by Section 15-1704(c)(1) of the Act of maintaining existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Leasehold Property; (ii) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (iii) payments deemed by the Mortgagee to be required for the benefit of the Mortgaged Leasehold Property, by reason of the exercise by Mortgagee of any of its rights under **Section 14** herein, or required to be made by the owner of the Mortgaged Leasehold 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 Leasehold Property; (iv) shares or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Leasehold Property is a member in any way affecting the Mortgaged Leasehold Property, if any; (v) if any loan secured hereby is a construction loan, costs incurred by the Mortgagee for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, loan agreement or other agreement; (vi) payments deemed by the Mortgagee to be required pursuant to any lease or other agreement for occupancy of the Mortgaged Leasehold Property; (vii) if the Mortgaged Leasehold Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof deemed by the Mortgagee to be required to be paid; (viii) if the Mortgagor's interest in the Mortgaged Leasehold 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

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same are clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in: (i) determination of the amount of the Indebtedness at any time; (ii) the Indebtedness found due and owing to the Mortgagee in the judgment of foreclosure and any subsequent supplemental judgments or orders by the court of any additional Indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purposes; (iii) if the right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Sections 15-1603(d)(2) and (e) of the Act; (iv) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act; (v) application of income in the hands of any receiver or Mortgagee in possession; and (vi) computation of any deficiency judgment pursuant to Sections 15-1508(b)(2) and (3) and Section 15-1511 of the Act.

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

16. **Waiver of Right of Redemption.** Mortgagor acknowledges that the Mortgaged Leasehold Property does not constitute agricultural real estate, as defined in 735 ILCS 5/15-1201, or residential real estate, as defined in Section 15-735 ILCS 5/15-1219, and, pursuant to 735 ILCS 5/15-1601(b), hereby waives for Mortgagor and all its successors in interest and for any and all persons claiming any interest in the Mortgaged Leasehold Property, to the maximum extent permitted by law, any and all rights of redemption otherwise available to Mortgagor under the Act.

17. **Prepayment Privilege.** Subject to the terms of the Note, Mortgagor shall have the privilege of making prepayments on the principal of the Note at any time without penalty. Mortgagor acknowledges that Mortgagee is required to deliver to the Federal Home Loan Bank of Chicago all payments made by Mortgagee pursuant to the Loan Documents in accordance with 12 C.F.R. Section 1291.9(a)(9).

18. **Mortgagee's Rights Cumulative.** The remedies and rights herein are cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise of, or omission to exercise, any such remedy or right accruing shall impair any such remedy or right or be construed to be a waiver of any Event of Default, nor shall it affect any subsequent Event of Default of the same or a different nature.

19. **No Usury.** Nothing contained in this Mortgage or in any of the other Loan Documents or in any transaction related hereto shall be construed or shall so operate either presently or

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prospectively (i) to require Mortgagor to pay interest in excess of the maximum amount of interest permitted by law to be charged in the case of the Indebtedness, but shall instead be deemed required payment of interest only to the extent of the lawful amount, or (ii) to require Mortgagor to make any payment or do any act contrary to law. Any interest in excess of that permitted by law that Mortgagee may have received in connection with the Indebtedness shall, at the option of Mortgagee, be (a) applied as a credit against the then unpaid principal balance under the Note, (b) applied as a credit against any accrued and unpaid interest on the unpaid principal balance under the Note (but not to exceed the maximum amount permitted by applicable law), (c) refunded to the Mortgagor or other payor thereof or (d) applied or refunded pursuant to any combination of the foregoing; and neither Mortgagor nor any of the other obligors under the Note shall have any action against Mortgagee for any damages whatsoever arising out of the payment or collection of any such interest.

20. **Partial Invalidation; Severability.** If the lien of this Mortgage is invalid or unenforceable as to any part of the Indebtedness or the Mortgaged Leasehold Property, the unsecured or partially secured portion of the Indebtedness shall be completely paid prior to the payment of the remaining secured or partially secured portions of the Indebtedness. All payments made on the Indebtedness, whether voluntary or not, shall be considered to have been first paid on and applied to the full payment of that portion of the Indebtedness not secured or fully secured by the lien of this Mortgage. If any term, covenant or provision contained in any of the Loan Documents shall be determined to be void, illegal or unenforceable to any extent or shall otherwise operate to invalidate any such Loan Document, in whole or part, then such term, covenant or provision only shall be deemed not contained in such Loan Document, the remainder of such Loan Documents shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained therein.

21. **No Discharge of Mortgagor's Liability.** In the event of the voluntary sale or transfer, by operation of law or otherwise, of all or any part of the Mortgaged Leasehold Property, Mortgagee is hereby authorized and empowered to deal with such vendee or transferee with reference to the Mortgaged Leasehold Property on the terms or conditions hereof, as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from Mortgagor's liability, covenants or undertakings hereunder.

22. **Assignment of Rents.** It is agreed by the Mortgagor that upon the occurrence of any Event of Default, and subject to the rights of all senior lienholders identified in **Section 7** hereof, all the rents, income and profits from the Mortgaged Leasehold Property shall be assigned and transferred over to the Mortgagee, both before and after foreclosure of this Mortgage and during the period of redemption. The Mortgagor does hereby constitute and appoint the Mortgagee its attorney-in-fact, irrevocably, with full power and Mortgagee to enter upon and take full possession of the Mortgaged Leasehold Property at once, to lease and control the same, and to receive, collect and receipt for all rents, income and profits received, which are expressly assigned and pledged as additional security for the payment of the debt secured by this Mortgage; notwithstanding the foregoing, Mortgagee shall comply with all affordability covenants and use restrictions that are recorded against the Mortgaged Leasehold Property, including without limitation the Low Income Housing Tax Credit Extended Use Agreement between the Illinois Housing Development Authority and Mortgagor, the AHP Retention Agreement, and the Regulatory Agreement between

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the City of Chicago and Mortgagor, when exercising its rights under this **Section 22**. Out of the amounts collected, the Mortgagee shall be entitled to pay all taxes, payments in lieu of taxes, assessments, water and sewer charges, amounts due under contracts affecting the Mortgaged Leasehold Property, liens, insurance premiums, operating expenses, repairs, and other charges upon the Mortgaged Leasehold Property, as well as the payments due and owing under the Note, and may retain the cost of collecting such rents, income and profits to the extent that they are sufficient for that purpose, paying the surplus from time to time, if any, to the Mortgagor. In any action to foreclose, the Mortgagee shall be entitled to the appointment of a receiver of the Mortgaged Leasehold Property as a matter of right, and without notice, with power to collect the rents, issues, and profits of the Mortgaged Leasehold Property which are due or become due during the pendency of such foreclosure suit, and with power to manage the Mortgaged Leasehold Property throughout. The Mortgagor, for itself and any subsequent owner, hereby waives any and all defenses to the application for a receiver as set forth above and hereby specifically consents to such appointment without notice, and nothing herein contained is to be construed to deprive the Mortgagee of any other right, remedy, or privilege it may now have under the law to have a receiver appointed or to take possession itself.

Mortgagee acknowledges and agrees that the foregoing assignment of rents set forth in this Paragraph 22 of this Mortgage is subordinate in all respects, and shall remain subject and subordinate in all respects, to any assignment by Mortgagor of the rents, income and profits from the Mortgaged Leasehold Property to any senior lienholder identified in Section 2 of this Mortgage.

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

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

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

If to Mortgagor: Sacramento and Thomas Limited Partnership
c/o Sacramento and Thomas Corporation

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325 N. Wells Street, 8th Floor
Chicago, IL 60654-7023
Attention: President

With a courtesy copy to:

Applegate & Thorne-Thomsen, P.C.
626 W. Jackson Boulevard, Suite 400
Chicago, IL 60661
Attn: Bill Skalitzky

and to:

Bank of America, N.A., and
Bank of America CDC Special Holding Company, Inc.
c/o Bank of America Merrill Lynch
Tax Credit Equity Investment Asset Management
Mail Code NC1-007-11-25
100 North Tryon Street
Charlotte, NC 28202
Attention: Nicole Baldon, Vice President

and to:

Bank of America, N.A.
101 E. Kennedy Blvd.,
Mail Code: FL1-400-06-10
Tampa, FL 33602
Attention: Loan Administration

and to:

City of Chicago
Department of Housing and Economic Development
121 North LaSalle Street, Room 1000
Chicago, IL 60602
Attention: Commissioner

with copies to:

City of Chicago
Department of Law
Finance and Economic Development Division
121 North LaSalle Street, Room 600
Chicago, IL 60602

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and to:

IFF
One North LaSalle Street, Suite 700
Chicago, Illinois 60602
Attention: President

If to Mortgagee: Hispanic Housing Development Corporation
325 N. Wells Street, 8th Floor
Chicago, IL 60654-7023
Attention: President

By notice complying with the foregoing provisions of this **Section 25** herein, the parties may from time to time change the above addresses applicable to them for the purposes hereof, except that any such notice shall not be deemed delivered until actually received. Courtesy 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 receive courtesy copies of notices shall not be deemed a failure to give notice to a party.

26. **Binding Effect; Miscellaneous Definitions.** All provisions and covenants of this Mortgage run with the land and shall inure to and bind the parties hereto and their respective heirs, devisees, representatives, vendees, successors and assigns.

27. **Recourse Obligation.** The Mortgage Loan is a recourse obligation of the Mortgagor.

28. **Limited Partner Transfer Rights.** So long as any indebtedness under the Mortgage Loan remains outstanding and notwithstanding anything in the Mortgage or the Note to the contrary, Mortgagee agrees that the Limited Partner may sell, transfer, assign or otherwise dispose of all or any part of its interest in Mortgagor in accordance with the terms and conditions of the Partnership Agreement, if and as amended and restated or revised, without the prior written consent of Mortgagee. In addition, any partner, member or other ownership interest in the Limited Partner may be transferred without the prior written consent of the Mortgagee.

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

30. **General Partner Change.** The withdrawal, removal and/or replacement of the general partner of Mortgagor pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Mortgage Loan, provided that any required substitute general partner is (i) reasonably acceptable to Mortgagee, (ii) approved by IFF and the Federal Home Loan Bank of Chicago (during the term of the Collateral Assignment), (iii) is selected with reasonable promptness, and (iv) it, or an affiliate thereof, has experience operating affordable housing financed in part with federal low income housing tax credits.

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31. **Force Majeure.** There shall be no default for construction or rehabilitation delays beyond the reasonable control of Mortgagor, provided that such delays do not exceed one hundred eighty (180) days, or such longer period of time as may be specified in the Loan Documents.
32. **Purchase Rights.** The execution and delivery of the purchase option and right of first refusal agreement (the "Option") permitted under the Partnership Agreement shall not constitute a default under the Loan Documents or accelerate the maturity of the Mortgage Loan thereunder as long as the Option is (during the AHP program's 15-year compliance period) subject, subordinate and inferior to the liens and security interests of the Subsidy Documents, the exercise of any rights thereunder are subject to the AHP Regulations and terms of the Subsidy Documents and are in accordance with the specific representations made by IFF and Mortgagee in the approved AHP Application. Any requisite consent of Mortgagee 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 Mortgage Loan obligations by the project sponsor and the release of Mortgagor 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 Mortgage Loan.
33. **Loan Assumption.** If the purchase option and right of first refusal agreement described above is not exercised and the Mortgaged Leasehold Property is sold subject to low-income housing use restrictions as contained in a regulatory agreement or other covenant of record, any requisite consent of Mortgagee to said sale, and to the assumption without penalty of loan obligations by the purchaser and the release of Mortgagor from such obligations, shall not be unreasonably withheld.
34. **Mortgagee Approvals.** In any approval, consent, or other determination by Mortgagee required under any of the Loan Documents, Mortgagee shall act reasonably and in good faith.
35. **Environmental Laws.** Mortgagor represents, warrants and covenants to Mortgagee that during the period of Mortgagor's ownership or use of the Mortgaged Leasehold Property: (a) following completion of certain remediation undertaken by Mortgagor through the Illinois Environmental Protect Agency's Site Remediation Program, no substance will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Mortgaged Leasehold Property in a form, quantity or manner which if known to be present on, under, in or about the Mortgaged Leasehold Property would require clean-up, removal or some other remedial action ("Hazardous Substance") under any federal, state or local laws, regulations, ordinances, codes or rules ("Environmental Laws"); and (b) Mortgagor will comply with all Environmental Laws. Mortgagor shall indemnify and hold harmless Mortgagee, its directors, officers, employees and agents from all loss, cost (including reasonable attorneys' fees and legal expenses), liability and damage whatsoever directly or indirectly resulting from, arising out of, or based upon (i) the presence, use, storage, deposit, treatment, recycling or disposal, at any time, of any Hazardous Substance on, under, in or about the Mortgaged Leasehold Property, or the transportation of any Hazardous Substance to or from the Mortgaged Leasehold Property or (ii) the violation or alleged violation of any Environmental Law, permit, judgment or license relating to the presence, use, storage, deposit, treatment, recycling or disposal or any Hazardous Substance on, under, in or about the Mortgaged Leasehold Property, or the transportation of any Hazardous Substance to or from the Mortgaged Leasehold Property.

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36. **Additional Indebtedness Secured.** All persons and entities with any interest in the Mortgaged Leasehold Property or about to acquire any such interest should be aware that this Mortgage secures more than the stated principal amount of the Note and interest thereon; this Mortgage secures any and all other amounts which may become due under the Loan Documents, including, without limitation, any and all amounts expended by Mortgagee to operate, manage or maintain the Mortgaged Leasehold Property or to otherwise protect the Mortgaged Leasehold Property or the lien of this Mortgage provided the maximum amount secured by this Mortgage at any one time outstanding (excluding protective advances made by Mortgagee) shall not exceed \$785,612.00.

37. **Amendments.** No provision of this Mortgage may be waived, modified, discharged or canceled orally, but only in writing and signed by the party against whom enforcement of any waiver, modification, discharge or cancellation is sought and with the prior written consent of Mortgagee and IFF (during the term of the Collateral Assignment).

38. **Waiver of Trial by Jury.** MORTGAGOR AND MORTGAGEE EACH (A) COVENANTS AND AGREES NOT TO ELECT A TRIAL BY JURY WITH RESPECT TO ANY ISSUE ARISING OUT OF THIS INSTRUMENT OR THE RELATIONSHIP BETWEEN THE PARTIES AS MORTGAGOR AND MORTGAGEE THAT IS TRIABLE OF RIGHT BY A JURY, AND (B) WAIVES ANY RIGHT TO TRIAL BY JURY WITH RESPECT TO SUCH ISSUE TO THE EXTENT THAT ANY SUCH RIGHT EXISTS NOW OR IN THE FUTURE. THIS WAIVER OF RIGHT TO TRIAL BY JURY IS SEPARATELY GIVEN BY EACH PARTY, KNOWINGLY AND VOLUNTARILY WITH THE BENEFIT OF COMPETENT LEGAL COUNSEL.

39. **Waiver of Special Damages.** TO THE EXTENT PERMITTED BY APPLICABLE LAW, MORTGAGOR SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST MORTGAGEE, ON ANY THEORY OF LIABILITY, FOR SPECIAL, INDIRECT, CONSEQUENTIAL OR PUNITIVE DAMAGES (AS OPPOSED TO DIRECT OR ACTUAL DAMAGES) ARISING OUT OF, IN CONNECTION WITH, OR AS A RESULT OF, THIS MORTGAGE OR ANY AGREEMENT OR INSTRUMENT CONTEMPLATED HEREBY, THE TRANSACTIONS, THE LOAN OR THE USE OF THE PROCEEDS THEREOF.

IN WITNESS WHEREOF, the Mortgagor has executed this Mortgage as of the first date written above.

Sacramento and Thomas Limited Partnership, an
Illinois limited partnership

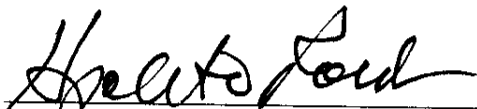
By: Sacramento and Thomas Corporation, an
Illinois corporation, its General Partner

By: 
Hipolito Roldan, President

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Mortgagee hereby acknowledges and agrees to Section 14(d) of this Mortgage.

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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ACKNOWLEDGMENT

STATE OF ILLINOIS)
) SS.
COUNTY OF ~~COOK~~ *WILL*)

The undersigned, a Notary Public in and for said County in the State aforesaid, does hereby certify that Hipolito Roldan, the President of Sacramento and Thomas Corporation, which is the general partner ("General Partner") of Sacramento and Thomas Limited Partnership, an Illinois limited partnership (the "Partnership"), personally known to me to be the same person whose name is subscribed to the foregoing instrument, including its leasehold mortgage rider, 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 General Partner, on behalf of the Partnership, all for the uses and purposes set forth therein.

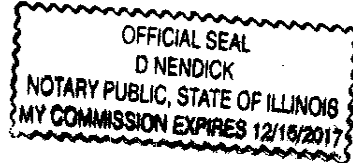
Given under my hand and notarial seal on May 14, 2015.

D. Nendick

Notary Public

My Commission Expires:

12-15-2017



[SEAL]

STATE OF ILLINOIS)
) SS.
COUNTY OF ~~COOK~~)
WILL

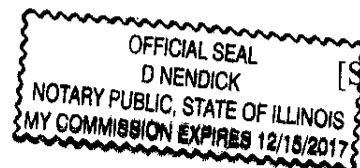
The undersigned, a Notary Public in and for said County in the State aforesaid, does hereby certify that Hipolito Roldan, the President of Hispanic Housing Development Corporation (the "Corporation"), personally known to me to be the same person whose name is subscribed to the foregoing instrument, including its leasehold mortgage rider, 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, all for the uses and purposes set forth therein.

Given under my hand and notarial seal on May 14, 2015.

D. Nendick

Notary Public

My Commission Expires: 12-15-2017



[SEAL]

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EXHIBIT A

Legal Description of the Leasehold Estate

PARCEL 1:

LEASEHOLD ESTATE CREATED BY THE AMENDED AND RESTATED GROUND LEASE MADE BY AND BETWEEN NORWEGIAN AMERICAN HOSPITAL, INC., AN ILLINOIS NOT FOR PROFIT CORPORATION, LANDLORD, AND HISPANIC HOUSING DEVELOPMENT CORPORATION, AN ILLINOIS NOT FOR PROFIT CORPORATION, TENANT, DATED FEBRUARY 4, 2015, WHICH LEASE WAS RECORDED FEBRUARY 5, 2015 AS DOCUMENT 1503619169 AND ASSIGNED TO SACRAMENTO AND THOMAS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP BY THE ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE MADE BY AND AMONG HISPANIC HOUSING DEVELOPMENT CORPORATION, AN ILLINOIS NOT FOR PROFIT CORPORATION, ASSIGNOR, SACRAMENTO AND THOMAS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, ASSIGNEE, AND NORWEGIAN AMERICAN HOSPITAL, INC., AN ILLINOIS NOT FOR PROFIT CORPORATION, LANDLORD, DATED FEBRUARY 4, 2015, RECORDED FEBRUARY 5, 2015 AS DOCUMENT NO. 1530619170, AND AS FURTHER AMENDED BY THE SECOND AMENDMENT TO AMENDED AND RESTATED GROUND LEASE DATED MAY 14, 2015 AND RECORDED MAY 14, 2015 AS DOCUMENT NO. 1513429092, MADE BY AND BETWEEN SACRAMENTO AND THOMAS LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP, ASSIGNEE, AND NORWEGIAN AMERICAN HOSPITAL, INC., AN ILLINOIS NOT FOR PROFIT CORPORATION, LANDLORD, DEMISING AND LEASING FOR A TERM OF 99 YEARS COMMENCING ON FEBRUARY 4, 2015 AND EXPIRING ON JANUARY 31, 2114, THE FOLLOWING DESCRIBED PREMISES, TO WIT:

LOTS 1 THROUGH 6, BOTH INCLUSIVE, EXCEPT THE EAST 33.25 FEET OF SAID LOT 6, LOTS 7 THROUGH 12, BOTH INCLUSIVE, TOGETHER WITH THE NORTH/SOUTH 16 FOOT ALLEY, VACATED BY THE ORDINANCE RECORDED MARCH 1, 1995 AS DOCUMENT NO. 95143450, ALL IN BLOCK 5, IN CARTER'S RESUBDIVISION OF BLOCKS 1, 3, 4, 5, 7, 8, 9, 10, 11, 13, 14, 15 AND LOTS 2, 4 AND 5 IN BLOCK 17 IN CARTER'S SUBDIVISION OF BLOCKS 1, 2, 3, 4 AND 7 IN CLIFFORD'S ADDITION TO CHICAGO, A SUBDIVISION OF PART OF THE EAST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 1, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

EXCEPTING THEREFROM ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, THEREON.

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PARCEL 2:

FEE SIMPLE TITLE TO ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS PARCEL 1.

COMMON ADDRESS: 1045 -51 N. SACRAMENTO AVENUE,
CHICAGO, IL 60622

PERMANET INDEX NUMBERS: 16-01-305-001-0000;
16-01-305-002-0000;
16-01-305-003-0000;
16-01-305-004-0000;
16-01-305-005-0000;
16-01-305-006-0000;
16-01-305-007-0000;
16-01-305-008-0000;
16-01-305-009-0000;
16-01-305-010-0000, AFFECTS OTHER PROPERTY

Property of Cook County Clerk's Office

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EXHIBIT B

LEASEHOLD MORTGAGE RIDER

1. **Incorporation by Reference.** This Leasehold Mortgage Rider is attached to, incorporated by reference in and made a part of that certain Fourth Junior Leasehold Mortgage, Assignment of Rents and Security Agreement (AHP Loan) (the "Mortgage") dated as of May 14, 2015, executed by Sacramento and Thomas Limited Partnership (the "Mortgagor"), to Hispanic Housing Development Corporation, an Illinois not for profit corporation (the "Mortgagee"), securing a Promissory Note (AHP Loan) of even date (the "Note"), in connection with the 65th Infantry Regiment Veterans Housing project, to be located at 1045 N. Sacramento Avenue, Chicago, Cook County, Illinois, and is to be construed according to the laws of the State of Illinois. Except as otherwise indicated, capitalized terms not otherwise defined in this Leasehold Mortgage Rider shall have the same meaning given to such terms in the Mortgage. In addition, "Land" shall mean the Landlord's fee estate in the real property commonly known as 1045 N. Sacramento Avenue, Chicago, Cook County, Illinois.

2. **Representations, Covenants, and Warranties.** Mortgagor represents, covenants and warrants:

a. that the Amended and Restated Ground Lease by and between Norwegian American Hospital, Inc. (the "Landlord") and Mortgagor (the "Tenant") dated as of February 4, 2015, as amended (the "Lease") is in full force and effect and unmodified;

b. that all rents, additional rents and other sums due and payable under the Lease have been paid in full to the extent they were due or payable prior to the date hereof;

c. that there is no existing default under the Lease or in the performance of any of the terms, covenants, conditions or warranties thereof on the part of the Tenant under the Lease to be observed and performed, and no event has occurred which, with the passage of time or giving of notice or both would constitute a default thereunder;

d. that the Mortgagor has not commenced any action or given or received any notice for the purpose of terminating the Lease;

e. that the interest of the Tenant under the Lease is vested entirely in the Mortgagor;

f. that the Mortgagor will warrant and defend the leasehold estate created by the Lease for the entire remainder of the term set forth therein, against all and every person or persons lawfully claiming, or who may claim the same or any part thereof, subject to the payment of the rents in the Lease and to the performance and observance of all terms, covenants, conditions and warranties thereof.

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3. Mortgagor's Covenants with Respect to Lease. Mortgagor shall:

a. diligently perform, comply with and observe all of the terms, covenants and conditions of the Lease on the part of the Mortgagor, as the Tenant thereunder, to be performed, complied with and observed at least five (5) days prior to the expiration of any applicable grace period provided in the Lease;

b. pay or cause to be paid all rents, additional rents, taxes, assessments, water rates, sewer rates, and other charges and impositions payable by the Tenant under the Lease for which provision has not been made hereinbefore, when and as often as the same shall become due and payable;

c. not do or permit anything to be done of which, or refrain from doing anything, the omission of which, will impair or tend to impair the security of this Mortgage or will be grounds for declaring an Event of Default (as defined in the Lease) or a breach of the Lease under Article 10 of the Lease, and upon any such failure aforesaid, Mortgagor shall be subject to all of the rights and remedies granted Lender in this Mortgage;

d. promptly notify Mortgagee of the giving of any notice by Landlord to Mortgagor of any Event of Default (as defined in the Lease) or a breach of the Lease under Article 10 of the Lease, and deliver to Mortgagee a true and correct copy of each such notice;

e. not, without the prior written consent of the Mortgagee, surrender the Leasehold Estate created by the Lease, or terminate or cancel the Lease, or materially modify, extend, change, supplement, alter or amend the terms of the Lease, in any respect, either orally or in writing; or waive, execute, condone or in any way release or discharge the Landlord of or from the terms, covenants, conditions and agreements on the part of Landlord to be performed or observed under the Lease.

4. Default by Mortgagor Under the Lease. If the Landlord shall deliver to Mortgagee a copy of any notice of either an Event of Default (as defined in the Lease) or a breach of the Lease under Article 10 of the Lease sent by Landlord to Mortgagor, as the tenant under the Lease, then Mortgagee may rely on such notice, and such notice shall constitute full protection to Mortgagee for any action taken or omitted to be taken by Mortgagee, in good faith, in reliance thereon. If Mortgagor shall have committed an Event of Default (as defined in the Lease) or a breach of the Lease under Article 10 of the Lease, as the tenant under the Lease, then, without limiting the generality of the other provisions of this Mortgage, and without waiving or releasing Mortgagor from any of its obligations hereunder, Mortgagee shall have the right, but not the obligation, to pay any sums and to perform any act or take any action as may be appropriate to cause all the terms, covenants and conditions of the Lease on the part of Mortgagor, as the tenant under the Lease, to be promptly performed or observed on behalf of Mortgagor, to the end that the rights of Mortgagor in, to and under the Lease shall be kept unimpaired and free from the Event of Default (as defined in the Lease) or a breach of the Lease under Article 10 of the Lease, even though the existence of such event or its nature be questioned or denied by Mortgagor or by any

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party on behalf of Mortgagor. In any such event, subject to the rights of tenants, subtenants and other occupants under any leases in effect at any time with respect to the property subject to this Mortgage, Mortgagee and any person designated by Mortgagee shall have, and are hereby granted, the right to enter upon the property subject to this Mortgage at any time and from time to time for the purpose of taking any such action. Mortgagee may pay and expend such sums of money as Mortgagee deems necessary for any such purpose, and upon so doing, Mortgagee shall be subrogated to any and all rights of Landlord under the Lease. Mortgagor hereby agrees to pay to Mortgagee without demand, all such sums so paid and expended by Mortgagee, together with interest thereon from the day of such payment at the rate set forth in the Note secured hereby. All sums so paid and expended by Mortgagee together with interest thereon shall constitute additional Indebtedness secured by this Mortgage.

If Mortgagee shall make any payment or perform any act or take any action in accordance with the preceding paragraph, then such payment, performance or action shall not remove or waive, as between Mortgagor and Mortgagee, the corresponding event of default under this Mortgage. Mortgagor will not subordinate or consent to the subordination of the Lease to any mortgage, deed of trust, lease or other interest on or in Landlord's interest in all or any part of the Mortgaged Property, unless in each such case, the prior written consent of Mortgagee shall have been first had and obtained.

5. **Additional Events of Default Under Mortgage.** In addition to the events of default ("Event of Mortgage Default") described elsewhere in this Mortgage, each of the following shall also be an Event of Mortgage Default and the entire Indebtedness shall immediately become due and payable at the option of the Mortgagee:

- a. If the Mortgagor fails to give the Mortgagee notice within ten (10) business days of any Event of Default (as defined in the Lease) or a breach of the Lease under Article 10 of the Lease or a default by the Landlord under Article 15 of the Lease, or if Mortgagor fails to give the Mortgagee notice within then (10) business days of Mortgagor's receipt of any notice of either an Event of Default (as defined in the Lease) or a breach of the Lease under Article 10 of the Lease sent by Landlord thereunder, or if the Mortgagor fails to furnish to the Mortgagee within ten (10) business days all information which it may request concerning the performance by the Mortgagor of the covenants of the Lease, or if the Mortgagor prevents Mortgagee or its representative times from investigating or examining the Mortgagor's performance of the covenants of the Lease;
- b. If an Event of Default (as defined in the Lease) occurs and continues under the Lease after the expiration of all applicable cure periods, provided such Event of Default would or may entitle Landlord to terminate the Lease;
- c. If the Leasehold Estate created by the Lease shall be surrendered in whole or in part due to an action or omission of Mortgagor;
- d. If any of the terms, covenants or conditions of the Lease shall in any manner be materially modified, changed, supplemented, altered or amended without the prior written consent

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of Mortgagee, and such modification, change, supplement, alteration or amendment materially prejudices the security of this Mortgage in the reasonable determination of the Mortgagee; or

e. If Mortgagor shall, without Mortgagee's prior written consent, elect to treat the Lease as terminated under Section 365(h) of the United States Bankruptcy Code or any comparable federal or state statute or law.

6. **No Merger of Fee and Leasehold Estates: Releases.** So long as any portion of the Note shall remain unpaid, unless Mortgagee shall otherwise consent, the fee title to the Land and the Leasehold Estate shall not merge but shall always be kept separate and distinct, notwithstanding the union of such estates in Mortgagor, Landlord, Mortgagee, or in any other person by purchase, operation of law, or otherwise. If Mortgagee shall acquire any of the following: (i) the fee title to the Land, (ii) any reversionary interest in the Land or improvements, (iii) ownership of the improvements and (iv) the Leasehold Estate (the "Collateral") created by the Lease, by foreclosure of this Mortgage or otherwise, such estates shall not merge as a result of such acquisition but shall remain separate and distinct for all purposes after such acquisition unless and until Mortgagee shall elect in writing to merge such estates. In the event of foreclosure of this Mortgage, Mortgagor does hereby waive for itself and its successors and assigns, any equitable right, otherwise available, in respect to marshaling of assets hereunder, so as to require the separate sales of the Land, the reversionary interest, the improvements and leasehold estate encumbered hereby or to require Mortgagee to exhaust its remedies as against either the Land, the reversionary interest, the improvements or the Leasehold Estate before proceeding against the other, and does hereby expressly consent to authorize, at the option of Mortgagee, the sale, either separately or together, of the Land, the reversionary interest, the improvements and Leasehold Estate, or otherwise the merger, prior to sale, of the Leasehold Estate into the fee estate in order that the fee estate may be sold free and clear of such Leasehold Estate. Mortgagee reserves the right, at any time, to release portions of the property subject to this Mortgage, with or without consideration, at Mortgagee's election, without waiving or affecting any of its rights under this Mortgage, the Note or any other Loan Documents executed in favor of Mortgagee and any such release shall not affect Mortgagee's right in connection with the portion of the property subject to this Mortgage not so released.

7. **Mortgagor's Acquisition of Fee Estate.** If Mortgagor, so long as any portion of the Note remains unpaid, shall be the owner and holder of the fee title to the Land, the lien of this Mortgage shall be spread to cover Mortgagor's fee title to the Land, and any such fee title shall be considered as mortgaged, assigned or conveyed to the Mortgagee and the lien hereof spread to cover such estate with the same force and effect as though specifically herein mortgaged, assigned or conveyed and spread, and said fee title shall be deemed to be included in the mortgaged property subject to this Mortgage. Mortgagor agrees, at its sole cost and expense, including but not limited to Mortgagee's reasonable attorneys' fees, to:

a. execute any and all documents or instruments necessary to subject its fee title to the Land to the lien of this Mortgage; and

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b. provide a title insurance policy which shall insure that the lien of this Mortgage is a first lien on Mortgagor's fee title to the Land.

8. **Rejection of the Lease.**

a. In the event any case, proceeding or other action is commenced by or against Landlord under the United States Bankruptcy Code, 11 U.S.C. § 101, et seq., as the same may be amended (the "Code") or any comparable federal or state statute or law, and if the Lease is rejected or disaffirmed pursuant to the Code or any comparable federal or state statute or law:

i. Mortgagor, immediately after obtaining notice thereof, shall give notice thereof to Mortgagee;

ii. Mortgagor, without the prior written consent of Mortgagee, shall not elect to treat the Lease as terminated pursuant to Section 365(h) of the Code or any comparable federal or state statute or law, and any election by Mortgagor made without such consent shall be null and void of no force or effect; and

iii. this Mortgage and all liens, terms, covenants and conditions of this Mortgage shall extend to and cover Mortgagor's possessory rights under Section 365(h) of the Code and to any claim for damages due to the rejection or disaffirmance of the Lease or other termination of the Lease.

In addition, Mortgagor hereby irrevocably assigns, transfers and sets over to Mortgagee, Mortgagor's right to treat the Lease as terminated pursuant to Section 365(h) of the Code and to offset rents under the Lease, provided that Mortgagee shall not exercise such rights and shall permit Mortgagor to exercise such rights with the prior written consent of Mortgagee, not to be unreasonably withheld or delayed, unless an Event of Default hereunder shall have occurred and be continuing. Mortgagor also hereby irrevocably assigns, transfers and sets over to Mortgagee all of Mortgagor's claims and rights to the payment of damages arising under the Code from any rejection of the Lease by Landlord. These assignments constitute present irrevocable and unconditional assignments of each of the claims, rights and remedies specified in this Paragraph. Mortgagee shall have the right to proceed in its own name or in the name of Mortgagor in respect of any claim, suit, action or proceeding relating to the rejection of the Lease, including but not limited to the right to file and prosecute, to the exclusion of Mortgagor, any proofs of claims, complaints, motions, applications, notices and other documents. Mortgagor agrees to execute any and all powers, authorizations, and consents and other documents required by Mortgagee in connection with any such litigation. Mortgagor shall not commence any suit, action, proceeding or case, or file any application or make any motion, in respect of the Lease in any such case under the Code without the prior written consent of Mortgagee. Mortgagor shall, upon demand, pay to Mortgagee all costs and expenses (including but not limited to attorneys' fees) paid or incurred by Mortgagee in connection with the prosecution or conduct of each such litigation.

b. In the event any case, proceeding or other action is commenced by or against

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Mortgagor under the Code or any comparable federal or state statute or law, Mortgagor hereby assigns to Mortgagee, Mortgagor's right to reject the Lease under Section 365 of the Code or any comparable federal or state statute or law, provided that Mortgagee shall not exercise such right, and shall permit Mortgagor to exercise such right with the prior written consent of Mortgagee, not to be unreasonably withheld or delayed, unless an Event of Default hereunder (an "Event of Mortgage Default") shall have occurred and be continuing. Any such exercise by Mortgagor, without Mortgagee's prior written consent, in addition to constituting such an Event of Mortgage Default, shall be null and void. Mortgagee shall have the option, to the exclusion of Mortgagor, to conduct and control any such case, proceedings or action with counsel of Mortgagee's choice. However, if Mortgagor files a petition under the Code, or is adjudicated to be a debtor in an involuntary case under the Code, then Mortgagee may exercise such control over any such case, proceeding or action as is permitted by applicable laws. Further, if Mortgagor shall desire to so reject the Lease at Mortgagee's request, Mortgagor shall assign its interest in the Lease to Mortgagee in lieu of rejecting the Lease as described above. Mortgagor hereby agrees that if the Lease is terminated for any reason in the event of the rejection or disaffirmance of the Lease pursuant to the Code or any comparable federal or state statute or law, any property not removed by Mortgagor as permitted or required by the Lease shall, at the option of Mortgagee, be deemed abandoned by Mortgagor. However, Mortgagee may remove any such property required to be removed by Mortgagor pursuant to the Lease, and all costs and expenses associated with such removal shall be paid by Mortgagor within five (5) days after demand by Mortgagee.

c. Mortgagor hereby assigns to Mortgagee, Mortgagor's right to seek an extension of the 60-day period within which Mortgagor must accept or reject the Lease under Section 365 of the Code or any comparable federal or state statute or law with respect to any case, proceeding or other action commenced by or against Mortgagor under the Code or any comparable federal or state statute or law, provided that Mortgagee shall not exercise such right, and shall permit Mortgagor to exercise such right with the prior written consent of Mortgagee, not to be unreasonably withheld or delayed, unless an Event of Mortgage Default shall have occurred and be continuing.

9. **Power of Attorney.** Mortgagor hereby irrevocably appoints Mortgagee as Mortgagor's true and lawful attorney-in-fact, in Mortgagor's name or otherwise: (a) to do any and all acts and (b) to execute any and all documents, which, in the opinion of Mortgagee may be necessary or desirable to preserve any rights of Mortgagor in, to or under the Lease, or any other lease in effect with respect to the leasehold estate, including but not limited to the right (but not the obligation) (i) to cure any defaults of Mortgagor under the Lease, (ii) to preserve any rights of Mortgagor, or (iii) to execute an extension or renewal (or exercise any option for such extension or renewal) of the Lease. Such power of attorney shall be irrevocable and shall be deemed to be coupled with an interest and granted for a valuable consideration.

10. **Particular Provisions Not Limiting Generality.** The generality of the provisions of this Rider relating to the Lease shall not be limited by other provisions of this Mortgage or any other agreement between Mortgagee and Mortgagor, setting forth particular obligations of Mortgagor that are also required of Mortgagor under the Lease.

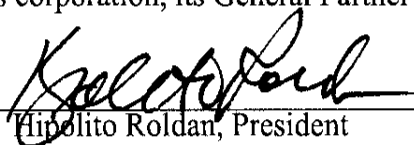
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IN WITNESS WHEREOF, Mortgagor has executed these presents as of the date first above written.

MORTGAGOR:

Sacramento and Thomas Limited Partnership,
an Illinois limited partnership

By: Sacramento and Thomas Corporation, an
Illinois corporation, its General Partner

By: 
Hipolito Roldan, President

Property of Cook County Clerk's Office

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