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RHSP Fee: \$9.00 RPRF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 07/01/2015 02:44 PM Pg: 1 of 10

Recording Requested By and
When Recorded Send to:

Office of the General Counsel
Chicago Housing Authority
60 East Van Buren, 12th Floor
Chicago, Illinois 60605
Attn: LaRue Little

Property Identification No.:
16-14-417-009 0000
16-14-417-011 0000

Property Addresses:
3301 West Arthington Street
Chicago, Illinois

SUBORDINATE ASSIGNMENT OF RENTS AND LEASES

THIS SUBORDINATE ASSIGNMENT OF RENTS AND LEASES (this "Assignment"), is dated as of June 1, 2015, and is executed by **NEW STERLING PARK LLC**, an Illinois limited liability company ("Assignor"), in favor of **CHICAGO HOUSING AUTHORITY**, an Illinois municipal corporation ("Assignee").

A. Assignor and Assignee have entered into a Chicago Housing Authority Loan Agreement, of even date herewith (hereinafter, as the same may be amended, supplemented and restated from time to time, called the "Loan Agreement"), pursuant to which Assignee has agreed to make a loan to and for the benefit of Assignor as described below (the "Loan"), subject to the terms and conditions, and for the purposes, set forth in the Loan Agreement.

B. To evidence the Loan, Borrower has executed and delivered, and will execute, a note (such note, together with any and all amendments or supplements thereto, extensions thereof and notes which may be taken in whole or partial renewal, substitution or extension thereof, shall be called, the "Note"), payable to the order of Assignee, payment of which is secured by, among other things, a Subordinate Mortgage, Security Agreement and Financing Statement (hereinafter, as the same may be amended, supplemented and restated from time to time, called the "Mortgage"), from Borrower to Assignee, covering Assignor's interest in certain real property legally described on Exhibit A attached hereto and hereby made a part hereof (the "Premises").

C. The Note executed by Assignor is in the principal amount of \$19,715,758 (the Loan Agreement, the Note, this Assignment and any collateral security instruments required by Assignee are herein collectively referred to as the "Loan Documents").

D. The real property legally described on Exhibit A (the "Premises") will be encumbered by this Assignment.

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E. Assignor is the holder of a fee simple interest in the Premises.

F. The execution and delivery of this Assignment is a condition to the performance by Assignee of its obligations under the Loan Agreement.

NOW, THEREFORE, in consideration of the recitals set forth above and incorporated herein, in order to secure the Loan, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower hereby conveys, transfers and assigns unto Assignee, its successors and assigns, all the rights, interest and privileges, which Borrower, its successors and assigns, as lessor, has and may have in the leases now existing or hereafter entered into for the residential units constituting part of the Development (the "Leases"), as said Leases may have been, or may from time to time be hereafter, modified, extended and renewed, with all rents, income, issues and profits due therefrom.

This Assignment is made as additional security for the obligations of Assignor under the Note. The obligations of Assignor under the Note are secured by, among other things, the Mortgage, which Mortgage constitutes a lien on and otherwise relates to certain interests of Assignor in the Premises and the acceptance of this Assignment and the collection of rents or the payments under the Leases shall not constitute a waiver of any rights of Assignee under the terms of the Mortgage.

It is expressly understood and agreed by the parties hereto that before an event of default (which is not cured within any applicable notice and/or cure periods) occurs hereunder or under the terms of any of the other Loan Documents (an "Event of Default"), Borrower shall have the right to collect said rents, income, issues and profits from the Leases, and to retain, use and enjoy the same; provided, however, that even before an Event of Default occurs, no rent more than one month in advance shall be collected or accepted without the prior written consent of Assignee; provided, however, that Borrower may collect reasonable and customary security deposits which shall not be deemed or considered advance rent. Anything to the contrary notwithstanding, after the occurrence of an Event of Default beyond all notice and cure periods, Borrower hereby assigns to Assignee any award made hereafter to Borrower in any court procedure involving any of the Leases in any bankruptcy, insolvency or reorganization proceedings in any state or federal court, and any and all payments made thereunder in lieu of rent. Upon the occurrence of an Event of Default, if said Event of Default shall be cured or waived, the appointment of Assignee as attorney-in-fact for Assignor shall cease.

Assignor, if an Event of Default has occurred and is continuing beyond applicable notice and cure periods, hereby authorizes Assignee, at its option, to enter and take possession of the Premises and to manage and operate the same as Assignee, in its discretion, may deem proper, subject to the terms and conditions of the Leases subject to this Assignment. Assignor, in such case, shall cooperate with Assignee in all other respects to effectuate the terms and conditions hereof.

The receipt by Assignee of any rents, income, issues or profits pursuant to this Assignment after the institution of foreclosure proceedings under the Mortgage shall not cure such default nor affect such proceedings or any sale pursuant thereto. Upon foreclosure of the Mortgage (for which this Assignment serves as additional security), it is understood by Assignor

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and Assignee that Assignee's rights under this Assignment continue through the period of foreclosure.

Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under any of the Leases, and Assignor hereby agrees to indemnify Assignee for, and to defend and save it harmless from, any and all liability arising from any of the Leases or from this Assignment (other than any liability arising out of Assignee's gross negligence or willful misconduct arising or following Assignee's acquisition of title to or control of the Premises, unless such act is taken in response to (1) any negligent act or omission of Borrower, or (2) any breach (other than failure to repay any of the obligations evidenced by the Note) by Borrower or Developer of any provisions of the instruments executed by Borrower or Developer, in connection with the Loan), and this Assignment shall not place responsibility for the control, care, management or repair of the Premises upon Assignee, or make Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger prior to Assignee's acquisition of title or control of the Premises.

Assignor covenants and represents that Assignor has full right and title to assign all Leases assigned hereunder and the rents, income, issues and profits due or to become due thereunder.

Any cure of any defaults by any of Assignor's members shall be deemed to be a cure by Assignor.

The full performance of the Mortgage and the duly recorded release or reconveyance of the Premises and security interests described therein shall render this Assignment void, and, upon the written request of Assignor, Assignee shall execute and deliver to Assignor a recordable release of this Assignment.

The net proceeds collected by Assignee under the terms of this Assignment following an Event of Default shall be applied, at the option of Assignee, to pay all costs and expenses in connection with the management and operation of the Premises, and/or to pay all or any portion of the entire indebtedness from time to time outstanding and secured by the Mortgage. Assignee shall not be accountable for any monies other than said net proceeds actually received by Assignee under the terms of this Assignment, nor shall Assignee be liable for any failure to collect rents or other payments due from lessees under the Leases assigned hereunder.

This Assignment applies to and binds the parties hereto and their respective heirs, administrators, executors, successors and assigns.

This Assignment shall be governed as to performance and interpretation in accordance with the internal laws of the State of Illinois, without regard to its conflict of law principles.

If any provision of this Assignment, or any paragraph, sentence, clause, phrase or word, or the application hereof in any circumstance, is held invalid, the remainder of this Assignment shall be construed as if such invalid part were never included herein, and this Assignment shall be and remain valid and enforceable to the fullest extent permitted by law.

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This Assignment is subject and subordinate to the Permitted Encumbrances listed on Exhibit B attached hereto.

All capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Mortgage.

The obligations of Assignor under this Assignment are limited solely to revenues, receipts, money and investments of Assignor with respect to the Development and to property of Assignor consisting of the Development, and not to any other property, revenues, receipts, money or investments. The obligations of Assignor under this Assignment are not obligations of any partners of Assignor, and no partners of Assignor shall have any obligation to make any capital contribution or loan to Assignor for the purpose of making any payment pursuant to this Assignment.

Assignor hereby acknowledges that any loan or transfer of public housing funds by Assignee shall not be or be deemed to be an assignment of such funds, and Assignor shall not succeed to any rights or benefits of Assignee under applicable grant or funding agreements between Assignee and HUD, or attain any privileges, authorities, interests, or rights in or under applicable grant or funding agreements between Assignee and HUD. Nothing contained in this Assignment, nor any act of HUD or Assignee shall be deemed or construed to create any relationship of third-party beneficiary, principal and agent, limited or general partnership, joint venture, or any association or relationship involving HUD, except between HUD and Assignee as provided by the terms of applicable grant agreements. In addition, there are otherwise no third-party beneficiaries of this Assignment and no third party shall have any rights under this Assignment.

Notwithstanding anything else to the contrary in this Assignment, the Operating Subsidy (as defined in the Regulatory Agreement) is assigned only to the extent permitted by such Regulatory and Operating Agreement, and the Tenant Housing Payments (as defined in the Regulatory and Operating Agreement) are excluded from this Assignment, to the extent that such Tenant Housing Payments constitute the property of Assignee pursuant to the Regulatory and Operating Agreement.

[Signature Appears on Following Page]

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IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment as of the date first written above.

ASSIGNOR:

NEW STERLING PARK LLC,
an Illinois limited liability company

By: New Sterling Park MM LLC,
an Illinois limited liability company
Its managing member

By: Mercy Sterling NFP, an Illinois not for profit
corporation, its managing member

By: 
Name: Mark A. Angelini
Title: President

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STATE OF ILLINOIS)
) ss
COUNTY OF ~~COOK~~)
Will

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Mark A. Anglini, personally known to me to be the President of Mercy Sterling NFP, an Illinois not for profit corporation, the managing member of New Sterling Park MM LLC, an Illinois limited liability company (the "Managing Member"), the managing member of New Sterling Park LLC, an Illinois limited liability company (the "Company"), 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 severally acknowledged that as such officer, he signed and delivered the said instrument, on behalf of the managing member of the Managing Member, as the free and voluntary act of such person, and as the free and voluntary act and deed of the Managing Member and the Company, for the uses and purposes therein set forth.

Given under my hand and official seal this 25th day of June, 2015.



(SEAL)

D. Nendick

Notary Public

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EXHIBIT A PREMISES LEGAL DESCRIPTION

PARCEL 1: (MDL BUILDING PARCEL)

THAT PART OF LOTS 7, 8 AND 9 IN BLOCK 1 IN HENRY E. VANCE'S RE-SUBDIVISION, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 21ST, 1904, AS DOCUMENT NO. 3635041, IN THE SOUTH EAST QUARTER OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE 3RD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT THE NORTHWEST CORNER OF SAID BLOCK 1, ALSO BEING THE INTERSECTION OF THE EAST RIGHT-OF-WAY LINE OF SOUTH HUMAN AVENUE AND THE SOUTH RIGHT-OF-WAY LINE OF WEST ARTHINGTON STREET; THENCE SOUTH 89 DEGREES 14 MINUTES 04 SECONDS EAST ALONG THE NORTH LINE OF SAID BLOCK 1, ALSO BEING SAID SOUTH RIGHT-OF-WAY LINE OF WEST ARTHINGTON STREET, A DISTANCE OF 489.02 FEET TO THE POINT OF BEGINNING; THENCE CONTINUING SOUTH 89 DEGREES 14 MINUTES 04 SECONDS EAST ALONG SAID NORTH LINE OF BLOCK 1, ALSO BEING SAID SOUTH RIGHT-OF-WAY LINE OF WEST ARTHINGTON STREET, A DISTANCE OF 108.77 FEET TO THE NORTHEAST CORNER OF LOT 7, ALSO BEING THE INTERSECTION OF SAID SOUTH RIGHT-OF-WAY LINE OF WEST ARTHINGTON STREET AND THE WEST RIGHT-OF-WAY LINE OF VACATED SOUTH SPAULDING AVENUE; THENCE SOUTH 00 DEGREES 26 MINUTES 04 SECONDS WEST ALONG THE EAST LINE OF SAID LOT 7, ALSO BEING SAID WEST RIGHT-OF-WAY LINE OF VACATED SOUTH SPAULDING AVENUE, A DISTANCE OF 337.62 FEET TO THE SOUTHEAST CORNER OF SAID LOT 7 ALSO BEING THE NORTH LINE OF THE B. & O. C.T. RAILROAD (FORMERLY THE CHICAGO AND GREAT WESTERN RAILROAD); THENCE NORTH 89 DEGREES 13 MINUTES 55 SECONDS WEST ALONG SAID SOUTH LINE OF BLOCK 1, ALSO BEING SAID NORTH RIGHT-OF-WAY LINE OF THE B. & O. C.T. RAILROAD, A DISTANCE OF 289.32 FEET; THENCE NORTH 00 DEGREES 40 MINUTES 38 SECONDS EAST, A DISTANCE OF 157.20 FEET TO A POINT ON THE SOUTHERLY FACE OF A ONE STORY BRICK BUILDING AS SAID BRICK BUILDING EXISTED ON SEPTEMBER 15, 1997; THENCE SOUTH 89 DEGREES 40 MINUTES 36 SECONDS EAST ALONG SAID SOUTHERLY BUILDING FACE AND THE EASTERLY EXTENSION THEREOF, A DISTANCE OF 179.12 FEET; THENCE NORTH 00 DEGREES 40 MINUTES 38 SECONDS EAST, A DISTANCE OF 179.02 FEET TO SAID POINT OF BEGINNING; ALL IN COOK COUNTY, ILLINOIS.

PARCEL 2:

ALL THAT PART OF SPAULDING AVENUE VACATED PER DOCUMENT NUMBER 0803703000 RECORDED FEBRUARY 6, 2008 AND LYING EAST OF AND ADJOINING PARCEL 2 AFORESAID, LYING SOUTH OF THE SOUTH LINE OF ARTHINGTON STREET AND NORTH OF THE B. & O. C.T. RAILROAD (FORMERLY THE CHICAGO AND GREAT WESTERN RAILROAD), LOCATED IN THE EAST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

PERPETUAL, NON-EXCLUSIVE EASEMENTS FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY THE AMENDED AND RESTATED CROSS-EASEMENT AGREEMENT RECORDED DECEMBER 19, 2008 AS DOCUMENT 0835422062, FOR RIGHT OF WAY AND RIGHT TO USE AND UTILIZE ALL PRIVATE ROADS, DRIVEWAYS, ALLEYWAYS OR OTHER PAVED OR CONCRETE PATHWAYS FOR VEHICULAR AND PEDESTRIAL INGRESS AND EGRESS TO AND FROM SOUTH HUMAN AVENUE AND WEST ARTHINGTON STREET; CERTAIN WATER EASEMENTS; ACCESS TO SUB-BASEMENT OF THE POWER PLANT BUILDING; MAINTENANCE AND RESTORATION

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EASEMENTS; AND ELECTRICAL EASEMENTS; OVER AND UPON PORTIONS OF THE LAND MORE PARTICULARLY DESCRIBED ON EXHIBIT 'A' AND AS DEPICTED ON OTHER EXHIBITS ATTACHED THERETO.

Property Address: 3301 West Arthington Street, Chicago, Illinois 60624

PIN: 16-14-417-009-0000 and 16-14-417-011-0000

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EXHIBIT B

PERMITTED ENCUMBRANCES

1. Real Estate Taxes not yet due and payable
2. Declaration of Restrictive Covenants by and between Chicago Housing Authority and New Sterling Park LLC.
3. Regulatory and Operating Agreement between Chicago Housing Authority and New Sterling Park LLC.
4. Right of first Refusal Agreement by and among New Sterling Park LLC, New Sterling Park MM LLC and Chicago Housing Authority.
5. Easement Agreement between Sterling Park Development L.L.C. and New Sterling Park LLC.
6. Regulatory Agreement between New Sterling Park LLC and the City of Chicago.
7. Tax Regulatory Agreement by and among New Sterling Park LLC, the Chicago Housing Authority and U.S. Bank National Association.
8. Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing made by New Sterling Park LLC to the Chicago Housing Authority.
9. Assignment of Mortgage made by the Chicago Housing Authority to Citibank, N.A.
10. Access and Tunnel Agreement in favor of Commonwealth Edison Company recorded as Document No. 14536234.
11. Urban Renewal Ordinance recorded as Document No. 20490451.
12. Amended and Restated Operating Agreement recorded as Document No. 0429516161.
13. Cross Easement Agreement recorded as Document 0429516160.
14. Amended and Restated Cross Easement Agreement recorded as Document No. 0835422062.
15. Grant of Easement recorded as Document No. 0612439090.
16. Vacation Ordinance recorded as Document No. 0803703000.

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SUBORDINATE ENCUMBRANCES

1. Junior Mortgage, Security Agreement and Fixture Filing made by New Sterling Park LLC to Mercy Housing Lakefront. [DCEO Loan].
2. Junior Mortgage, Assignment of Rents and Security Agreement made by New Sterling Park LLC to Mercy Housing Lakefront [AHP Loan].
3. Junior Mortgage, Assignment of Rents and Security Agreement made by New Sterling Park LLC to Sterling Park Development, L.L.C. [Seller Loan].
4. Subordinate Multifamily Mortgage, Assignment of Rents, Security Agreement and Fixture Filing made by New Sterling Park LLC to Citibank, N.A. [Citibank Subordinate Loan].
5. Regulatory and Use Agreement between Citibank, N.A. and New Sterling Park LLC.
6. Subordination Agreement (CHA) by and among Citibank, N.A., Chicago Housing Authority and New Sterling Park LLC.
7. Subordination and Intercreditor Agreement (DCEO and AHP Funds) by and among Citibank, N.A., Mercy Housing Lakefront and New Sterling Park LLC.
8. Subordination Agreement among Citibank, N.A., Sterling Park Development, L.L.C., and New Sterling Park LLC.
9. Subordination Agreement by and among New Sterling Park LLC, Mercy Housing Lakefront, and the Chicago Housing Authority.
10. Subordination Agreement by and among Sterling Park Development, L.L.C., New Sterling Park LLC and Chicago Housing Authority.
11. Subordination Agreement by and among New Sterling Park LLC, Citibank, N.A., and Chicago Housing Authority.
12. Right of First Refusal Agreement between New Sterling Park LLC, as grantor, Mercy Housing Lakefront and New Sterling Park MM LLC, as grantee.
13. Retention / Recapture Agreement for Rental Projects Using Low Income Housing Tax Credits (LIHTCs) dated as of May 1, 2015 by and among First Eagle Bank, Mercy Housing Lakefront, and New Sterling Park LLC AHP Loan.