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Illinois Anti-Predatory Lending Database Program



Doc#: 1519618052 Fee: \$78.00
RHSP Fee: \$9.00 RPPF Fee: \$1.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 07/15/2015 11:20 AM Pg: 1 of 21

Certificate of Exemption

Report Mortgage Fraud
800-532-8785

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

Address:

Street: 410 East Margaret Street

Street line 2:

City: Thornton

State: IL

ZIP Code: 60476

Lender: Turnstone Development Corporation

Borrower: Thorncreek Senior Living, L.P.

GIT 40014429 2/4 MS

Loan / Mortgage Amount: \$610,000.00

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: 9DBFC570-2C77-4A2E-802D-65532F8BE6CF

Execution date: 7/8/2015

CCRD REVIEWER

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This Document has been
prepared by:

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

and after recording
return to:

MB Financial Bank, N.A.
800 W. Madison
Chicago, Illinois 60607
Attn: Lesly Flores

MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING (Sponsor Loan -FHLB-AHP)

This Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Mortgage") is executed and made this 8th day of July, 2015, by THORNCREEK SENIOR LIVING, L.P., an Illinois limited partnership (the "Mortgagor"), whose address is c/o Turnstone Development Corporation, 4200 W. Peterson Avenue, Suite 140, Chicago, Illinois 60646 in favor of TURNSTONE DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation, whose address is 10 S. LaSalle Street, Suite 3510 Chicago, IL 60603-1038 (hereinafter called "Lender").

Reference is made to an Affordable Housing Program Agreement dated as of July 8, 2015 by and between the Federal Home Loan Bank of Chicago ("FHLBC"), MB Financial Bank, N.A. a national banking association in its capacity as the AHP lender (the "Member") and Lender as the same may be modified, amended and supplemented from time to time with the written consent of all parties thereto (the "AHP Agreement") relating to an affordable housing project in Thornton, Illinois (the "Project") to be developed by Mortgagor. Pursuant to the AHP Agreement, the FHLBC, through the Member, is making a grant (the "Grant") in the amount of Six Hundred Ten Thousand and No/100 Dollars (\$610,000.00) available to the Lender. Lender is contemporaneously using the proceeds of the Grant to make a loan to the Mortgagor (the "Loan"), as evidenced by a promissory note of even date herewith made by Mortgagor (the "Note") to the order of Lender. The maturity date under the Note is July 7, 2046 (the "Maturity Date") and unpaid principal under the Note shall bear interest the rate of .77% per annum.

Reference is also made to an Affordable Housing Program Repayment Agreement dated as of an even date herewith, by and among the Mortgagor, Lender and Member (the

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"Repayment Agreement") pursuant to which the Mortgagor and the Lender unconditionally promise, for a period of fifteen (15) years from the date of Project completion (a) to comply with the affordable housing payments provisions of Section 721 of the Financial Institutions Reform, Recovery and Enforcement act of 1989; (b) to pay and reimburse the Member for the amount of the Grant in the event of a default under the Repayment Agreement which Member may be required to repay to FHLBC and to indemnify Member with respect to all fees, charges, expenses and other indebtedness described in the Repayment Agreement; and (c) to perform all of Mortgagor's and Lender's covenants, agreements and obligations under the AHP Agreement, the Repayment Agreement and any other documents evidencing or securing the Grant.

NOW, THEREFORE, to secure to Lender: (a) the repayment of: (i) the indebtedness evidenced by the Note; (ii) any future advances made under the documents evidencing and securing the Loan; and (iii) all other sums advanced in accordance herewith to protect the security of this Mortgage, all with interest thereon; and (b) the performance of the covenants and agreements of Mortgagor herein contained, including, without limitation, those covenants contained in Sections 12 and 17 hereof, Mortgagor does hereby execute and deliver this Mortgage, and hereby grants and conveys to Lender a security interest in all of Mortgagor's estate, title and interest in the property located in Thornton, Illinois as described on Exhibit A, attached hereto and made a part hereof (the "Property"); and

In furtherance hereof, the Mortgagor represents and covenants to Lender:

1. That at the execution and delivery of this Mortgage, Mortgagor is well-seized of the Property in fee simple, has good and marketable title and the right to bargain and sell the same in manner and form as above written, that the same is free from all encumbrances whatsoever except for easements, covenants, conditions, restrictions, limitations and liens of record on the date hereof; and that Mortgagor will warrant and defend said Property, as above conveyed, with the above-mentioned appurtenances to the said Lender, its successors, agents and assigns, forever, against all lawful claims or demands whatsoever.

That the lien, pledge and security interest of this Mortgage is a good and valid lien, pledge and security interest on all of the Property, subject to those encumbrances listed on Exhibit B and the senior loans listed in this Section 2 below (collectively the "Senior Loans"). This Mortgage and all rights granted to the Lender hereunder are subject and subordinate to in all respects to the following: (i) the lien of that mortgage dated as of September 29, 2014 executed and delivered by Borrower to and in favor of Member, in its capacity as the Project's construction lender, securing repayment of a \$8,294,261 first mortgage loan and recorded with the Cook County Recorder's Office the ("Recorder's Office") October 1, 2014 as document number 1427429066 (ii) the lien of that certain junior mortgage of September 26, 2014 and delivered by Borrower in favor of Cook County, Illinois, a body politic and corporate ("Cook County") securing repayment of a loan in the amount of \$2,400,000 recorded as Document No. 1427429069 and the Declaration of Restrictive Covenants between the Borrower and Cook County recorded in the Recorder's Office as document no. 1427429065; (iii) Low Income Housing Tax Credit Extended Use Agreement dated September 29, 2014 and recorded October 1, 2014 as Document No. 1427429064 by and

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between the Authority and Borrower; and (iii) the liens of those certain junior mortgages dated as of September 29, 2014 and delivered by Borrower in favor of Lender, securing repayment of loans in the amounts of \$141,600 and 157,700 recorded as Document Nos. 1427429072 and 1427429073, MB Financial Bank, N.A. and Cook County are collectively referred to as the "Senior Lenders".

1. To promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, late charges as provided in the Note, and the principal of and interest on any future advances secured by this Mortgage. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any amount thereof. Mortgagor acknowledges that Lender is required to deliver to the Federal Home Loan Bank of Chicago all payments made by Mortgagor pursuant to the Note in accordance with 12 C.F.R. Section 1291.9(a)(9).

2. To pay all taxes, water rates, public or private utility charges, and other governmental or municipal charges, fines, impositions, assessments, of any kind levied or imposed against the Property, and, upon request therefor, to promptly deliver the official receipts thereof to Lender or its designated agent. Tax receipts are to be delivered semi-annually and within 30 days after payment.

3. To keep the Property fully insured for the benefit of Lender in insurance companies acceptable to Lender, to provide certificates of insurance of the policies of insurance to Lender or its designated agent, and to name Lender as beneficiary on the face of said insurance policy. Receipts for payment of such insurance premiums are to be delivered not less than annually.

Provided that Sections 4 and 5 shall be deemed as properly performed by Mortgagor to the extent that any Senior Loan is in effect which makes full provisions for the fulfillment of all such obligations of Mortgagor, so long as the Lender is added as a named beneficiary of said insurance policies, and receipts are promptly delivered to Lender or its designated agent.

4. Subject to the rights of the Senior Lenders, to assign to Lender (subject to Senior Lenders' rights), the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or any part thereof, or for conveyance in lieu of condemnation. Said proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Mortgagor. Subject to the rights of the Senior Lenders, in the event of a partial taking of the Property, there shall be applied to the sums secured by this Mortgage such proportions of the proceeds as are equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of the taking bears to the fair market value of the Property immediately before taking, with the balance of the proceeds paid to Mortgagor.

Unless Member, Lender and Mortgagor otherwise agree in writing, any such applications of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in the recitals above, or change the amount of such installments.

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5. To pay to Lender or its designated agent the total amount due under this Mortgage upon demand, should Lender accelerate the indebtedness pursuant to Section 13 below.

6. To keep the Property in as good order and condition as they are now, together with any improvements thereon, reasonable wear and tear excepted, and will not commit or permit waste and shall make all necessary or appropriate repairs, replacements and renewals thereof, interior, exterior, structural and non-structural, ordinary and extraordinary, foreseen and unforeseen. Mortgagor shall not do, or permit to be done, any act or thing which might materially impair the value or usefulness of the Property or any part thereof, shall not commit or permit any waste of the Property or any part thereof, and shall not permit any unlawful occupation, business or trade involving the Property to be conducted. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Mortgagor notice prior to any such inspections specifying reasonable cause therefor related to Lender's interest in the Property.

7. Mortgagor shall, at Mortgagor's own expense, from time to time as requested by Lender, take such actions and execute and deliver to Lender all such instruments, supplements, further assurances and security or other agreements as may be required or requested by Lender in order to perfect and continue Lender's lien, pledge and security interest in the Property hereunder. Mortgagor hereby irrevocably appoints Lender as Mortgagor's agent and attorney-in-fact to sign all such instruments, supplements, further assurances and security and other agreements in the event that Mortgagor shall fail to do so upon request by Lender.

8. Except as otherwise expressly permitted by the Note and this Mortgage, Mortgagor shall not directly or indirectly sell, convey, assign, transfer or otherwise dispose of fee title to the Project facilities or any part thereof or interest therein without the prior written consent of Lender. Mortgagor shall not directly or indirectly create or permit to remain, and will promptly discharge, any mortgage, lien, encumbrance or charge on, pledge of, security interest in or conditional sale or other title retention agreement with respect to the Property or any part thereof or the interest of Lender therein or any revenues, income or profit or other sums arising from the Property or any part thereof, other than the Senior Loans and those encumbrances listed on Exhibit B. Mortgagor have no right to assign or transfer any of its rights or obligations under this Mortgage or the Note without the express written consent of the Lender and Member. Notwithstanding the foregoing, no consent by Lender shall be necessary in connection with the transfer of partnership interests in the Mortgagor.

9. Mortgagor shall not suffer or permit any mechanics' or other liens to be filed or to exist against the Property or any payments paid or payable under the Subsidy Documents (as defined below) , by reason of work, labor, services or materials supplied or claimed to have been supplied to, for or in connection with the Property or to Mortgagor, or anyone holding the Property or any part thereof through or under Mortgagor. If any such lien shall at any time be filed, Mortgagor shall, within thirty (30) days after notice of the filing thereof but subject to the right to contest as herein set forth, cause the same to be discharged of record by payment, deposit, bond, order of a court of competent jurisdiction or otherwise. Notwithstanding the foregoing, Mortgagor shall have the right, at Mortgagor's expense and

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after written notice to Lender, by appropriate proceeding timely instituted and diligently prosecuted, to contest in good faith the validity or the amount of any such lien. If, however, Lender shall notify Mortgagor that, in the opinion of independent counsel, by nonpayment of any such items the lien, pledge or security interest created by this Mortgage as to any part of the Property will be materially affected or the Property or any part thereof will be subject to imminent loss or forfeiture, Mortgagor shall promptly cause such lien to be discharged of record, as herein provided.

10. Mortgagor shall observe, comply with and fulfill all obligations of itself or Lender set forth in the AHP Agreement and the Repayment Agreement.

11. Upon: (a) the breach of any condition or covenant of this Mortgage, the AHP Agreement, the Repayment Agreement, certain other AHP documents described in said Exhibit C attached hereto and made a part hereof, and all other documents (the "Subsidy Documents"), whether now or hereafter existing, that are executed and delivered as additional evidence of, or security for, the performance and repayment of the obligations of Mortgagor and/or Lender in connection with the Grant; (b) a determination by the FHLBC pursuant to the AHP Agreement that a material portion of the subsidy (as such term is used in the AHP Agreement) must be repaid to the FHLBC; or (c) a default under the Note secured hereby, Lender, or Member upon the assignment by Lender of the Note and this Mortgage to Member pursuant to that certain Collateral Assignment of Note and Mortgage dated as of an even date herewith between Mortgagor and Member (the "Assignment"), has the following remedies, subject to the rights of Senior Lenders:

a. Foreclosure proceedings may be instituted at the option of Lender, and the fees and charges of Lender's attorneys shall be a further lien and charge upon the Property under this Mortgage, and all such expenses shall become additional indebtedness secured by this Mortgage and shall be allowed in any decree foreclosing this Mortgage.

b. Acceleration of the unpaid principal balance together with all interest and charges thereon, may, at the option of the Lender, be declared immediately due and payable, without notice or demand, such notice or demand being expressly waived by Mortgagor.

c. Exercise of all or any rights and remedies Lender may have under the Loan Documents; and of any rights, remedies and powers Lender may have at law or in equity.

Notwithstanding anything contained in this Section 11 to the contrary with respect to a default or breach of condition or covenant under the Note or this Mortgage (but excluding a breach of condition or covenant contained in Section 21 of this Mortgage), Mortgagor shall have thirty (30) days after receiving written notice from Lender or Member of the same, to cure said default or breach prior to the exercise of the remedies provided in this Section 11.

12. Upon failure of Mortgagor to pay any taxes, water rates, public or private utilities, other governmental charges, insurances policy premiums, prior liens, and charges thereon, which Mortgagor has agreed to pay under Sections 4 and 5 above, Lender may, at its option, pay the same, and any amount so paid by Lender shall be added to the principal

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debt named herein and bear interest at the rate charged by the first lienholder, payable monthly, from the date of such payment, and shall be secured by this Mortgage.

13. Subject to the rights of Senior Lenders and upon the occurrence of a default that is not cured as set forth in Section 11 above, Lender shall have the right at its option, to collect the rental income and proceeds of the Property, or to appoint a receiver to take possession of and manage and control the premises.

14. Any forbearance by the Lender in exercising any right or remedy hereunder, or otherwise provided by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised cumulatively, concurrently, independently or successively.

15. Indemnification. Mortgagor shall protect, indemnify and save harmless Lender from and against all liabilities, obligations, claims, damages, penalties, causes of action, costs and expenses (including, without limitation, reasonable attorneys' fees and expenses except as may be limited by law or judicial order or decision entered in any action brought to recover moneys under this Section) imposed upon, incurred by or asserted against Lender by reason of (a) ownership of any interest in the Property; (b) any accident or injury to or death of persons, or loss of or damage to property occurring on or about the Property or any part thereof or adjacent real property, sidewalks, curbs, vaults and vault space, if any, streets or ways or with respect to the operation of Mortgagor's business including but not limited to Mortgagor's ownership of or interest in any of the Property or any part thereof; (c) any use, disuse, non-use or condition of the Property or any part thereof or adjacent real property sidewalks, curbs, vaults and vault space, if any, streets or ways; (d) any failure on the part of Mortgagor to perform or comply with any of the terms hereof or of the Note or any other instrument or document executed in connection with the transactions contemplated herein and therein; (e) any necessity to defend any right, title or interest conveyed by this Mortgage or to defend any action arising from the creation or perfection of any such right, title or interest; (f) the performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof; (g) any loss of or damage to property, or injury to or death of any person, that may be occasioned by any cause pertaining to the provision of any part of the Property; (h) any breach or default arising from any act or failure to act by Mortgagor or any of its agents, lessees, contractors, servants, employees or licensees or arising from any accident, injury or damage caused to any person and occurring with respect to the operation of Mortgagor's business including Mortgagor's ownership of or interest in any of the Property; or (i) any such claim, action, or proceeding brought thereon. If any action or proceeding is made or brought against the Lender in respect of which indemnity may be sought hereunder, Lender shall give notice to Mortgagor of the action or proceeding, and shall give the Investor the same written notice (Investor's address for notice purposes is indicated in Section 18 below), and upon such notice, at the option of Lender, (1) Mortgagor shall assume the defense of the action or proceeding with legal counsel satisfactory to Lender, (2) Mortgagor shall assume the defense of the action or proceeding with the participation of Lender at Mortgagor's expense, or (3) Lender shall assume the defense of the action or proceeding with legal

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counsel satisfactory to Lender at Mortgagor's expense; provided that failure of Lender to give such notice shall not relieve Mortgagor from any of Mortgagor's obligations under this Section unless the failure prejudices the defense by Mortgagor of the action or proceeding. Any amounts payable to Lender under this Section shall be paid by Mortgagor on demand together with interest thereon at the per annum rate equal to the Wall Street Journal's prime rate of interest plus 5% from the date thereof in addition to all other payments to be made by the Mortgagor pursuant to the Loan Documents and shall be subject to and secured by this Mortgage and Security Agreement as additional indebtedness under this Mortgage. The obligations of Mortgagor under this Section shall survive any defeasance of this Mortgage and Security Agreement. The indemnification provided by this Section to Lender includes its officers, employees, agents, representatives and its successors and assigns, including, without limitation, Member, as assignee under the Assignment.

16. In case of any damage to or destruction of the Property or any part thereof, there shall be no abatement or reduction of any payment payable by the Mortgagor under the Note and Mortgagor shall promptly give written notice thereof to the Lender generally describing the nature and extent of such damage or destruction.

17. FHLBC AHP Provisions. Mortgagor covenants that: (i) the Property's rental units, or applicable portion thereof, shall remain occupied by and affordable for households with incomes at or below the levels committed to be served in the Application for the Affordable Housing Program dated June 19, 2014 ("**Application**") submitted by Lender to the FHLBC for the 15 year duration of the retention period under the AHP Agreement (the "**Retention Period**"); (ii) during the Retention Period, Mortgagor shall comply with the terms of the AHP Regulations (as defined in the Repayment Agreement) in connection with its operation of the Property; (iii) Mortgagor shall give notice to the Lender, the Member and FHLBC of any sale, refinancing, foreclosure, or transfer in lieu of foreclosure of the Property occurring prior to the end of the Retention Period; (iv) in the case of a sale or refinancing of the Property prior to the end of the Retention Period, the remaining portion of the principal balance of the Note shall be immediately due and payable, unless (a) the Property continues to be subject to a deed restriction or other legally enforceable retention agreement or mechanism incorporating the income-eligibility and affordability restrictions committed to in the Application for the duration of the Retention Period, or (b) if authorized in a writing signed by the FHLBC in the exercise of its sole discretion, the households are relocated, due to the exercise of eminent domain, or for expansion of housing or services, to another property that is made subject to a deed restriction or other legally enforceable retention agreement or instrument incorporating the income-eligibility and affordability restrictions committed to in the Application for the duration of the Retention period; and (v) provided, however, that the foregoing income-eligibility and affordability restrictions shall terminate upon foreclosure of this Mortgage or of any mortgage having priority over this Mortgage.

18. All notices hereunder to Lender shall be delivered to:

Turnstone Development Corporation

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10 S. LaSalle Street, Suite 3510
Chicago, IL 60603-1038
Attn: Bill Schneider

All notices hereunder to Mortgagor shall be delivered to:

Thorncreek Senior Living, L.P.
10 S. LaSalle Street, Suite 3510
Chicago, IL 60603-1038
Attn: Bill Schneider

With copies to:

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

And

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

Any notice required under this Mortgage shall simultaneously be provided to Member at:

MB Financial Bank, N.A.
800 W. Madison
Chicago, Illinois 60607
Attention: Lesly Flores

or such other address provided by Member from time to time.

19. The covenants contained herein shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, successors, assigns and agents of the parties hereto. Whenever used, the singular number shall include the plural, and the use of any gender shall include all genders.

20. This Mortgage shall be governed by the laws of the State of Illinois. The invalidity of any clause, part or provision of this Mortgage shall not affect the validity of the remaining portions thereof. In the event of conflict in the terms and provisions of this

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mortgage and any other loan document of even date herewith, the provisions of this Mortgage shall be deemed controlling.

21. Simultaneously with the delivery to Mortgagor of a notice of any default or breach by Mortgagor under this Mortgage or the Note, Lender shall deliver a copy of such notice to Mortgagor's limited partner at the address set forth in Section 18 above. Following receipt of such notice, Mortgagor's limited partner shall have such opportunity to cure such default or breach as is provided to Mortgagor under this Mortgage or the Note. Lender agrees to accept any cure of such default or breach tendered by Mortgagor's limited partner on the same basis as if such cure had been tendered by Mortgagor.

22. Mortgagor represents, warrants and covenants to Lender that during the period of Mortgagor's ownership or use of the Property: (a) no substance will be present, used, stored, deposited, treated, recycled or disposed of on, under, in or about the Property in a form, quantity or manner which if known to be present on, under, in or about the 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 Lender, 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 Property, or the transportation of any Hazardous Substance to or from the 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 of any Hazardous Substance on, under, in or about the Property, or the transportation of any Hazardous Substance to or from the Property.

23. MORTGAGOR AND LENDER 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 LENDER 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.

24. TO THE EXTENT PERMITTED BY APPLICABLE LAW, MORTGAGOR SHALL NOT ASSERT, AND HEREBY WAIVES, ANY CLAIM AGAINST LENDER, 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.

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25. 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 Lender and with the prior written consent of Member.

[Signature page follows]

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Signature page to Mortgage (Sponsor Loan -FHLB-AHP)

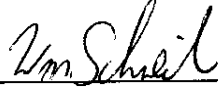
IN WITNESS WHEREOF, MORTGAGOR has executed this Mortgage as of the date set forth hereinabove.

THORNCREEK SENIOR LIVING, L.P.,
an Illinois limited partnership

By: Thorncreek Investors, LLC,
an Illinois limited liability company,
its general partner

By: Turnstone Thorncreek, LLC, its managing member

By: Turnstone Development Corporation, an
Illinois not for profit corporation

By: 
Name: William Schneider
Title: Executive Director

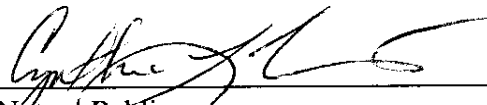
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that William Schneider, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the Executive Director, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said partnership for the uses and purposes therein.

Given under my hand and notarial seal this 9th day of July, 2015.



Notary Public

My Commission Expires: 12/9/18



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EXHIBIT A LEGAL DESCRIPTION

PARCEL 1:

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

PARCEL 2:

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

BEGINNING AT THE NORTHWEST CORNER OF SAID LOT 1; THENCE NORTH 89 DEGREES 53 MINUTES 55 SECONDS EAST, A DISTANCE OF 150.00 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 10.00 FEET; THENCE SOUTH 89 DEGREES 53 MINUTES 55 SECONDS WEST, A DISTANCE OF 14.50 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 75.97 FEET THENCE NORTH 90 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 135.50 FEET; THENCE NORTH 00 DEGREES 00 MINUTES 00 SECONDS WEST, A DISTANCE OF 133.75 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR TEMPORARY CONSTRUCTION ACCESS, AS CREATED BY THE EASEMENT AGREEMENT DATED OCTOBER 5, 2014 MADE BY AND BETWEEN THE VILLAGE OF THORNTON AND THORNCREEK SENIOR LIVING, L.P., RECORDED OCTOBER 21, 2014 AS DOCUMENT NO. 1429416067 OVER, UNDER AND ACROSS THOSE PORTIONS OF THE FOLLOWING DESCRIBED PROPERTY AS ARE REASONABLY NECESSARY TO ALLOW THE GRANTEE TO CONSTRUCT AND THEREAFTER REPAIR OR MAINTAIN THE PROJECT (AS THEREIN DEFINED):

BEGINNING AT A POINT 180 FEET NORTH OF THE NORTH LINE OF MARGARET STREET AND 170.0 FEET EAST OF THE EAST LINE OF BLACKSTONE STREET; THENCE EAST PARALLEL WITH THE NORTH LINE OF MARGARET STREET 60.0 FEET; THENCE SOUTH PARALLEL WITH THE EAST LINE OF BLACKSTONE STREET 40.0 FEET; THENCE SOUTHWESTERLY TO A POINT 130.0 FEET NORTH OF THE NORTH LINE OF MARGARET STREET 220.0 FEET EAST OF THE EAST LINE OF BLACKSTONE STREET; THENCE WEST 50.0

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FEET; THENCE NORTH 50.0 FEET TO THE POINT OF BEGINNING, ALL IN THE EAST HALF OF THE WEST HALF OF SECTION 34, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4:

EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL 1 FOR LANDSCAPING AS CREATED BY THE EASEMENT AGREEMENT DATED OCTOBER 6, 2014 MADE BY AND BETWEEN THE VILLAGE OF THORNTON AND THORNCREEK SENIOR LIVING, L.P., RECORDED OCTOBER 21, 2014 AS DOCUMENT NO. 1429416067 ON THE PROPERTY SHOWN ON EXHIBIT C OF SAID AGREEMENT, BEING A PART OF THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT A POINT 180 FEET NORTH OF THE NORTH LINE OF MARGARET STREET AND 170.0 FEET EAST OF THE EAST LINE OF BLACKSTONE STREET; THENCE EAST PARALLEL WITH THE NORTH LINE OF MARGARET STREET 60.0 FEET; THENCE SOUTH PARALLEL WITH THE EAST LINE OF BLACKSTONE STREET 40.0 FEET; THENCE SOUTHWESTERLY TO A POINT 130.0 FEET NORTH OF THE NORTH LINE OF MARGARET STREET 220.0 FEET EAST OF THE EAST LINE OF BLACKSTONE STREET; THENCE WEST 50.0 FEET; THENCE NORTH 50.0 FEET TO THE POINT OF BEGINNING, ALL IN THE EAST HALF OF THE WEST HALF OF SECTION 34, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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

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Exhibit B
Permitted Encumbrances

Matters identified on Schedule B of that certain Owner's Policy of Title Insurance issued by Chicago Title Insurance Company to Mortgagor as Policy No. 124212-1-40014429-2014.72306-92185664.

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EXHIBIT C Subsidy Agreements

The term "Subsidy Documents," as used herein, means the following documents and any other documents previously, now, or hereafter given to evidence, secure, or govern the obligations to the Member by the Mortgagee or Mortgagor, including any and all extensions, renewals, amendments, modifications, and supplements thereof or thereto:

1. The Application;
2. The Rental Worksheet;
3. The AHP Agreement;
4. The Repayment Agreement
5. The Promissory Note (AHP Rental Project) executed by Mortgagee to the order of Member and dated as of an even date herewith; and
6. This Mortgage
7. The Promissory Note of even date herewith by Mortgagor in favor of Mortgagee
8. Collateral Assignment Of Promissory Note And Junior Mortgage of even date herewith by Mortgagee in favor of MB Financial Bank N.A.

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RIDER TO LOAN DOCUMENTS

This Rider is attached to and made a part of the Promissory Note and Junior Mortgage, Assignment of Rents and Security Agreement ("Mortgage") evidencing, securing, and governing a loan in the amount of Six Hundred Ten Thousand and No/100 Dollars (\$610,000) (the "Loan") made by Turnstone Development Corporation ("Lender") to Thorncreek Senior Living, L.P. ("Borrower" or "Partnership") for the construction or rehabilitation of Thorncreek Senior Living Apartments, 410 Margaret Drive, Thornton, Illinois (the "Project"). The Amended and Restated Agreement of Limited continuing the Partnership is referred to herein as the "Partnership Agreement". All capitalized terms not defined herein shall have the meanings ascribed to them in the Mortgage.

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

1. **[Intentionally Omitted]**
2. **General Partner Change**. The withdrawal, removal, and/or replacement of a general partner of the Partnership pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that any required substitute general partner is reasonably acceptable to Lender, is approved by MB Financial Bank N.A. ("Member Bank") and the Federal Home Loan Bank of Chicago, and is selected with reasonable promptness.
3. **Monetary Default**. If a monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and each of the general and limited partners of the Partnership, as identified in the Partnership Agreement, simultaneous written notice of such default. Borrower shall have a period of seven (7) days after such notice is given within which to cure the default prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in the Loan Documents.
4. **Non-Monetary Default**. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and each of the general and limited partners of the Partnership, as identified in the Partnership Agreement, simultaneous written notice of such default. Unless a shorter period of time is required by the Recapture Agreement, if the default is reasonably capable of being cured within thirty (30) days, Borrower shall have such period to effect a cure prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. Unless a shorter period of time is required by the Recapture 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 Borrower (a) initiates corrective action within said period, and (b) diligently, continually, and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Lender. If Borrower fails to take corrective action or to cure the default within a reasonable time, Lender shall give Borrower and each of the general and limited partners of the Partnership written notice thereof, whereupon the limited partner may remove and replace the general partner with a substitute general partner who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. In no event shall Lender be precluded from exercising remedies if its security becomes

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or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

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

6. **Force Majeure.** There shall be no default for construction or rehabilitation delays beyond the reasonable control of Borrower, provided that such delays do not exceed one hundred eighty (180) days, or such longer period of time as may be specified in the Loan Documents.

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

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

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

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

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

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In Witness Whereof, the undersigned have caused this Rider to be executed this 8th day of July, 2015.

Borrower:

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

By: Thorncreek Investors, LLC
its general partner

By: Turnstone Thorncreek, LLC,
its managing member

By: Turnstone Development Corporation, its sole
member

By: Wm Schneider
William Schneider, its Executive Director

Lender:

Turnstone Development Corporation,
an Illinois non-for-profit corporation

By: Wm Schneider
William Schneider, Executive Director

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