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Illinois Anti-Predatory  
Lending Database  
Program



Doc#: 1611822252 Fee: \$104.00  
RHSP Fee: \$9.00 RPRF Fee: \$1.00  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 04/27/2016 03:26 PM Pg: 1 of 31

Certificate of Exemption

Report Mortgage Fraud  
800-532-8785

The property identified as: **PIN:** 17-18-118-001

**Address:**

**Street:** 2040 W. Jackson

**Street line 2:**

**City:** Chicago

**State:** IL

**ZIP Code:** 60612

**Lender:** Hispanic Housing Development Corporation

**Borrower:** Damen Court Preservation, L.P.

**Loan / Mortgage Amount:** \$640,000.00

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.

GIT 40019379 11/12

**Certificate number:** 4A9B242B-499D-4FE5-B264-8599610126BD

**Execution date:** 4/1/2016

Rvsto 31p98

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This Document Prepared by and  
Return to:

Laura E. Tilly, Esq.  
Miner, Barnhill & Galland, P.C.  
325 N. LaSalle Street, Suite 350  
Chicago, IL 60654

**MORTGAGE, ASSIGNMENT OF LEASES AND RENTS,  
SECURITY AGREEMENT AND  
FINANCING STATEMENT**

THIS MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FINANCING STATEMENT (the "Mortgage") is made as of April 1, 2016 by and between DAMEN COURT PRESERVATION, L.P., an Illinois limited partnership (the "Mortgagor") and HISPANIC HOUSING DEVELOPMENT CORPORATION, an Illinois not-for-profit corporation (the "Mortgagee"), whose mailing address is 325 N. Wells Street, 8<sup>th</sup> Floor, Chicago, IL 60654.

**WITNESSETH:**

WHEREAS, the Mortgagor is justly indebted to the Mortgagee in the principal sum of SIX HUNDRED FORTY THOUSAND AND NO/100 DOLLARS (\$640,000.00) (the "Loan") evidenced by a certain Surplus Cash Note, executed by Mortgagor in favor of Mortgagee of even date herewith (the "Note"), whereby the Mortgagor promises to pay the said aggregate principal sum, late charges and interest and other obligations (collectively, the "Indebtedness") at the rate or rates and in installments, all as provided in the Note, the terms of which are hereby incorporated herein by this reference. The final payment of principal and interest, if not sooner paid, shall be due on the maturity date as set forth in the Note; and

NOW THEREFORE, the Mortgagor, to secure the payment of said principal sum of money and said interest and late charges and other obligations in accordance with the terms, provisions and limitations of this Mortgage and of the Note, and the performance and the covenants and agreements herein contained by the Mortgagor to be performed, and also in consideration of the sum of ONE DOLLAR (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, REMISE, RELEASE, ALIEN AND CONVEY unto the Mortgagee and its successors and assigns, the following described parcels of real estate and all of its present and hereafter-acquired estate, right, title and interest therein, situated, lying and being in the County of Cook and State of Illinois to-wit:

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## SEE LEGAL DESCRIPTION ATTACHED HERETO AND MADE A PART HEREOF AS **EXHIBIT A**

which, with the property hereinafter described, is collectively referred to herein as the "Premises";

TOGETHER with all improvements, tenements, reversions, remainders, easements, fixtures and appurtenances now or hereafter thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily); all tenant security deposits, utility deposits and insurance premium rebates to which Mortgagor may be entitled or which Mortgagor may be holding; and all shades, awnings, venetian blinds, screens, screen doors, storm doors and windows, stoves and ranges, refrigerators, curtain fixtures, partitions and attached floor covering now or hereafter therein or thereon, and all fixtures, apparatus, equipment and articles now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation (whether single units or centrally controlled) all rents, issues, profits, income and other benefits now or hereafter arising from or in respect to the Premises, improvements or appurtenances (the "Rents"), it being intended that this granting clause shall constitute an absolute and present assignment of the Rents; any and all leases, licenses and other occupancy agreements now or hereafter affecting the Premises; including (without restricting the foregoing): all fixtures, apparatus, equipment and articles which relate to the use, occupancy, and enjoyment of the Premises, it being understood that the enumeration of any specific articles of property shall in no way exclude or be held to exclude any items of property not specifically mentioned. All of the land, estate and property hereinabove described, real, personal and mixed, whether affixed or annexed or not (except where otherwise hereinabove specified) and all rights hereby conveyed and mortgaged are intended so to be as a unit and are hereby understood, agreed and declared (to the maximum extent permitted by law) to form part and parcel of the real estate and to be appropriated to the use of the real estate, and shall be, for the purposes of this Mortgage, deemed to be real estate and conveyed and mortgaged hereby.

TO HAVE AND TO HOLD the Premises unto the Mortgagee and its successor and assigns forever, for the purposes and uses herein set forth.

### IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens, etc.

Mortgagor shall: (a) promptly repair, restore or rebuild any buildings and other improvements now or hereafter on the Premises which may become damaged or destroyed to substantially the same character as prior to such damage or destruction, without regard to the availability or adequacy of any casualty insurance proceeds or eminent domain awards so long as insurance proceeds are actually disbursed by Mortgagee to Mortgagor; (b) keep the Premises constantly in good condition and repair, without waste; (c) keep the Premises free from mechanics' liens or other liens or claims for lien (collectively called "Liens"), subject, however, to the rights of Mortgagor set forth to contest such liens by appropriate proceedings, diligently pursued; (d) immediately pay when due any indebtedness which may be secured by a lien or

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charge on the Premises (no such lien being permitted hereunder), and upon request exhibit satisfactory evidence of the discharge of such lien to Mortgagee; (e) complete within a reasonable time any building(s) or other improvement(s) now or at any time in process of erection upon the Premises; (f) comply with federal, state and local requirements of law, regulations, ordinances, orders and judgments and all covenants, easements and restrictions of record with respect to the Premises and the use thereof; (g) suffer or permit no change in the general nature of the occupancy of the Premises without Mortgagee's prior written consent; (h) observe and comply with all conditions and requirements (if any) necessary to preserve and extend all rights, easements, licenses, permits (including without limitation zoning variations and any non-conforming uses and structures), privileges, franchises and concessions applicable to the Premises or contracted for in connection with any present or future use of the Premises; (j) not commence any excavation, construction, earth work, or site work without Mortgagee's prior written consent; and (i) pay each item of Indebtedness secured by this Mortgage when due according to the terms hereof and of the Note.

## 2. Payment of Taxes.

Mortgagor shall pay all general taxes before any penalty or interest attaches, and shall pay special taxes, special assessments, water charges, sewer service charges, and all other charges against the Premises of any nature whatsoever when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor within thirty (30) days following the date of payment. Mortgagor shall pay in full "under protest" any tax or assessment which Mortgagor may desire to contest, in the manner provided by law.

## 3. Insurance.

Mortgagor shall cause to be kept all buildings and improvements and the Collateral (as defined below) now or hereafter situated on said Premises insured against loss or damage by fire on a so-called "All Risks" (Special Perils) basis, including earthquake and flood when these risks are present in the determination of Mortgagee, and against such other hazards and without coinsurance as may be required by Mortgagee, in an amount which shall not be less than ninety percent (90%) of the full insurable replacement cost of the Premises without deduction for foundations or footings, including without limitation of the generality of the foregoing: (a) rent loss or business interruption insurance written on a Gross Rental Income, Gross Profits or Extended Period of Indemnity form in an amount equal to one hundred percent (100%) of the projected rents or revenue with a minimum period of indemnity of twelve (12) months or greater if required by Mortgagee; and (b) earthquake, boiler and machinery, and flood insurance whenever the same is available, and in the opinion of Mortgagee, such protection is necessary. Mortgagor shall also provide general liability insurance for personal injury and death and property damage in the minimum amount of Two Million Dollars for any one occurrence. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts reasonably satisfactory to Mortgagee, with waiver of subrogation and replacement cost endorsements and a standard non-contributory mortgagee clause attached to all policies, including a provision requiring that the coverages evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagee. All insurance required hereunder shall name Mortgagee as Mortgagee, Additional Insured and Lender's Loss Payee.

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4. Observance of Lease Assignment.
- a. As additional security for the performance of the and the payment of the Notes and for the faithful performance of the terms and conditions contained herein, Mortgagor assigns to the Mortgagee all of its right, title and interest as landlord in and to the leases, if any, and all future leases of the Premises.
- b. Mortgagor will not without Mortgagee's prior written consent: (i) execute any assignment or pledge of any rents or any leases of the Premises except an assignment or pledge securing the Indebtedness; or (ii) accept any payment of an installment of rent more than thirty (30) days before the due date thereof; or (iii) make any lease of the Premises except for actual occupancy by the tenant thereunder.
- c. Mortgagor, at its sole cost and expense, will: (i) at all times promptly and faithfully abide by, discharge and perform all of the covenants, conditions and agreements contained in all leases of the Premises, on the part of the landlord thereunder to be kept and performed; (ii) enforce or secure the performance of all of the covenants, conditions and agreements of such leases on the part of the tenants to be kept and performed, but Mortgagor shall not modify, amend, cancel, terminate or accept surrender of any lease (other than a sublease or new lease in the ordinary course of business) without prior written consent of Mortgagee; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with such leases or the obligations, duties or liabilities of the landlord or of any tenants thereunder; (iv) transfer and collaterally assign or cause to be separately transferred and collaterally assigned to Mortgagee, upon written request of Mortgagee, any lease or leases of the Premises heretofore or hereafter entered into, and make, execute and deliver to Mortgagee upon demand, any and all instruments required to effectuate said assignment; and (v) furnish Mortgagee, within ten (10) days after a request by Mortgagee so to do, a written statement containing the names of all tenants and the terms of all leases of the Premises, including the space occupied and the rentals payable thereunder.
- d. Nothing in this Mortgage or in any other documents relating to the loan secured hereby shall be construed to obligate Mortgagee (unless Mortgagee is in possession of the Premises), expressly or by implication, to perform any of the covenants of any landlord under any of the leases assigned to Mortgagee or to pay any sum or money or damages therein provided to be paid by the landlord, each and all of which covenants and payments Mortgagor agrees to perform and pay or cause to be performed and paid.
- e. At the option of the Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in eminent domain), to any one or more leases affecting any part of the Premises, upon the execution by Mortgagee and recording or registration thereof, at any time hereafter, in the office



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wherein this Mortgage was registered or filed for record, of a unilateral declaration to that effect.

- f. In the event of the enforcement by Mortgagee of any remedies provided for by law or by this Mortgage, the tenant under each lease of the Premises shall, at the option of the Mortgagee, attorn to any person succeeding to the interest of landlord as a result of such enforcement and shall recognize such successor in interest as landlord under such lease without change in the terms or other provisions thereof; provided, however, that said successor in interest shall not be bound by any payment of rent or additional rent for more than one month in advance or any amendment or modification to any lease made without the consent of Mortgagee or said successor in interest.
5. Mortgagor and Lien Not Released.
- a. From time to time Mortgagee may, at Mortgagee's option, without giving notice to or obtaining the consent of the Mortgagor or Mortgagor's successors or assigns or the consent of any junior lien holder, guarantor or tenant, without liability on Mortgagee's part and notwithstanding Mortgagor's breach of any covenant, agreement or condition: (a) release anyone primarily or secondarily liable on any of the Indebtedness; (b) accept a renewal Note therefor; (c) release from the lien of this Mortgage any part of the Premises; (d) take or release other or additional security for the Indebtedness; (e) consent to any plat, map or plan of the Premises; (f) consent to the granting of any easement; (g) join in any extension or subordination agreement; (h) agree in writing with Mortgagor to modify the rate of interest or period of amortization of the Note or change the time of payment or the amount of the monthly installments payable thereunder; and (i) waive or fail to exercise any right, power or remedy granted by law or herein or in any other instrument given at any time to evidence or secure the payment of the Indebtedness.
- b. Any actions taken by Mortgagee pursuant to the terms of this Paragraph 5 shall not impair or affect: (a) the obligation of Mortgagor or Mortgagor's successors or assigns to pay any sums at any time secured by this Mortgage and to observe all of the covenants, agreements and conditions herein contained; (b) the guaranty of any individual, if any, or legal entity for payment of the Indebtedness; and (c) the lien or priority of the lien hereof against the Premises.
- c. Mortgagor shall pay to Mortgagee a reasonable service charge and such title insurance premiums and attorneys' fees as may be incurred by Mortgagee for any action described in this Paragraph 5 taken at the request of Mortgagor.

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## 6. Event of Default; Acceleration of Indebtedness in Case of Event of Default.

An Event of Default shall be deemed to have occurred upon the default of any monetary or non-monetary obligation under the Notes or under this Mortgage or any other Loan Document by the Mortgagor and its failure to cure such default beyond any applicable grace period provided, therefore, if any. Upon and after the occurrence of an Event of Default under this Mortgage, at the option of Lender, and without prior demand, notice or legal process of any kind, and upon full payment of the Note and in any such event, the whole of the Indebtedness shall at once, at the option of the Mortgagee, become immediately due and payable without notice to Mortgagor. If while any insurance proceeds or condemnation awards are held by or for the Mortgagee to reimburse Mortgagor or any lessee for the cost of repair, rebuilding or restoration of building(s) or other improvement(s) on the Premises, the Mortgagee shall be or become entitled to accelerate the maturity of the Indebtedness, then and in such event, the Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by or for it in reduction of the Indebtedness, and any excess held by it over the amount of Indebtedness shall be paid to Mortgagor or any party entitled thereto, without interest, as the same appear on the records of the Mortgagee.

## 7. Foreclosure; Expense of Litigation.

- a. When the Indebtedness or any part thereof shall become due, whether by acceleration or otherwise, Mortgagee, without in any way limiting Mortgagee's rights and remedies under the Note, shall have the right to foreclose the lien hereof for such Indebtedness or part thereof. In any civil action to foreclose the lien hereof, there shall be allowed and included as additional Indebtedness in the order or judgment for foreclosure and sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraiser's fees, outlays for documentary and expert evidence, stenographers, charges, publication costs, and costs (which may be estimated as to items to be expended after entry of said order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to the title as Mortgagee may deem reasonably necessary either to prosecute such civil action or to evidence to the title bidders at any sale which may be had pursuant to such order or judgment the true condition of the title to, or the value of, the Premises. All expenditures and expenses of the nature as described in this paragraph and such expenses and fees as may be incurred in the protection of the Premises and the maintenance of the lien of this Mortgage, including the fees of any attorneys employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Notes or the Premises, including probate, appellate and bankruptcy proceedings, or in preparations for the commencement or defense of any action or proceeding or threatened action or proceeding, shall be immediately due and payable by Mortgagor, with interest thereon at the rate set forth in the Notes applicable to a period when a default exists thereunder, and shall be secured by this Mortgage.

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- b. At all times, the Mortgagor shall appear in and defend any suit, action or proceeding that might in any way in the sole judgment of the Mortgagee affect the value of the Premises, the priority of this Mortgage or the rights and powers of Mortgagee hereunder or under any document given at any time to secure the Indebtedness. Mortgagor shall, at all times, indemnify, hold harmless and reimburse Mortgagee on demand for any and all loss, damage, expense or cost, including cost of evidence of title and reasonable attorneys' fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Mortgage, and shall bear interest after demand at the rate specified in the Note applicable to a period when an uncured default or Event of Default exists thereunder, and such interest shall be secured hereby and shall be due and payable on demand.

8. Application of Proceeds of Foreclosure Sale.

The proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding Paragraph hereof; second, all other items which may under the terms hereof constitute secured Indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all principal and interest remaining unpaid on the Note in such manner as the Mortgagee shall elect; and fourth, any overplus to any party entitled thereto as their rights may appear.

9. Rights Cumulative.

Each right, power and remedy conferred upon the Mortgagee by this Mortgage and by all other documents evidencing or securing the Indebtedness including without limitation the Notes and conferred by law and in equity is cumulative and in addition to every other right, power and remedy, express or implied, given now or hereafter existing, at law and in equity; and each and every right, power and remedy, express or implied, given now or hereafter existing, at law and in equity; and each and every right, power and remedy herein or therein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by the Mortgagee; and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy; and no delay or omission of, or discontinuance by, the Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

10. Condemnation.

Mortgagor hereby assigns, transfers and sets over unto the Mortgagee the entire proceeds of any award and any claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation. The Mortgagee shall make those proceeds available to Mortgagor or any lessee for repair, restoration or rebuilding of the Premises, in the manner and under the conditions that the Mortgagee may require; provided, however, that if in



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the opinion of Mortgagee the proceeds of such award are not sufficient to repair, restore or rebuild the Premises, and Mortgagor fails, within 30 days of the issuance of any award, to tender to Mortgagee the difference between such award and the cost to repair, restore or rebuild the Premises, then Mortgagee may apply the award proceeds to the reduction of Mortgagor's Indebtedness hereunder. In any event, the buildings and improvements shall be repaired, restored or rebuilt in accordance with plans and specifications to be submitted and approved by the Mortgagee. If the proceeds are made available by the Mortgagee, any surplus which may remain out of said award after payment of such cost of repair, rebuilding, restoration and the reasonable charges of the Disbursing Party shall, at the option of the Mortgagee, be applied on account of the Indebtedness or paid to any party entitled thereto as the same appear on the records of the Mortgagee. The application by Mortgagee of any such surplus proceeds to the Indebtedness shall not constitute a prepayment of the indebtedness as defined in the Note secured hereby so as to give rise to the incurring of a prepayment premium. No interest shall be allowed to Mortgagor on the proceeds of any award held by the Mortgagee.

## 11. Giving of Notice.

Except as otherwise expressly provided herein, any notice required or desired to be served, given or delivered hereunder shall be in writing, and shall be deemed to have been validly served, given or delivered (i) three (3) days after deposit in the United States mails, with proper postage prepaid, (ii) when sent after receipt of confirmation or answer back if sent by telecopy, or other similar facsimile transmission, (iii) one (1) Business Day after deposited with a reputable overnight courier with all charges prepaid, or (iv) when delivered, if hand-delivered by messenger, all of which shall be properly addressed to the party to be notified and sent to the address or number indicated as follows:

If to Mortgagee at:                   Damen Court Preservation, L.P.  
325 N. Wells Street, 8<sup>th</sup> Floor  
Chicago, Illinois 60654  
Attn: Hipolito Roldan

If to Mortgagor at:                   Hispanic Housing Development Corporation  
325 N. Wells Street, 8<sup>th</sup> Floor  
Chicago, Illinois 60654  
Attn: Hipolito Roldan

With a copy to:                       NEF Assignment Corporation, as nominee  
10 S. Riverside Plaza, Ste. 1700  
Chicago, IL 60606  
Attn: General Counsel

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## 12. Waiver of Defense.

No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

## 13. Waiver of Statutory Rights.

Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of the lien of this Mortgage, but hereby waives the benefit of such laws. Mortgagor, for itself and all who may claim through or under it, waives any and all rights to have the property and estates comprising the Premises marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption from sale under any order or judgment of foreclosure of the lien of this Mortgage on behalf of the Mortgagor, and each and every person, except judgment creditors of the Mortgagor in its representative capacity, acquiring interest in or title to the Premises subsequent to the date of this Mortgage.

## 14. Filing and Recording Charges and Taxes.

Mortgagor will pay all filing, registration, recording and search and information fees, and all expenses incident to the execution and acknowledgment of this Mortgage and all other documents securing the Note and all federal, state, county and municipal taxes, other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution, delivery, filing, recording or registration of the Note, this Mortgage and all other documents securing the Note and all assignments thereof.

## 15. Business Purposes; Usury Exemption.

Mortgagor represents that Mortgagor owns and operates a "business" as that term is defined in Paragraph C of Subsection 4(I) of the Illinois Interest Act (815 ILCS 205/4), as amended and that the principal obligation secured hereby constitutes a "business loan" within the purview and operation of said paragraph.

## 16. Representations and Warranties.

To induce the Mortgagee to make the Loan, by virtue of the letter of direction for the execution hereof, the Mortgagor represents and warrants to the Mortgagee, each of which shall be true and correct as of the date of the execution and delivery of this Mortgage, and which shall survive the execution and delivery of this Mortgage:

- a. Organization and Name. Borrower is an Illinois limited partnership duly organized, existing and in good standing under the laws of the State of Illinois. The Mortgagor is duly licensed or qualified in all foreign jurisdictions wherein the nature of its activities require such qualification or licensing. The exact legal name of Mortgagor is as set forth in the first

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paragraph of this Mortgage, and the Mortgagor currently does not conduct, nor has it during the last five (5) years conducted, business under any other name or trade name. The Mortgagor has no subsidiaries.

- b. Authorization; Validity. The Mortgagor and its General Partner have full right, power and authority to enter into this Mortgage, to make the borrowings and execute and deliver the Note as provided herein and to perform all of Mortgagor's duties and obligations under this Mortgage and the Note. The execution and delivery of this Mortgage and the Note will not, nor will the observance or performance of any of the matters and things herein or therein set forth, violate or contravene any provision of law or of the Certificate or Limited Partnership and limited partnership agreement of the Mortgagor. All necessary and appropriate action has been taken on the part of the Mortgagor to authorize the execution and delivery of this Mortgage and the Note. This Mortgage and the Note are valid and binding agreements and contracts of the Mortgagor in accordance with their respective terms.
- c. Compliance with Laws. The nature and transaction of the Mortgagor's businesses and operations and the uses of its properties and assets, including, but not limited to, the Premises, do not and during the term of the Loan shall not, violate or conflict with any applicable law, statute, ordinance, rule, regulation or order of any kind or nature, including, without limitation, the provisions of the Fair Labor Standards Act or any zoning, land use, building, noise abatement, occupational health and safety or other laws, any building permit or any condition, grant, easement, covenant, condition or restriction, whether recorded or not.
- d. Environmental Laws and Hazardous Materials. The Mortgagor represents, warrants and agrees with the Mortgagee that: (i) the Mortgagor has not generated, used, stored, treated, transported, manufactured, handled, produced or disposed of any Hazardous Materials, on or off any of the Premises of the Mortgagor (whether or not owned by it) in any manner which at any time violates any Environmental Law or any license, permit, certificate, approval or similar authorization thereunder; (ii) the operations of the Mortgagor comply in all material respects with all Environmental Laws and all licenses, permits, certificates, approvals and similar authorizations thereunder; (iii) there has been no investigation, proceeding, complaint, order, directive, claim, citation or notice by any governmental authority or any other person, nor is any pending or, to the best of the Mortgagor's knowledge, threatened, and the Mortgagor shall immediately notify the Mortgagee upon becoming aware of any such investigation, proceeding, complaint, order, directive, claim, citation or notice, and shall take prompt and appropriate actions to respond thereto, with respect to any non-compliance with, or violation of, the requirements of any Environmental Law by the Mortgagor or the release, spill or discharge, threatened or actual, of any Hazardous Material or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Material or any other environmental, health or

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safety matter, which affects the Mortgagor or its business, operations or assets or any properties at which the Mortgagor has transported, stored or disposed of any Hazardous Materials; (iv) the Mortgagor has no material liability, contingent or otherwise, in connection with a release, spill or discharge, threatened or actual, of any Hazardous Materials or the generation, use, storage, treatment, transportation, manufacture, handling, production or disposal of any Hazardous Material; and (v) without limiting the generality of the foregoing, the Mortgagor shall, following determination by the Mortgagee that there is non-compliance, or any condition which requires any action by or on behalf of the Mortgagor in order to avoid any non-compliance, with any Environmental Law, at the Mortgagor's sole expense, cause an independent environmental engineer acceptable to the Mortgagee to conduct such tests of the relevant site as are appropriate, and prepare and deliver a report setting forth the result of such tests, a proposed plan for remediation and an estimate of the costs thereof. For purposes of this Mortgage, "Hazardous Materials" shall mean (i) "hazardous substances" as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Sec. 9601 et seq., as amended from time to time, and the Illinois Environmental Protection Act, 415 ILCS 5/1 et seq., as amended from time to time; (ii) "hazardous wastes" as defined in The Resource Conservation and Recovery Act, 42 U.S.C. Sec. 6901 et seq., as amended from time to time; and (iii) any pollutant or contaminant or hazardous, dangerous or toxic chemicals, materials, or substances within the meaning of any other federal, state or local law, regulation, ordinance or requirement (including consent decrees and administrative orders) relating to or imposing liability or standards of conduct concerning any hazardous, dangerous, or toxic waste, substance or material, including The Toxic Substance Control Act of 1976, as amended 15 U.S.C. Sec. 2601 et seq., Clean Water Act, 33 U.S.C. Sec. 446 et seq., as amended, Clean Air Act, 42 U.S.C. Sec. 7401 et seq., or Hazardous Materials Transportation Act, 49 U.S.C. Sec. 1801 et seq.; and "Environmental Laws" means all federal, state and local law statutes, laws, regulations (including consent decrees and administrative orders, ordinances and requirements including those set forth in the definition of Hazardous Materials above), relating to public health and safety and protection of the environment.

- e. Absence of Breach. The execution, delivery and performance of this Mortgage, the Note and any other documents or instruments to be executed and delivered by the Mortgagor in connection with the Loan shall not: (i) violate any provisions of law or any applicable regulation, order, writ, injunction or decree of any court or governmental authority, or (ii) conflict with, be inconsistent with, or result in any breach or default of any of the terms, covenants, conditions, or provisions of any indenture, mortgage, deed of trust, instrument, document, agreement or contract of any kind to which the Mortgagor is a party or by which the Mortgagor or any of its property or assets may be bound.

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- f. Event of Default. No Event of Default has occurred and is continuing, and no event has occurred and is continuing which, with the lapse of time, the giving of notice, or both, would constitute such an Event of Default under this Mortgage or the Note and the Mortgagor is not in default (without regard to grace or cure periods) under any contract or agreement to which it is a party.
- g. Business Loan. The Loan, including interest rate, fees and charges as contemplated hereby, (i) is a business loan within the purview of 815 ILCS 205/4(1)(c), as amended from time to time, (ii) is an exempted transaction under the Truth In Lending Act, 12 U.S.C. 1601 *et seq.*, as amended from time to time, and (iii) does not, and when disbursed shall not, violate the provisions of the Illinois usury laws, any consumer credit laws or the usury laws of any state which may have jurisdiction over this transaction, the Mortgagor or the Premises securing the Loan.
17. Miscellaneous.
- a. Binding Nature. Notwithstanding anything to the contrary contained herein, this Mortgage and all provisions hereof shall extend to and be binding upon the original Mortgagor named on page 1 hereof, and its beneficiaries, successors, grantees, assigns, each subsequent owner or owners of the Premises and all persons claiming under or through Mortgagor; and the word "Mortgagor" when used herein shall include all such persons and all persons primarily and secondarily liable for the payment of the Indebtedness or any part thereof, whether or not such persons shall have executed the Note or this Mortgage.
- b. Severability and Applicable Law. In the event one or more of the provisions contained in this Mortgage or in the Note or in any other document given at any time to secure the payment of the Note shall, for any reason, be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of the Mortgagee, not affect any other provision of this Mortgage, the Note or other document and this Mortgage, the Note or other document shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. The validity and interpretation of this Mortgage and the Note are to be construed in accordance with and governed by the laws of the State in which the Premises are situated.
- c. Governmental Compliance. Mortgagor shall not by act or omission permit any lands or improvements not subject to the lien of this Mortgage to include the Premises or any part thereof in fulfillment of any governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Premises to be so used. Similarly, no lands or improvements comprising the Premises shall be included with any lands or improvements not subject to the lien of this Mortgage in fulfillment of any governmental requirement. Mortgagor shall not by act or omission



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impair the integrity of the Premises as a single zoning lot separate and apart from all other premises. Any act or omission by Mortgagor which would result in a violation of any of the provisions of this paragraph shall be void.

- d. Estoppel Certificate. Mortgagor, within fifteen (15) days after mailing of a written request by the Mortgagee, agrees to furnish from time to time a signed statement setting forth the amount of the Indebtedness and whether or not any default, offset or defense then is alleged to exist against the Indebtedness and, if so, specifying the nature thereof.

18. Security Agreement and Financing Statement.

- a. Mortgagor and Mortgagee agree: (i) that this Mortgage shall constitute a Security Agreement within the meaning of the Uniform Commercial Code (the "Code") of the State in which the Premises are located with respect to all sums on deposit with the Mortgagee pursuant to Paragraphs 5 and 16 hereof ("Deposits") and with respect to any property included in the definition herein of the word "Premises", which property may not be deemed to form a part of the real estate described in EXHIBIT A or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property, replacements, substitutions, additions and the proceeds thereof being sometimes herein collectively referred to as the "Collateral"); and (ii) that a security interest in and to the Collateral and the Deposits is hereby granted to the Mortgagee; and (iii) that the Deposits and all of Mortgagor's right, title and interest therein are hereby assigned to the Mortgagee; all to secure payment of the Indebtedness and to secure performance by the Mortgagor of the terms, covenants and provisions hereof.
- b. Upon the occurrence of an event of a Default under this Mortgage, the Mortgagee, pursuant to the appropriate provisions of the Code, shall have an option to proceed with respect to both the real property and Collateral in accordance with its rights, powers and remedies with respect to the real property, in which event the default provisions of the Code shall not apply. The parties agree that if the Mortgagee shall elect to proceed with respect to the Collateral separately from the real property, ten (10) days notice of the sale of the Collateral shall be reasonable notice. The reasonable expenses of retaking, holding, preparing for sale, selling and the like incurred by the Mortgagee shall include, but not be limited to, reasonable attorneys' fees and legal expenses incurred by Mortgagee. The Mortgagor agrees that, without the written consent of the Mortgagee, the Mortgagor will not remove or permit to be removed from the Premises any of the Collateral except that so long as the Mortgagor is not in default under this Mortgage, Mortgagor shall be permitted to sell or otherwise dispose of the Collateral when obsolete, worn out, inadequate, unserviceable or unnecessary for use in the operation of the Premises, but only upon replacing the same or substituting for the same other Collateral at least equal in value and utility to the initial value and utility of

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that disposed of and in such manner that said replacement or substituted Collateral shall be subject to the security interest created hereby and that the security interest of the Mortgagee shall be perfected and first in priority, it being expressly understood and agreed that all replacements, substitutions and additions to the Collateral shall be and become immediately subject to the security interest of this Mortgage and covered hereby. The Mortgagor shall from time to time, on request of the Mortgagee, deliver to the Mortgagee at the cost of the Mortgagor: (i) such further financing statements and security documents and assurances as Mortgagee may require, to the end that the liens and security interests created hereby shall be and remain perfected and protected in accordance with the requirements of any present or future law; and (ii) an inventory of the Collateral in reasonable detail. The Mortgagor covenants and represents that all Collateral now is, and that all replacements thereof, substitutions therefor or additions thereto, unless the Mortgagee otherwise consents, will be free and clear of liens, encumbrances, title retention devices and security interests of others.

- c. The Mortgagor and Mortgagee agree, to the extent permitted by law, that: (i) any and all of the goods, machinery or equipment described within the definition of the word "Premises" herein are or are to become fixtures on the land described in EXHIBIT A; (ii) this instrument, upon recording or registration in the real estate records of the proper office, shall constitute a "fixture filing" within the meaning of Section 9-313 and 9-402 of the Code; and (iii) Mortgagor is the record owner of the land described in EXHIBIT A.
- d. If the Collateral is sold in connection with a sale of the Premises, Mortgagor shall notify the Mortgagee prior to such sale and shall require as a condition of such sale that the purchaser specifically agree to assume Mortgagor's obligations as to the security interests herein granted and to execute whatever agreements and filing are deemed necessary by the Mortgagee to maintain Mortgagee's first perfected security interest in the Collateral, Deposits and the deposits described in Paragraph 18c above.
- e. Upon request of the Mortgagor, the Mortgagee, at the Mortgagee's sole and absolute option prior to discharge of this Mortgage, may make future advances ("Future Advances") to the Mortgagor under the Note or any other agreement or loan executed by the Mortgagor or any one of them in order to protect Mortgagee's security interests. Such Future Advances, with interest thereon, shall be secured by this Mortgage but in no event, when taken together with the indebtedness evidenced by the Mortgage Notes or any successor, shall not exceed the total principal amount equal to 200% of the amount of the Note.

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## 19. Events of Default.

The Mortgagor, without notice or demand of any kind, shall be in default under this Mortgage upon the occurrence of any of the following events (each referred to herein as an "Event of Default"):

- a. Nonpayment of Obligations. The failure by Mortgagor to make payment of principal or interest or payment of any other amount due to Mortgagee under the Note within five (5) days after the date when any such payment is due in accordance with the terms of the Note; or the failure of Mortgagor to make payment of any amounts due to Mortgagee under the Mortgage or the Note within ten (10) days after such amount is due under this Mortgage.
- b. Misrepresentation. Any written warranty, representation, certificate or statement in this Mortgage, the Note or any other agreement with the Mortgagee shall be false when made or at any time.
- c. Nonperformance. Any failure to perform or default in the performance of any covenant, condition or agreement contained: (a) in this Mortgage and, if capable of being cured, such failure to perform or default in performance continues for a period of thirty (30) days after the Mortgagor receives notice or knowledge from any source of such failure to perform or default in performance, or, where the Mortgagee's security interests are not impaired (other than in a *de minimis* manner) by such failure or default and if such failure or default can not be cured within such 30-day period, the failure to commence curing such failure or default within said 30-day period, to proceed with such cure thereafter in a reasonably diligent manner, and to complete such cure within sixty (60) days after expiration of such 30-day period, or (b) in the Note Documents or any other agreement with the Mortgagee and such failure to perform or default in performance continues beyond any applicable grace or cure period provided therein.
- d. Default under Note. A default under the Note, all of which covenants, conditions and agreements contained therein are hereby incorporated in this Mortgage by express reference, shall be and constitute an Event of Default under this Mortgage.
- e. Assignment for Creditors. Mortgagor makes an assignment for the benefit of creditors, fails to pay, or admits in writing its inability to pay its debts as they mature; or if a trustee of any substantial part of the assets of any obligor is applied for or appointed, and in the case of such trustee being appointed in a proceeding brought against such obligor, the obligor, by any action or failure to act indicates its approval of, consent to, or acquiescence in such appointment and such appointment is not vacated, stayed on appeal or otherwise shall not have ceased to continue in effect within thirty (30) days after the date of such appointment.

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- f. Bankruptcy. Any proceeding involving Mortgagor is commenced by or against such payor under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law or statute of the federal government or any state government, and in the case of any such proceeding being instituted against such obligor, (i) either Mortgagor by any action or failure to act indicates its approval of, consent to or acquiescence therein, or (ii) an order shall be entered approving the petition in such proceedings and such order is not vacated, stayed on appeal or otherwise shall not have ceased to continue in effect within thirty (30) days after the entry thereof.
- g. Judgments. The entry of any judgment, decree, levy, attachment, garnishment or other process, or the filing of any lien against Mortgagor which is not fully covered by insurance and such judgment or other process shall not have been, within thirty (30) days from the entry thereof, (i) bonded over to the satisfaction of the Mortgagee and appealed, (ii) vacated, or (iii) discharged.
- h. Change in Control; Sale of Assets. The Mortgagor shall not, either directly or indirectly, merge, consolidate, sell, transfer, license, lease, encumber or otherwise dispose of substantially all of its assets, or sell or discount substantially all of the Collateral (as defined herein), with or without recourse, notwithstanding allowances and discounts taken in the ordinary course of business, without prior written consent of Mortgagee.

Notwithstanding anything to the contrary contained in any other document relating to the loan secured hereby, (a) Limited Partner shall be permitted to remove the General Partner of Mortgagor for cause in accordance with the Amended and Restated Agreement of Limited Partnership of Mortgagor dated as of April 1, 2016 ("Partnership Agreement") without the consent of Mortgagee; (b) Limited Partner may transfer its investor partnership interests in mortgage in accordance with the terms of the Partnership Agreement without the consent of Mortgagee (each, a "Permitted Transfer"); (c) no Permitted Transfer shall cause a default under any other document relating to the loan secured hereby; (d) Mortgagee shall not receive any fee or other amounts from Mortgagor in connection with a Permitted Transfer; and (e) the Partnership Agreement may be amended or modified in connection with a Permitted Transfer without the prior written consent of Mortgagee.

## 20. Remedies.

Upon the occurrence of an Event of Default, the Mortgagee shall have all rights, powers and remedies set forth herein, in the Note, in any written agreement or instrument (other than this Mortgage or the Note) relating to any of the obligations or any security therefor, or as otherwise provided at law or in equity. Without limiting the generality of the foregoing, the Mortgagee may, at its option upon the occurrence of an Event of Default, declare its commitments to the Mortgagor to be terminated and all obligations to be immediately due and payable, provided, however, that upon the occurrence of an Event of Default under either Section 29f, "Assignment for Creditors", or Section 29e, "Bankruptcy", all commitments of the Mortgagee to the Mortgagor shall immediately terminate and all obligations shall be automatically due and

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payable, all without demand, notice or further action of any kind required on the part of the Mortgagee. The Mortgagor hereby waives any and all presentment, demand, notice of dishonor, protest, and all other notices and demands in connection with the enforcement of Mortgagee's rights under this Mortgage or the Note, and hereby consents to, and waives notice of release, with or without consideration, of the Mortgagor or of any Collateral on the Premises, notwithstanding anything contained herein or in the Note to the contrary. In addition to the foregoing:

- a. Possession and Assembly of Collateral. The Mortgagee may, without notice, demand or legal process of any kind, take possession of any or all of the Collateral (in addition to Collateral of which the Mortgagee already has possession), wherever it may be found, and for that purpose may pursue the same wherever it may be found, and may enter into the Premises where any of the Collateral may be or is supposed to be, and search for, take possession of, remove, keep and store any of the Collateral until the same shall be sold or otherwise disposed of and the Mortgagee shall have the right to store the same in the Premises without cost to the Mortgagee. At the Mortgagee's request, the Mortgagor will, at the Mortgagor's sole expense, assemble the Collateral and make it available to the Mortgagee at a place or places to be designated by the Mortgagee which is reasonably convenient to the Mortgagee and the Mortgagor.
- b. Sale of Collateral. The Mortgagee may sell any or all of the Collateral at public or private sale, upon such terms and conditions as the Mortgagee may deem proper, and the Mortgagee may purchase any or all of the Collateral at any such sale. The Mortgagee may apply the net proceeds, after deducting all costs, expenses, attorneys' and paralegals' fees incurred or paid at any time in the collection, protection and sale of the Collateral and the obligations, to the payment of the Notes and/or any of the other obligations, returning the excess proceeds, if any, to the Mortgagor. The Mortgagor shall remain liable for any amount remaining unpaid after such application, with interest. Any notification of intended disposition of the Collateral required by law shall be conclusively deemed reasonable and properly given if given by the Mortgagee at least five (5) calendar days before the date of such disposition. The Mortgagor hereby confirms, approves and ratifies all acts and deeds of the Mortgagee relating to the foregoing, and each part thereof.
- c. UCC and Offset Rights. The Mortgagee may exercise, from time to time, any and all rights and remedies available to it under the Uniform Commercial Code in effect in Illinois ("UCC") or under any other applicable law in addition to, and not in lieu of, any rights and remedies expressly granted in this Mortgage or in any other agreements between any obligor and the Mortgagee, and may, without demand or notice of any kind, appropriate and apply toward the payment of such of the obligations, whether matured or unmatured, including costs of collection and attorneys' and paralegals' fees, and in such order of application as the Mortgagee may, from time to time, elect, any indebtedness of the Mortgagee to any obligor, however created or



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arising, including, but not limited to, balances, credits, deposits, accounts or moneys of such obligor in the possession, control or custody of, or in transit to the Mortgagee. The Mortgagor hereby waives the benefits of any law that would otherwise restrict or limit the Mortgagee in the exercise of its right, which is hereby acknowledged, to appropriate at any time hereafter any such indebtedness owing from the Mortgagee to Mortgagor.

d. Additional Remedies. The Mortgagee shall have the right and power to:

- i. instruct the Mortgagor, at its own expense, to notify any parties obligated on any of the Collateral, including, but not limited to, any Account Debtors, to make payment directly to the Mortgagee of any amounts due or to become due thereunder, or the Mortgagee may directly notify such obligors of the security interest of the Mortgagee, and/or of the assignment to the Mortgagee of the Collateral and direct such obligors to make payment to the Mortgagee of any amounts due or to become due with respect thereto, and thereafter, collect any such amounts due on the Collateral directly from such persons obligated thereon;
- ii. enforce collection of any of the Collateral, including, but not limited to, any Accounts, by suit or otherwise, or make any compromise or settlement with respect to any of the Collateral, or surrender, release or exchange all or any part thereof, or compromise, extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder;
- iii. take possession or control of any proceeds and products of any of the Collateral, including the proceeds of insurance thereon;
- iv. extend, renew or modify for one or more periods (whether or not longer than the original period) the Note, any other of the obligations, any obligation of any nature of any other obligor with respect to the Note or any of the obligations;
- v. grant releases, compromises or indulgences with respect to the Notes, any of the obligations, any extension or renewal of any of the obligations, any security therefor, or to any other obligor with respect to the Note or any of the obligations;
- vi. transfer the whole or any part of securities which may constitute Collateral into the name of the Mortgagee or the Mortgagee's nominee without disclosing, if the Mortgagee so desires, that such securities so transferred are subject to the

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security interest of the Mortgagee, and any corporation, association, or any of the managers or trustees of any trust issuing any of said securities, or any transfer agent, shall not be bound to inquire, in the event that the Mortgagee or said nominee makes any further transfer of said securities, or any portion thereof, as to whether the Mortgagee or such nominee has the right to make such further transfer, and shall not be liable for transferring the same;

- vii. make an election with respect to the Collateral under Section 1111 of the Bankruptcy Code or take action under Section 364 or any other section of the Bankruptcy Code; provided, however, that any such action of the Mortgagee as set forth herein shall not, in any manner whatsoever, impair or affect the liability of the Mortgagor hereunder, nor prejudice, waive, nor be construed to impair, affect, prejudice or waive the Mortgagee's rights and remedies at law, in equity or by statute, nor release, discharge, nor be construed to release or discharge, the Mortgagor, any guarantor or other person liable to the Mortgagee for the obligations; and
- viii. at any time, and from time to time, accept additions to, releases, reductions, exchanges or substitution of the Collateral, without in any way altering, impairing, diminishing or affecting the provisions of this Mortgage, the Note, or any of the other obligations, or the Mortgagee's rights hereunder, under the Notes or under any of the other obligations.
- e. Notwithstanding any other provision hereof, until the end of the Compliance Period, as that term is defined in the Internal Revenue Code Section 42, so long as Lender is or is an affiliate of the General Partner of Mortgagor, no right or remedy may be exercised under or in connection with the Loan except with the prior written consent of the Limited Partner of Mortgagor, which consent may be withheld in such Limited Partner's sole and absolute discretion.
- f. Notwithstanding anything to the contrary contained in any other document relating to the loan secured hereby (the "Loan Documents"), Limited Partner shall have the right, but not the obligation, to cure any default of Mortgagor under any Loan Document, and Mortgagee agrees to accept cures tendered by Limited Partner, as follows: (a) with respect to any monetary default under the Loan Documents, Mortgagee shall notify Limited Partner in writing of such monetary default, and Limited Partner shall have ten (10) days after the receipt of said notice of such monetary default to cure such monetary default; and (b) with respect to any nonmonetary default under the Loan Documents, Mortgagee shall notify Limited Partner in writing of such nonmonetary

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default, and Limited Partner shall have thirty (30) days after the receipt of such notice of such nonmonetary default to cure such default. Mortgagee agrees that the Loan Documents will not be considered to be in default until the expiration of all contractual notice and cure periods provided to Mortgagor and Limited Partner.

21. The Mortgagor hereby ratifies and confirms whatever the Mortgagee may do with respect to the Collateral and agrees that the Mortgagee shall not be liable for any error of judgment or mistakes of fact or law with respect to actions taken in connection with the Collateral.

- a. Application of Proceeds. The Mortgagee will within three (3) business days after receipt of cash or solvent credits from collection of items of payment, proceeds of Collateral or any other source, apply the whole or any part thereof against the obligations secured hereby. The Mortgagee shall further have the exclusive right to determine how, when and what application of such payments and such credits shall be made on the obligations, and such determination shall be conclusive upon the Mortgagor. Any proceeds of any disposition by the Mortgagee of all or any part of the Collateral may be first applied by the Mortgagee to the payment of expenses incurred by the Mortgagee in connection with the Collateral, including attorneys' fees and legal expenses.
- b. No Waiver. No Event of Default shall be waived by the Mortgagee except in writing. No failure or delay on the part of the Mortgagee in exercising any right, power or remedy hereunder shall operate as a waiver of the exercise of the same or any other right at any other time; nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy hereunder. There shall be no obligation on the part of the Mortgagee to exercise any remedy available to the Mortgagee in any order. The remedies provided for herein are cumulative and not exclusive of any remedies provided at law or in equity. The Mortgagor agrees that in the event that the Mortgagor fails to perform, observe or discharge any of its obligations or liabilities under this Mortgage or any other agreements with the Mortgagee, no remedy of law will provide adequate relief to the Mortgagee, and further agrees that the Mortgagee shall be entitled to temporary and permanent injunctive relief in any such case.

22. Due on Sale or Further Encumbrance Clause.

Mortgagor shall not, directly or indirectly, by transfer, mortgage, hypothecation, encumbrance or conveyance, do or suffer the assignment, transfer, sale, conveyance, or encumbrance junior or senior hereto of the Premises or any part thereof or any interest therein or in the Mortgagor without in each instance the prior written consent of the Mortgagee.

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## 23. Environmental Indemnity.

Mortgagor agrees to indemnify and hold Mortgagee harmless from and against any and all claims, demands, damages, losses, liens, liabilities, penalties, fines, lawsuits, and other proceedings, and costs and expenses (including, without limitation, reasonable attorneys' fees), arising directly or indirectly from or out of, or in any way connected with, any Hazardous Materials (including any referred to in the Environmental Report) located on or affecting the Premises whether or not the same originates or emanates from the Premises or any such contiguous real estate, including but not limited to (i) any loss of value of the Premises as a result of the existence of such Hazardous Materials; (ii) claims of third parties (including governmental agencies) for damages, penalties, response costs, and/or injunctive or other relief; (iii) costs of removal and restoration, including fees of attorneys and experts and costs of reporting the existence of any Hazardous Materials to any governmental agency; and (iv) any liability asserted against Mortgagee by any third party the result of the violation of the representation made in Paragraph 16d above.

## 24. Non recourse

Notwithstanding anything in this Note to the contrary, neither Borrower nor any partner of Borrower shall be personally liable for the repayment of any of the principal of or interest due under the Note or for any deficiency judgment that Lender may obtain after foreclosure on its collateral after default by Borrower, provided, however, that Borrower nor any general partner of Borrower shall not be exonerated or exculpated for any deficiency, loss or damage suffered by Lender as a result of the failure by Borrower to comply with any of the terms or conditions of the Mortgage (other than the provisions relating to the payment of principal, interest or late charges), including losses resulting from:

- a. Borrower's fraud or material misrepresentation;
- b. The intentional misapplication by Borrower of insurance or condemnation proceeds relating to the Real Estate or other security provided under any of the Loan Documents;
- c. The Borrower committing or suffering to occur waste or intentional damage to the Real Estate;
- d. Borrower's failure to comply with provisions of the Mortgage prohibiting the voluntary sale or further encumbering of the collateral;
- e. Borrower's intentional failure to apply proceeds of rents and other income of the collateral toward the costs of maintenance and operation of the Property and to the payment of taxes, lien claims, insurance premiums and debt service and other indebtedness to the extent that the Mortgage required such rents and income to be so applied;

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- f. Borrower's collection of rentals for periods of more than one month in advance under leases of the Property;
- g. The Borrower's failure to pay any loss, liability or expense (including reasonable attorneys fees) incurred by Lender or any of its affiliates arising out of any claim or allegation made by Borrower, its successors or assigns, that this note or the Mortgage establish a joint venture or partnership arrangement between Borrower and Lender or that for any purpose this note is not recognized as debt;
- h. Any liability or claim relating to the mishandling or misapplication of any security deposits or other tenant deposits;

And provided further, that the foregoing limitations on Borrower's personal liability with respect to principal and interest shall not impair the validity of the indebtedness secured by Lender's collateral or the lien on or security interest in the collateral or the right of Lender as mortgagee or secured party to foreclose and/or enforce the collateral after default by Borrower.

25. WAIVER OF JURY TRIAL. MORTGAGOR AND MORTGAGEE WAIVE ANY RIGHT TO HAVE A JURY PARTICIPATE IN RESOLVING ANY DISPUTE, WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE, BETWEEN MORTGAGEE AND MORTGAGOR ARISING OUT OF, CONNECTED WITH, RELATED TO OR INCIDENTAL TO THE RELATIONSHIP ESTABLISHED BETWEEN THEM IN CONNECTION WITH THIS AGREEMENT OR ANY OTHER INSTRUMENT, DOCUMENT OR AGREEMENT EXECUTED OR DELIVERED IN CONNECTION THEREWITH OR THE TRANSACTIONS RELATED THERETO. MORTGAGOR AND MORTGAGEE HEREBY AGREE AND CONSENT THAT ANY SUCH CLAIM, DEMAND, ACTION OR CAUSE OF ACTION SHALL BE DECIDED BY COURT TRIAL WITHOUT A JURY AND THAT ANY PARTY MAY FILE AN ORIGINAL COUNTERPART OR A COPY OF THIS AGREEMENT WITH ANY COURT AS WRITTEN EVIDENCE OF THE CONSENT OF THE PARTIES HERETO TO THE WAIVER OF THEIR RIGHTS TO TRIAL BY JURY.

26. Governing Law.

The validity and interpretation of this Mortgage shall be construed in accordance with the laws and decisions of the State of Illinois.

27. Rider Incorporation.

The HUD Secondary Financing Rider ("Rider") attached hereto as Rider 1 is incorporated as if fully set forth herein, and if there is any conflict between the terms of this Note and the Rider, the Rider shall prevail.

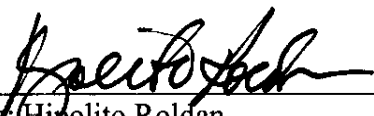


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IN WITNESS WHEREOF, the Mortgagor has executed this instrument as of the day and year first above written.

**DAMEN COURT PRESERVATION, L.P.**, an  
Illinois limited partnership

By: **Damen Court Preservation, NFP**, an Illinois  
not-for-profit corporation, its general partner

By:   
Name: Hipolito Roldan  
Title: President

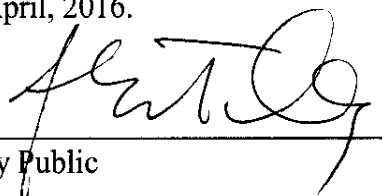
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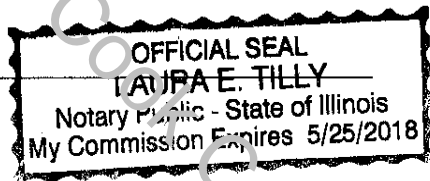
STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

The undersigned, a Notary Public in and for the Court and State aforesaid, **DOES HEREBY CERTIFY THAT** Hipolito Roldan, as President of Damen Court Preservation, NFP, an Illinois not for profit corporation, the General Partner of Damen Court Preservation, L.P., an Illinois limited partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he has 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 set forth.

Given under my hand and Notarial Seal this 22<sup>nd</sup> day of April, 2016.

  
\_\_\_\_\_  
Notary Public

My commission expires: \_\_\_\_\_



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## EXHIBIT A

### LEGAL DESCRIPTION

#### PARCEL 1:

LOT 3 (EXCEPT THE NORTH 37 FEET THEREOF) THE NORTH 1/2 OF LOT 9 AND ALL OF LOTS 4, 5, 6, 7, 10, AND 11 IN BLOCK 3 IN OWSLEY'S SUBDIVISION OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 18, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH LOT 1 IN WILSON'S SUBDIVISION SOUTH OF AND ADJOINING THERETO, IN COOK COUNTY, ILLINOIS

ALSO LOTS 1 TO 12, INCLUSIVE, IN THE RESUBDIVISION OF LOTS 1, 2, 12, 13, 14, AND THE NORTH 37 FEET OF LOT 3 IN BLOCK 3 IN OWSLEY'S SUBDIVISION AFORESAID ALSO ALL OF THE NORTH-SOUTH AND EAST-WEST VACATED ALLEYS FURTHER DESCRIBED AS ALL OF THE ALLEYS IN THE BLOCK BOUNDED BY WEST ADAMS STREET, WEST JACKSON BOULEVARD, SOUTH SEELEY AVENUE AND SOUTH DAMEN AVENUE VACATED BY ORDINANCE PASSED APRIL 23, 1941 AND RECORDED APRIL 25, 1941 AS DOCUMENT NUMBER 12667268

ALSO LOTS 1 TO 9, INCLUSIVE, (BEING ALL THE LOTS) AND ALLEY FOR THE USE OF OWNERS OF LOTS IN THIS SUBDIVISION ONLY (WHICH ALLEY WAS VACATED BY INSTRUMENT RECORDED APRIL 11, 1924 AS DOCUMENT NUMBER 8359301), IN WILLIAM LAWRENCE'S SUBDIVISION, BEING A SUBDIVISION OF LOT 46 OF E. SMITH'S SUBDIVISION, AND LOT 8 AND THE SOUTH 1/2 OF LOT 9 IN BLOCK 3 IN OWSLEY'S SUBDIVISION AND THE 3 FEET, MORE OR LESS, LYING BETWEEN SAID LOTS 8 AND 46, ALL IN THE EAST 1/2 OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18 AFORESAID

ALSO LOT 45 (EXCEPT PART, IF ANY, TAKEN FOR JACKSON BOULEVARD) IN ELIJAH SMITH'S SUBDIVISION OF A 5 ACRES TRACT IN THE SOUTH 1/2 OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 18 AFORESAID

#### PARCEL 2:

THE SOUTH 1/2 OF LOT 2 AND ALL OF LOTS 3 TO 17, INCLUSIVE, (EXCEPT THAT PART OF LOTS 10 AND 11 TAKEN FOR STREET BY DEED RECORDED MAY 10, 1898 AS DOCUMENT NUMBER 2684289), IN BLOCK 4 IN OWSLEY'S SUBDIVISION AFORESAID

#### PARCEL 3:

LOTS 1 TO 8, INCLUSIVE, IN J. L. SPROGLE'S SUBDIVISION OF LOT 1 AND THE NORTH 1/2 OF LOT 2 IN BLOCK 4 OF OWSLEY'S SUBDIVISION AFORESAID

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PARCEL 4:

ALL OF THE EAST-WEST 12 FOOT ALLEYS (2) AND NORTH-SOUTH 13 FOOT ALLEY AS LAID OUT IN BLOCK 4 IN OWSLEY'S SUBDIVISION, AFORESAID, ALL IN COOK COUNTY, ILLINOIS

PARCEL 5:

ALL OF SEELEY AVENUE LYING BETWEEN BLOCKS 3 AND 4 IN OWSLEY'S SUBDIVISION AFORESAID AND LYING BETWEEN THE NORTH AND SOUTH LINES OF SAID BLOCKS EXTENDED (EXCEPTING THEREFROM THAT PART OF SAID SEELEY AVENUE LYING BETWEEN THE WEST 9 FEET THEREOF AND THE EAST 18 FEET THEREOF), IN COOK COUNTY, ILLINOIS

PARCEL 6:

EASEMENT CREATED BY GRANT FROM THE CITY OF CHICAGO TO DAMEN COURT ASSOCIATES DATED NOVEMBER 18, 1979 AND RECORDED AS DOCUMENT 25263133, FOR THE USE OF THE GRANTEE FOR PARKING AND PLAY AREAS IN CONJUNCTION WITH THE REDEVELOPMENT OF LOW AND MODERATE INCOME HOUSING ON ABUTTING PARCELS (PARCELS 1, 2, 3 AND 4), OVER THAT PART OF SEELEY AVENUE LYING BETWEEN DAMEN AND HOYNE AVENUE, ADAMS STREET AND JACKSON BOULEVARD (EXCEPTING THEREFROM THE WEST 9 FEET AND THE EAST 18 FEET OF SEELEY AVENUE) BEING MORE PARTICULARLY DESCRIBED AS ALL OF SEELEY AVENUE LYING BETWEEN BLOCKS 3 AND 4 IN OWSLEY'S SUBDIVISION AFORESAID AND LYING BETWEEN THE NORTH AND SOUTH LINES OF SAID BLOCKS EXTENDED (EXCEPTING THEREFROM THE WEST 9 FEET AND THE EAST 18 FEET THEREOF), IN COOK COUNTY, ILLINOIS.

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Address: 2040 W. Jackson Blvd.  
Chicago, IL 60612

PINs: 17-18-118-001-0000  
17-18-118-002-0000  
17-18-118-003-0000  
17-18-118-004-0000  
17-18-118-005-0000  
17-18-118-006-0000  
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17-18-118-025-0000  
17-18-118-026-0000  
17-18-118-027-0000  
17-18-118-028-0000  
17-18-119-013-0000

Proposed Cook County Clerk's Office



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## RIDER 1

### HUD SECONDARY FINANCING RIDER

This Rider ("Rider") is attached to and made a part of (i) that certain Promissory Note (herein, the "Junior Note") dated April 1, 2016 from Damen Court Preservation, L.P. (the "Borrower") in favor of Hispanic Housing Development Corporation (herein, the "Junior Lender") in the principal amount of \$640,000.00 evidencing a loan (herein, the "Junior Loan") from Junior Lender to Borrower and (ii) that certain Mortgage, Assignment of Leases and Rents, Security Agreement and Financing Statement (herein, the "Junior Mortgage") dated April 1, 2016 from Borrower in favor of Junior Lender. The Junior Note and Junior Mortgage and any and all other documents now or hereafter executed and/or delivered in connection with the Junior Loan are hereafter collectively referred to as the "Junior Loan Documents." The terms and conditions of this Rider supersede all other terms of the Junior Loan Documents, and, should there be any conflict or inconsistency between this Rider and any other provisions of the Junior Loan Documents, the terms and conditions of this Rider shall prevail.

As used herein, "Senior Loan Documents" shall mean (i) that certain Note (herein, the "Senior Note") dated April 1, 2016, from Damen Court Preservation, L.P. (the "Borrower") in favor of PNC Bank, N.A. (herein, the "Senior Lender") in the principal amount of \$17,500,000.00 evidencing a loan (herein, the "Senior Loan") from Senior Lender to Borrower and (ii) that certain Mortgage (herein, the "Senior Mortgage") dated April 1, 2016, from Borrower in favor of Senior Lender, granting a mortgage on the project known as Damen Court Apartments, FHA Project No. 071-35881 (herein, the "Project"); (iii) that certain Regulatory Agreement (herein, the "Regulatory Agreement") dated April 1, 2016 by and between Borrower and the Secretary of Housing and Urban Development (herein, "HUD"); and (iv) any and all other documents required by Senior Lender and/or HUD in connection with, evidencing and/or securing the Senior Loan.

The Junior Lender, by acceptance of delivery and recordation of the Junior Mortgage, and the Borrower, by execution of the Junior Mortgage, agree to the following provisions incorporated in said Mortgage to the same extent as if fully rewritten therein:

1. The Junior Loan Documents and all amounts now and/or hereafter advanced thereunder and/or secured thereby are specifically subordinate to the Senior Loan Documents and all amounts now and/or hereafter advanced thereunder and/or secured thereby.
2. The Junior Note may not mature, and may not bear a maturity date, prior to the date on which the Senior Note matures. The term of the Junior Loan may be extended if the Junior Note matures, there are no surplus cash funds available for repayment and the Senior Loan has not been retired in full or HUD grants a deferment of amortization or forbearance that results in an extended maturity of the Senior Loan.

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3. The Junior Loan may be assumed when a sale or transfer of the physical assets occurs under the following conditions:
  - a. Not more than the excess, if any, of (i) 75 percent of the net proceeds of the sale or transfer is applied to the reduction of the Junior Loan over (ii) the amount paid on account of any other loans with respect to the Project which are junior to the Senior Loan but senior to the Junior Loan; provided, however, that if there are other loans which have the same priority as the Junior Loan, the foregoing amount shall be allocated pari passu among such loans based upon the total outstanding indebtedness of each.
4. As used herein, net proceeds are the funds available to the Borrower after:
  - a. Correcting any monetary or covenant default under any of the Senior Loan Documents, and
  - b. Making required contributions to any reserve funds and needed improvements to the Project as evidenced by HUD's annual inspection reports.
5. If HUD approves a sale of the project pursuant to HUD guidelines for transfers of physical assets, then Junior Lender will agree to such transfer of ownership of the project.
6. The Junior Note, Junior Mortgage and all other Junior Loan Documents automatically terminate if HUD acquires title to the project by foreclosure or a deed in lieu of foreclosure.
7. All work performed with the proceeds of the Junior Mortgage must be cost certified and conformed to Davis-Bacon requirements, if applicable in accordance with Program Obligations.
8. The Junior Mortgage is subject to and subordinate to the Senior Mortgage, the Regulatory Agreement and that certain Building Loan Agreement between the Borrower and Senior Lender.
9. Proceeds of the Junior Loan may only be used to cover allowable project costs or any anticipated operating shortfall.
10. As long as HUD or its successors or assigns is the insurer or holder of the Senior Mortgage, any payments due under the Junior Loan Documents shall be payable only from "surplus cash" (or "residual receipts") as that term is defined in the Regulatory Agreement and subject to the availability of such surplus cash (or residual receipts) in accordance with the provision of said Regulatory Agreement. The restriction on payment imposed by

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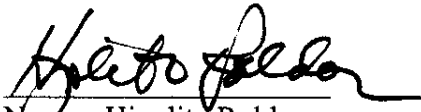
this paragraph shall not excuse any default caused by failure of the Borrower to pay the indebtedness evidenced by the Junior Note.

11. Borrower has obtained the prior written consent of the Senior Lender to the existence of the Junior Loan.
12. To the extent that the Junior Note provides for payments of principal and interest, such principal and interest shall be due and payable on or after the maturity date of the Senior Loan, provided that if the Senior Loan is prepaid in full, to the extent otherwise provided in the Junior Loan Documents, the holder of the Junior Note, at its option upon 30 days' notice, may declare the whole principal sum or any balance thereof, together with interest thereon, immediately due and payable. Interest due pursuant to the terms of the Junior Note that is not paid in accordance therewith shall not create any default in the terms of the Junior Note, but shall accrue and be payable in full at or after the date of maturity of the Senior Loan.
13. The Junior Note is non-negotiable and may not be sold, transferred, assigned, or pledged by the Junior Lender except with the prior written approval of HUD.
14. The Junior Lender certifies that the Junior Loan Documents represent a bona fide transaction and that it fully understands all of HUD's requirements for such secondary financing.
15. In the event of any conflict between (i) any of the Junior Loan Documents, and (ii) any of the Senior Loan Documents, the Section of the National Housing Act under which HUD insures the Senior Mortgage, and/or any applicable HUD rule, regulation or requirement (collectively, the "HUD Documents and Requirements"), the HUD Documents and Requirements shall be controlling in all respects.

JUNIOR LENDER:

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

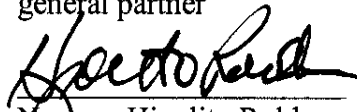
By:

  
 Name: Hipolito Roldan  
 Title: President

BORROWER:

DAMEN COURT PRESERVATION, L.P., an Illinois limited partnership  
 By: Damen Court Preservation, NFP, its general partner

By:

  
 Name: Hipolito Roldan  
 Title: President