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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713



Doc# 1807304167 Fee \$82.00

RHSP FEE: \$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 03/14/2018 03:17 PM PG: 1 OF 23

The property identified as: **PIN:** 28-02-404-053-0000

Address:

Street: 13900 S. Grace Avenue

Street line 2:

City: Robbins

State: IL

ZIP Code: 60472

Lender: Housing Authority of Cook County

Borrower: Richard Flowers Community Housing, LLC

Loan / Mortgage Amount: \$500,000.00

This property is located within the program area and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Stewart Title NTS- Chicago
10 S. Riverside Plaza, Suite 1450
PH: 312-849-4400
File No: 17000031584

15 of 22

Y
S
P 23
S
SC
INT

Certificate number: B16A8CAB-E0EB-4F64-9D09-6C2F1BDC1142

Execution date: 3/12/2018

22

UNOFFICIAL COPY**THIS INSTRUMENT PREPARED BY AND
AFTER RECORDING MAIL TO:**

Patrice J. Harris, Esq.
 Nixon Peabody LLP.
 799 9th Street
 Suite 500
 Washington, D.C. 20001

THIS IS A JUNIOR MORTGAGE*RECORDER'S STAMP*

**JUNIOR LEASEHOLD MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT
 OF LEASES AND RENTS AND FIXTURE FINANCING STATEMENT**
(HACC Contingent Loan)

This JUNIOR LEASEHOLD MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF LEASES AND RENTS AND FIXTURE FINANCING STATEMENT (this "**Mortgage**") is made on and as of March 12th, 2018 between RICHARD FLOWERS COMMUNITY HOUSING, LLC, an Illinois limited liability company ("**Mortgagor**"), and HOUSING AUTHORITY OF COOK COUNTY, an Illinois municipal corporation ("**Mortgagee**").

For good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Mortgagor hereby covenants and agrees as follows:

Mortgagor hereby MORTGAGES, CONVEYS AND WARRANTS to Mortgagee all of Mortgagor's rights, title and interests in and to the leasehold estates, including all modifications, renewals and extensions thereof, created pursuant to that certain Ground Lease dated as of March 12, 2018, as amended and assigned (collectively, the "**Ground Lease**"), with respect to certain real property located in the City of Robbins, County of Cook, State of Illinois and described in **Exhibit A** hereto (the "**Richard Flowers Property**"), between Mortgagee, as landlord, and Mortgagor, as tenant, as successor in interest to (i)(1) Ford Heights Community Service Organization, Inc., an Illinois not for profit corporation, as tenant; and (2) Richard Flowers Community Housing Group, LLC, an Illinois limited liability company ("**Richard Flowers Group**"), as tenant. Mortgagee's interest in the Richard Flowers Property is referred to herein as the "**Premises**." The Premises also means and includes all of Mortgagor's right, title and interest in and to the following:

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- (1) All easements, rights-of-way, licenses, privileges and hereditaments.
- (2) Land lying in the bed of any road, or the like, opened, proposed or vacated, or any strip or gore, adjoining the Premises.
- (3) All buildings, structures and improvements located on the Premises.
- (4) All machinery, apparatus, equipment, fittings, and articles of personal property of every kind and nature whatsoever located now or in the future in or upon the Premises and used or useable in connection with any present or future operation of the Premises (all of which is called "**Equipment**"). It is agreed that all Equipment is part of the Premises and appropriated to the use of the real estate and, whether affixed or annexed or not, shall for the purposes of this Mortgage unless Mortgagee shall otherwise elect, be deemed conclusively to be real estate and mortgaged and conveyed to Mortgagee hereunder. Equipment excludes machinery, fixtures, equipment and articles of personal property used or useable in connection with the present or future operation of the business operated out of the Premises.
- (5) All mineral, oil, gas and water rights, royalties, water and water stock, if any.
- (6) All awards or payments including interest made as a result of the exercise of the right of eminent domain, the alteration of the grade of any street, any loss of or damage to any building or other improvement on the Premises, any other injury to or decrease in the value of the Premises, any refund due on account of the payment of real estate taxes, assessments or other charges levied against or imposed upon the Premises, and the reasonable attorneys' and paralegals' fees, costs and disbursements incurred by Mortgagee in connection with the collection of any such award or payment.
- (7) All of the rents, issues and profits of the Premises under present or future leases, or otherwise.

TO HAVE AND TO HOLD the Premises unto Mortgagee, its successors and assigns, free from any and all rights and benefits under and by virtue of the Homestead Exemption Laws of the State or other jurisdiction in which the Premises are located (which rights and benefits are hereby expressly released and waived), for the purposes and uses herein set forth.

Mortgagor hereby represents and warrants to Mortgagee that: (a) Mortgagor is the lawful owner of the Premises, free and clear of all liens and encumbrances, except those liens and encumbrances described on **Exhibit B** attached hereto (the "**Permitted Exceptions**"); and (b) Mortgagor has legal power and authority to mortgage and convey the Premises.

Mortgagor shall perform all obligations and make all payments as required by the Permitted Encumbrances. Mortgagor shall provide to Mortgagee promptly upon Mortgagor's receipt thereof copies of all written notices, demands and communications pertaining to the Permitted Encumbrances, and the Mortgagee is authorized to request and receive that information from any other person without the consent or knowledge of the Mortgagor.

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This Mortgage arises out of and is subject to the certain Secured Loan Agreement dated as of March 12, 2018 (the “**Loan Agreement**”) between Mortgagor and Mortgagee (the terms and provisions of which Loan Agreement are hereby incorporated herein by this reference). Such Loan Agreement provides for the making of a loan by Mortgagee to Mortgagor in the original principal amount of \$500,000.00, which loan is evidenced by the Promissory Note dated the date hereof (the “**Note**”) of Mortgagor. Reference is hereby made to the Loan Agreement for a statement of the terms and conditions under which the Note may or must be paid prior to the Maturity Date (as defined in the Note) or the Maturity Date may be accelerated. Terms not otherwise defined herein shall have the meanings set forth in the Loan Agreement.

This Mortgage secures the following (the “**Obligations**”):

(1) The payment by Mortgagee of all principal, interest and other amounts due under the Loan Agreement and the Note, together with any amendments, extensions, renewals, modifications or replacements of the Loan Agreement and/or the Note; and

(2) The payment and performance of all of Mortgagor’s other covenants and agreements under this Mortgage, the Loan Agreement, the Note and any other document further securing or relating to the Loan, together with any amendments, extensions, renewals, modifications or replacements of this Mortgage, the Loan Agreement, the Note and/or other document.

Notwithstanding anything to the contrary contained in this Mortgage, the amount secured by this Mortgage, including all other present and future, direct and indirect obligations and liabilities of the Mortgagor, or any one or more of them, with or without others, but excluding any obligation or debt for personal, family or household expenses unless the note or guaranty expressly states that it is secured by this Mortgage to the Mortgagee, shall not exceed the principal sum of \$500,000.00 at any one time outstanding; provided, however, that nothing contained herein, in the Loan Agreement or the Note shall be deemed to obligate Mortgagor to make any further loans or advances to Mortgagee.

Mortgagor hereby covenants and agrees as follows:

1. PAYMENT AND PERFORMANCE OF OBLIGATION: The Mortgagor shall promptly pay when due, whether by acceleration or otherwise, all sums due under the Note, and shall promptly pay and perform all of Mortgagor’s other Obligations under this Mortgage, the Loan Agreement and the Note.

2. LEASEHOLD ESTATE: Mortgagor hereby represents and covenants:

(a) that the Ground Lease is in full force and effect and unmodified;

(b) that all rents (including additional rents and other charges) reserved in the Ground Lease have been paid to the extent they were payable prior to the date hereof;

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(c) that Mortgagee shall defend the leasehold estates created under the Ground Lease for the entire remainder of the terms set forth therein, against all and every person or persons lawfully claiming, or who may claim the same or any part thereof, and

(d) that there is no uncured default under the Ground Lease or in the performance of any of the terms, covenants, conditions or warranties thereof on the part of the tenant to be observed and performed and that to the actual knowledge of Mortgagor no state of facts exists under the Ground Lease which, with the lapse of time or giving of notice or both would constitute a default thereunder.

3. PAYMENT OF LEASE EXPENSES: Mortgagor shall pay or cause to be paid all rents, additional rents, taxes, assessments, water rates, sewer rents and other charges and impositions payable by the tenant under the Ground Lease for which provision has not been made hereinbefore, when and as often as the same shall become due and payable. Upon request Mortgagor will in every case deliver, or cause to be delivered, a proper receipt for any such item so paid and upon request will, within ten (10) days after the time when such payment shall be due and payable, deliver to Mortgagee a copy of the receipts for any such payments.

4. MORTGAGOR'S COVENANTS WITH RESPECT TO LEASE:

(a) Mortgagor shall at all times promptly and faithfully keep and perform, or cause to be kept and performed, all the covenants and conditions contained in the Ground Lease by the tenants thereunder to be kept and performed and in all respects conform to and comply with the terms and conditions of the Lease, and Mortgagor further covenants that it shall not do or permit anything which will impair or tend to impair the security of this Mortgage or will be grounds for declaring a forfeiture of the Ground Lease, and upon any such failure aforesaid, Mortgagor shall be subject to all of the rights and remedies granted Mortgagee in this Mortgage.

(b) Mortgagor shall not modify, extend or in any way alter the terms of the Lease or cancel or surrender said Lease, or waive, execute, condone or in any way release or discharge the landlord thereunder of or from the obligations, covenants, conditions and agreements by said landlord to be done and performed; and Mortgagor does expressly release, relinquish and surrender unto Mortgagee all of its rights, power and authority to cancel, surrender, amend, modify or alter in any way the terms and provisions of the Lease and any attempt on the part of Mortgagor to exercise any such right without the written approval and consent of Mortgagee thereto being first had and obtained shall constitute an Event of Default and the entire Obligations shall, at the option of Mortgagee, become due and payable forthwith and without notice.

(c) Mortgagor shall give Mortgagee immediate written notice of any default or alleged default under the Ground Lease or of the receipt by it of any notice of default from the landlord thereunder, and shall furnish all other information which it may request concerning the performance by Mortgagor of the covenants of the Ground Lease, within ten (10) days of Mortgagee's request therefor.

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(d) Mortgagor shall permit Mortgagee or its representative at all reasonable times to make investigation or examination concerning the performance by Mortgagor of the covenants of the Ground Lease. Mortgagor shall deliver to Mortgagee an original executed copy of the Ground Lease and an estoppel certificate from the landlord of the Lease within ten (10) days of request by Mortgagee and in such form and content as shall be satisfactory to Mortgagee, as well as any and all documentary evidence received by it showing compliance by Mortgagor with the provisions of the Ground Lease. Mortgagor shall also promptly deliver to Mortgagee an exact copy of any notice, communication, plan, specification or other instrument or document received or given by it in any way relating to or affecting the Ground Lease.

(e) In the event of any failure by Mortgagor to perform any covenant on the part of tenant to be observed and performed under the Lease, the performance by Mortgagee on behalf of Mortgagor of the Lease covenant shall not remove or waive, as between Mortgagor and Mortgagee, the corresponding Event of Default under the terms hereof, and any amount so advanced by Mortgagee or any costs incurred in connection therewith, with interest thereon, shall constitute additional Obligations and shall be immediately due and payable.

(f) To the extent permitted by law, the price payable by Mortgagor, or by any other party so entitled, in the exercise of the right of redemption, if any, shall include all rents paid and other sums advanced by Mortgagee, on behalf of Mortgagor, as tenant under the Ground Lease.

5. MERGER: So long as any of the Obligations shall remain unpaid, unless Mortgagee shall otherwise in writing consent, the fee title and the leasehold estate in the Premises shall not merge but shall always be kept separate and distinct, notwithstanding the union of said estates either in the landlord or in the tenant, or in a third party, by purchase or otherwise; and Mortgagor covenants and agrees that, if it shall acquire the fee title, or any other estate, title or interest in the Premises covered by said Lease, this Mortgage shall be considered as mortgaged, assigned or conveyed to Mortgagee and the lien hereof spread to cover such estate with the same force and effect as though specifically herein mortgaged, assigned or conveyed and spread. The provisions of this paragraph shall not apply if the holder of the Note acquires the fee of the Premises unless Mortgagee shall so elect in writing.

6. TAXES: LIENS: Mortgagor shall pay, when due, and before any interest, collection fees or penalties shall accrue, all taxes, assessments, fines, impositions and other charges (collectively, the "Taxes") with respect to the Premises or any interest therein. Should Mortgagor fail to pay any such Taxes, the Mortgagee may at its option and at the expense and account of Mortgagor pay the amounts due for the account of the Mortgagor, which amounts shall constitute additional Obligations hereunder. Upon the request of Mortgagee, Mortgagor shall immediately furnish to the Mortgagee all notices of Taxes due and receipts evidencing payment of such Taxes. Mortgagor shall promptly notify Mortgagee of any mechanics or other lien on all or any part of the Premises and shall promptly discharge or cause to be bonded over to the reasonable satisfaction of Mortgagee any unpermitted lien or encumbrance.

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7. WASTE: Mortgagor shall not commit or permit waste on the Premises nor do any other act causing the Premises to become less valuable. Mortgagor will keep the Premises in good order and repair and in compliance in all material respects with any law, regulation, ordinance or contract affecting the Premises and, from time to time, make all needful and proper replacements so that fixtures, improvements and Equipment will at all times be in good condition, fit and proper for their respective purposes. Should Mortgagor fail to effect any necessary repairs, the Mortgagee may at its option and at the expense of Mortgagor make the repairs for the account of the Mortgagor and any amounts so expended by Mortgagor shall constitute additional Obligations hereunder. Mortgagor shall use and cause to be used the Premises in conformance with all applicable laws, ordinances and regulations. The Mortgagee or its authorized agent shall have the right to enter upon and inspect the Premises at all reasonable times. Mortgagor agrees to timely pay all fees with respect to inspections of the Premises.

8. PAYMENT OF OTHER OBLIGATIONS: Mortgagor shall perform and pay all other obligations which are or may become liens or charges against the Premises for any present or future repairs or improvements made on the Premises, or for any other goods, services or utilities furnished to the Premises and shall not permit any lien or charge of any kind securing the repayment of borrowed funds (including the deferred purchase price for any property) to accrue and remain outstanding against the Premises other than the Permitted Exceptions. Mortgagor shall have the right to contest any lien or charges in good faith by appropriate proceedings provided it posts a bond, establishes a title indemnity or otherwise establishes security reasonably satisfactory to the Mortgagee.

9. ASSIGNMENT OF LEASES AND RENTS: As additional security for the Debt, the Mortgagor assigns to the Mortgagee all oral or written subleases, and the rents, issues, income and profits under all subleases or licenses of the Premises, present and future. The Mortgagor will comply with all terms of all such subleases and licenses.

10. SECURITY AGREEMENT: This Mortgage also constitutes a security agreement within the meaning of the Illinois Uniform Commercial Code (the "UCC") and the Mortgagor grants to the Mortgagee a security interest in any Equipment and other personal property included within the definition of Premises. Accordingly, the Mortgagee shall have all of the rights and remedies available to a secured party under the UCC. Upon the occurrence of an Event of Default under this Mortgage, the Mortgagee shall have, in addition to the remedies provided by this Mortgage, the right to use any method of disposition of collateral authorized by the UCC with respect to any portion of the Premises subject to the UCC.

11. REIMBURSEMENT OF ADVANCES: If the Mortgagor fails to perform any of its obligations under this Mortgage, or if any action or proceeding is commenced which materially affects the Mortgagee's interest in the Premises (including but not limited to a lien priority dispute, eminent domain, code enforcement, insolvency, bankruptcy or probate proceedings), then the Mortgagee at its sole option may with prior notice to Mortgagor make appearances, disburse sums and take any action it deems necessary to protect its interest (including but not limited to disbursement of reasonable attorneys' and paralegals' fees and entry upon the Premises to make repairs). Any amounts disbursed shall become additional Obligations, shall be immediately due

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and payable upon notice from the Mortgagee to the Mortgagor, and shall bear interest at the highest rate permitted under any of the instruments evidencing any of the Obligations.

12. DUE ON TRANSFER: If all or any part of the Premises or any direct interest in the Premises (except for leases to tenants of the Premises in the ordinary course of Mortgagor's business and which are permitted under the Permitted Exceptions and any other mortgage, covenant or restriction encumbering the Premises and except with respect to the Purchase Option and Right of First Refusal between Mortgagor and Mortgagee dated on or about the date hereof) is sold, conveyed or transferred without the Mortgagee's prior written consent, it may, at its sole option, declare the Obligations to be immediately due and payable.

13. NO ADDITIONAL LIEN: Except for the mortgages, security agreements and other encumbrances described on **Exhibit C** attached hereto (collectively the "**Permitted Mortgages**"), Mortgagor covenants not to execute any mortgage, security agreement, assignment of leases and rentals or other agreement granting a lien against the interest of the Mortgagor in the Premises without the prior written consent of the Mortgagee, and then only when the document granting that lien expressly provides that it shall be subject to the lien of this Mortgage for the full amount secured by this Mortgage and shall also be subject and subordinate to all present and future leases affecting the Premises, except for the Permitted Mortgages.

14. EMINENT DOMAIN: Notwithstanding any taking under the power of eminent domain, alteration of the grade of any road, alley or the like, or other injury or damage to or decrease in value of the Premises by any public or quasi-public authority or corporation, the Mortgagor shall continue to pay the Obligations in accordance with the terms of the underlying loan documents until any award or payment for such taking shall have been actually received by Mortgagee. Subject to the Subordination Agreement as hereinafter defined, by executing this Mortgage, Mortgagor hereby assigns to Mortgagee the entire proceeds of any award or payment for such taking up to the amount of the Obligations secured by this Mortgage. The proceeds of such award or taking shall be applied *first* to restoration of the Premises to the extent Mortgagor determines such restoration is desirable, *second* toward reimbursement of all costs and expenses of the Mortgagee in collecting such proceeds, including reasonable attorneys' fees, and *third*, toward payment of the Obligations whether or not then due or payable, and the balance shall be paid to the Mortgagor.

15. ENVIRONMENTAL INDEMNITY: As used herein:

(a) "**Environmental Laws**" means any and all federal, state and local laws (whether under common law, statute, rule, regulation or otherwise), requirements under permits or other authorizations issued with respect thereto, and other orders, decrees, judgments, directives or other requirements of any governmental authority relating to or imposing liability or standards of conduct (including disclosure or notification) concerning protection of human health or the environment or Hazardous Substances or any activity involving Hazardous Substances, all as previously and in the future to be amended.

(c) "**Hazardous Substance**" means, but is not limited to, any substance, chemical, material or waste (i) the presence of which causes a nuisance or trespass of any

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kind; (ii) which is regulated by any federal, state or local governmental authority because of its toxic, flammable, corrosive, reactive, carcinogenic, mutagenic, infectious, radioactive or other hazardous property or because of its effect on the environment, natural resources or human health and safety, including, but not limited to, petroleum and petroleum products, asbestos-containing materials, polychlorinated biphenyls, lead and lead-based paint, radon, radioactive materials, flammables and explosives; or (iii) which is designated, classified or regulated as being a hazardous or toxic substance, material, pollutant, waste (or a similar such designation) under any federal, state or local law, regulation or ordinance, including under any Environmental Law such as the Comprehensive Environmental Response Compensation and Liability Act (42 U.S.C. § 9601 *et seq.*), the Emergency Planning and Community Right-to-Know Act (42 U.S.C. § 11001 *et seq.*), the Hazardous Substances Transportation Act (49 U.S.C. § 1801 *et seq.*) or the Clean Air Act (42 U.S.C. § 7401 *et seq.*).

(d) **“Indemnified Parties”** means and includes Mortgagor, its subsidiaries and affiliated companies, assignees of any of Mortgagor’s interest in the Loan, any servicer or originator of the Loan, and the officers, directors, employees, agents and contractors of any of the foregoing parties.

Mortgagee covenants and agrees that Mortgagee: (i) shall keep or cause all of the Premises to be kept free from Hazardous Substances; (except those substances used by Mortgagor or tenants under leases at any of the Premises in the ordinary course of their businesses and in compliance with all Environmental Laws); (ii) shall not install or use any underground storage tanks, shall not itself engage in and shall expressly prohibit all tenants of space in the Improvements from engaging in the use, generation, handling, storage, production, processing or management of Hazardous Substances, except in the ordinary course of their businesses and in compliance with all Environmental Laws; (iii) shall not itself cause or allow and shall expressly prohibit the Release of Hazardous Substances at, on, under or from any of the Premises; shall itself comply and shall expressly require all tenants and any other persons who may come upon any Premises to comply with all Environmental Laws; and (iv) shall comply and cause all occupants of all of the Premises to comply with the recommendations of any qualified environmental engineer or other expert that apply or pertain to all or any portion of the Premises. Mortgagee covenants and agrees, at Mortgagee’s sole cost and expense, to indemnify, defend (at trial and appellate levels, and with attorneys, consultants and experts acceptable to Indemnified Parties), and hold Indemnified Parties harmless from and against any and all liens, damages (including, without limitation, consequential damages), losses, liabilities, obligations, settlement payments, penalties, claims, judgments, suits, proceedings, costs, disbursements or expenses of any kind or of any nature whatsoever (including reasonable attorneys’, consultants’ and experts’ fees and disbursements actually incurred in investigating, defending, settling or prosecuting any claim, litigation or proceeding) which may at any time be imposed upon, incurred by or asserted against Indemnified Parties or any of the Premises, and arising directly or indirectly from or out of:

(a) the past, present or future presence, release or threat of release of any Hazardous Substances on, in, under or affecting all or any portion of the Premises or any surrounding areas, regardless of whether or not caused by or within the control of Mortgagor; or

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(b) the past, present or future violation of any Environmental Laws, relating to or affecting all or any portion of the Premises or Mortgagor's operations, whether or not caused by or within the control of Mortgagor.

16. EVENTS OF DEFAULT/ACCELERATION: Upon the occurrence of any of the following (each an "**Event of Default**"), the Mortgagee shall be entitled to exercise its remedies under this Mortgage or as otherwise provided by law: (i) the occurrence of an Event of Default (as defined in the Loan Agreement); (ii) Mortgagor fails to perform, keep or observe any other term, condition or covenant contained in this Agreement, the Note or the Mortgage, which failure shall continue for one hundred twenty (120) days following written notice to Mortgagor specifying such failure; or (iii) Mortgagor defaults in the performance of any of its obligations as tenant under the Ground Lease and the Landlord thereunder has elected to terminate such Ground Lease. Concurrently with the giving of any written notice of default to Mortgagor, Mortgagee shall give written notice of such default to NEF Assignment Corporation, an Illinois nonprofit corporation, as nominee, its successors and/or assigns ("**Investor**"), the non-managing member of Mortgagee, at the following address:

NEF Assignment Corporation, as nominee
10 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606
Attn: General Counsel

Notwithstanding any other provision of this Agreement to the contrary and subject to the provisions of the Subordination Agreement, Investor shall have the right, but not the obligation, to cure such default by Mortgagor within the same cure period and on the same terms as are applicable to default by Mortgagor, and Mortgagee shall accept such cure to the same extent as if such cure had been effected by Mortgagor. Subject to the provisions of the Subordination Agreement and notwithstanding anything to the contrary contained herein, Mortgagee shall provide the Investor notice of any Event of Default and the Investor shall be provided at least 30 days to cure any such Event of Default (or such longer period as is provided herein or is reasonably necessary to cure such failure, provided that the Investor proceeds with due diligence to cure such Event of Default).

17. REMEDIES ON DEFAULT: Upon the occurrence of an Event of Default, and subject to the express limitations set forth in this Mortgage, in Paragraph 6 of the Loan Agreement and in the Subordination Agreement (as hereinafter defined), Mortgagee may exercise all of the rights, powers and remedies expressly or impliedly conferred on or reserved to it under this Mortgage, the Loan Agreement, the Note or any other related document, or now or later existing at law or in equity, including without limitation the following: (i) declare the Obligations to be immediately due, (ii) proceed at law or in equity to collect the Obligations and proceed to foreclose this Mortgage, or otherwise pursue any of its rights or remedies, and (iii) exercise any of its rights, powers or remedies pursuant to the UCC. In any suit to foreclose, this Mortgage shall be entitled to the appointment of a receiver of the rents, leases and profits of the Premises as a matter of right and without notice (without regard to the value of the Premises), and the Mortgagor specifically consents to that appointment without notice. The Premises may be sold in single parcels or as an entirety or in such parcels, manner and order as Mortgagee may elect. By executing this Mortgage,

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Mortgagor waives, in the event of a foreclosure of this Mortgage or the enforcement by Mortgagee of any other rights and remedies in this Mortgage, any right otherwise available in respect to marshalling of assets which secure the Obligations or to require Mortgagee to pursue its remedies against any other such assets. To the extent permitted by law, Mortgagor waives all errors and imperfections in any proceedings instituted by Mortgagee to enforce any of its rights and remedies. Notwithstanding any other provision of the Loan Documents to the contrary, Mortgagee shall not exercise any right or remedy it may possess at law, equity or under the Loan Documents following an Event of Default during the Compliance Period (as such term is defined in Section 42(i)(1) of the IRC) applicable to the Richard Flowers Property.

18. ATTORNEYS' FEES EXPENSES: If Mortgagee institutes any suit or action to enforce any of the terms of this Mortgage, Mortgagee shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and on any appeal. Whether or not any court action is involved, all reasonable expenses incurred by Mortgagee that in Mortgagee's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest from the date of expenditure until repaid at the default rate provided for in the Note. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Mortgagee's attorneys' fees and Mortgagee's legal expenses whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveyors' reports and appraisal fees, and title insurance, to the extent permitted by applicable law. Mortgagor also will pay any court costs, in addition to all other sums provided by law.

19. NOTICES: Notice from one party to another relating to this Mortgage shall be deemed effective if made in writing (including telecommunications) and delivered to the recipient's address, telex number or telecopier number set forth below by any of the following means: (i) hand delivery, (ii) registered or certified mail, postage prepaid, with return receipt requested, (iii) Federal Express or like overnight courier service, or (iv) telecopy, telex or other wire transmission with request for assurance of receipt in a manner typical with respect to communications of that type, to the following addresses (or to such other addresses as a party may from time-to-time designate by written notice given in accordance herewith):

If to Mortgagor:

Richard Flowers Community Housing, LLC
175 West Jackson Boulevard, Suite 350
Chicago, Illinois 60604

With a copy to:

NEF Assignment Corporation, as nominee
10 South Riverside Plaza, Suite 1700
Chicago, Illinois 60606
Attn: General Counsel

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If to Mortgagee:

Housing Authority of Cook County
 175 West Jackson Boulevard, Suite 350
 Chicago, Illinois 60604
 Attention: Richard J. Monocchio, Executive Director

With a copy to:

Nixon Peabody LLP
 799 9th Street
 Suite 500
 Washington, D.C. 20001
 Attention: Patrice J. Harris, Esq.

Notice made in accordance with this paragraph shall be deemed delivered upon receipt if delivered by hand or wire transmission, three (3) business days after mailing if mailed by registered or certified mail or one (1) business day after mailing or deposit with an overnight courier service if delivered by express mail or overnight courier. This notice provision shall be inapplicable to any judicial or non-judicial proceeding where state law governs the manner and timing of notices in foreclosure or receivership proceedings.

20. JUNIOR LOAN; SUBORDINATION AGREEMENT. The Mortgage is junior and subordinate to first mortgages, security agreements and assignments of leases and rents dated the date hereof (as the same are subsequently amended or refinanced) encumbering the Premises as follows: (i) a first leasehold construction/permanent mortgage, assignment of leases and rents, security agreement and fixture filing from Mortgagor to BMO Harris Bank, N.A. (“**BMO**”) securing indebtedness in the original principal amount of \$10,123,241.00; and (ii) a second mortgage, security agreement and assignment of leases and rents and fixture financing statement from Mortgagor to Richard Flowers Group securing indebtedness in the original principal amount of \$5,389,273.00. Mortgagor’s rights and remedies under this Agreement are subject to the terms and conditions of the Subordination Agreement (Sponsor Loan) of even date herewith by and between Mortgagor, Mortgagee and BMO (the “**Subordination Agreement**”). In the event of a conflict between the terms of the Subordination Agreement and the terms of this Mortgage, the terms of the Subordination Agreement shall control.

21. MISCELLANEOUS: If any provision of this Mortgage is in conflict with any statute or rule of law or is otherwise unenforceable for any reason whatsoever, then that provision is void to the extent of the conflict or unenforceability, and severed from but does not invalidate any other provision of this Mortgage. No waiver by Mortgagee of any right or remedy granted or failure to insist on strict performance by Mortgagor waives any right or remedy of the Mortgagee, nor does the subsequent exercise of the same right or remedy by Mortgagee for any subsequent default by the Mortgagor, and all rights and remedies of the Mortgagee are cumulative. The promises and agreements contained in this Mortgage shall be binding upon Mortgagor and its successors and assigns and shall inure to the benefit of Mortgagee and its successors and assigns.

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22. GOVERNING LAW: This Mortgage shall be governed and controlled by the internal laws of the State of Illinois (without giving effect to any conflicts-of-law principles) as to interpretation, enforcement, validity, construction, effect and in all other respects.

23. INFORMATION WAIVER: Mortgagor agrees that the Mortgagee may provide any information or knowledge the Mortgagee may have about the Mortgagor or about any matter relating to this Mortgage, the Note or the Lease to Mortgagee, or any of its subsidiaries or affiliates or their successors, or to any one or more purchasers or potential purchasers of all or any part of the Obligations, this Mortgage, the Note or the Ground Lease.

24. WAIVER OF RIGHT OF REDEMPTION: EXCEPT AS MAY OTHERWISE BE PROHIBITED BY THE LAWS OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, THE MORTGAGOR WAIVES ANY AND ALL RIGHTS OF REDEMPTION FROM SALE UNDER ANY ORDER OR JUDGMENT OF FORECLOSURE OF THIS MORTGAGE AND ANY RIGHTS OF REINSTATEMENT PURSUANT TO THE LAWS OF THE STATE OF ILLINOIS REGARDING FORECLOSURE OF MORTGAGES, ON ITS OWN BEHALF AND ON BEHALF OF EACH AND EVERY PERSON, EXCEPT JUDGMENT CREDITORS OF MORTGAGOR, ACQUIRING ANY INTEREST IN OR TITLE TO THE PREMISES AS OF OR SUBSEQUENT TO THE DATE OF THIS MORTGAGE.

25. WAIVER OF SPECIAL DAMAGES: THE MORTGAGOR WAIVES, TO THE MAXIMUM EXTENT NOT PROHIBITED BY LAW, ANY RIGHT THE UNDERSIGNED MAY HAVE TO CLAIM OR RECOVER FROM THE MORTGAGEE IN ANY LEGAL ACTION OR PROCEEDING ANY SPECIAL, EXEMPLARY, PUNITIVE OR CONSEQUENTIAL DAMAGES.

26. WAIVER OF JURY TRIAL: THE MORTGAGEE AND THE MORTGAGOR, AFTER CONSULTING OR HAVING HAD THE OPPORTUNITY TO CONSULT WITH COUNSEL, KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT EITHER OF THEM MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION BASED ON OR ARISING OUT OF THIS MORTGAGE OR ANY RELATED INSTRUMENT OR AGREEMENT, OR ANY OF THE TRANSACTIONS CONTEMPLATED BY THIS MORTGAGE, OR ANY COURSE OF CONDUCT, DEALING, STATEMENTS (WHETHER ORAL OR WRITTEN), OR ACTIONS OF EITHER OF THEM. NEITHER THE MORTGAGEE NOR THE MORTGAGOR SHALL SEEK TO CONSOLIDATE, BY COUNTERCLAIM OR OTHERWISE, ANY ACTION IN WHICH A JURY TRIAL HAS BEEN WAIVED WITH ANY OTHER ACTION IN WHICH A JURY CANNOT BE OR HAS NOT BEEN WAIVED. THESE PROVISIONS SHALL NOT BE DEEMED TO HAVE BEEN MODIFIED IN ANY RESPECT OR RELINQUISHED BY EITHER THE MORTGAGEE OR THE MORTGAGOR EXCEPT BY A WRITTEN INSTRUMENT EXECUTED BY BOTH OF THEM. MORTGAGOR ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS MORTGAGE, AND MORTGAGOR AGREES TO ITS TERMS.

27. NON-RECOURSE. Anything contained herein to the contrary notwithstanding, the Loan and the obligations of Mortgagor under the Loan Agreement, the Note or this Mortgage shall be non-recourse to Mortgagor, and the liability of Mortgagor under Loan Agreement, the

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Note or this Mortgage shall be limited to the interest of Mortgagor in the Pledged Collateral. Upon the occurrence of an Event of Default, Mortgagee shall not commence, prosecute or obtain a judgment for personal liability or deficiency against Mortgagor or any member, officer or employee of Mortgagor or seek or obtain recourse to any personal assets of Mortgagor or any member, officer or employee of Mortgagor other than the Pledged Collateral.

[Signature page follows]

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IN WITNESS WHEREOF, Mortgagor has caused this Mortgage to be executed as of this 12TH day of MARCH, 2018.

MORTGAGOR:

RICHARD FLOWERS COMMUNITY HOUSING, LLC, an Illinois limited liability company


By: Richard Flowers Community Housing Group, LLC, its Managing Member

By: Housing Authority of Cook County, its Sole Member

By: 

Richard J. Monocchio
Executive Director

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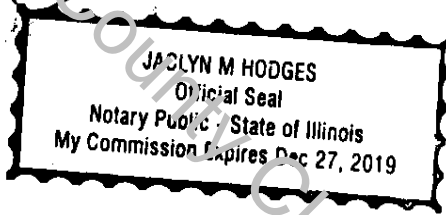
STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, Jaclyn M Hodges, the undersigned, a Notary Public, in and for the County and State aforesaid, do certify that Richard J. Monocchio, the Executive Director of the sole member of the managing member of Richard Flowers Community Housing, LLC, an Illinois limited liability company ("Company") and personally known to me to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered the said instrument on behalf of the Company, as the free and voluntary act of such person and the free and voluntary act and deed of the Company, for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 17th day of March, 2018.

[Signature]

Notary Public

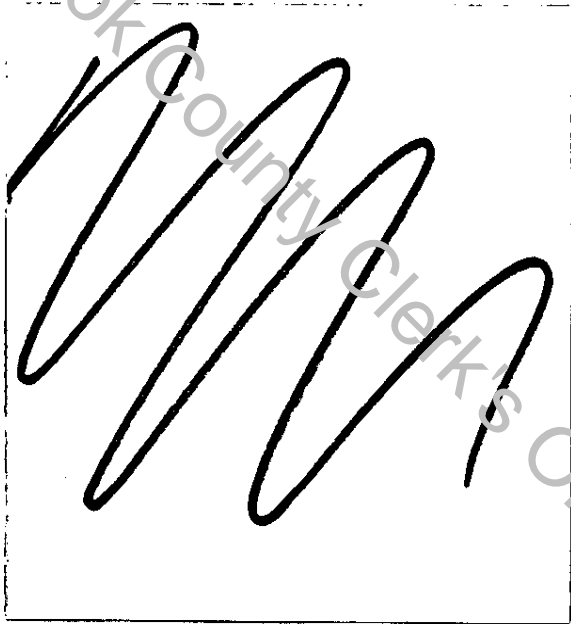


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EXHIBIT A
LEGAL DESCRIPTION OF RICHARD FLOWERS PROPERTY

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Parcel 1:

The leasehold estate or interest in the land described below and covered herein is:

LOTS 303 TO 328, BOTH INCLUSIVE, IN BLOCK 6, LOTS 345 TO 375, BOTH INCLUSIVE, IN BLOCK 7, LOTS 389 TO 395, BOTH INCLUSIVE, IN BLOCK 7, AND LOTS 396 TO 413 (EXCEPT THE SOUTHWESTERLY 16 FEET OF LOT 396), BOTH INCLUSIVE, IN BLOCK 7; TOGETHER WITH VACATED GRACE AVENUE LYING ADJACENT TO SAID LOTS 303 TO 328 AND SAID LOTS 346 TO 375; ALSO TOGETHER WITH THE VACATED ALLEY LYING ADJACENT TO SAID LOTS 345 TO 354 AND SAID LOTS 397 TO 412 AND SAID LOTS 355 AND 396, IN SAID BLOCK 7 (EXCEPT THE SOUTHWESTERLY 16 FEET THEREOF); ALL IN "CLAIRMOUNT" JAS. J. SMITH & CO'S 4TH SUBDIVISION OF LOTS 1, 5, 6 AND 7 IN LUECHTENMEYERS SUBDIVISION, BEING A SUBDIVISION OF THE SOUTHEAST QUARTER OF SECTION 2, ALSO EAST HALF OF THE SOUTHWEST QUARTER OF THE NORTHEAST QUARTER OF SECTION 2, (EX; TRIANGULAR PIECE SOUTH EAST CORNER BOUNDED BY CLEVELAND STREET, HOMAN AVENUE AND CLAIRE BOULEVARD), IN SECTION 2, TOWNSHIP 36, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, SITUATED IN THE VILLAGE OF ROBBINS, ACCORDING TO THE PLAT THEREOF RECORDED JULY 15, 1892 AS DOCUMENT NUMBER 1701452, IN COOK COUNTY, ILLINOIS.

Parcel 2:

FEE SIMPLE OWNERSHIP OF ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED ON THE LAND DESCRIBED AS PARCEL 1.

Commonly known as: 13900 S. Grace Ave, Robbins, IL 60472

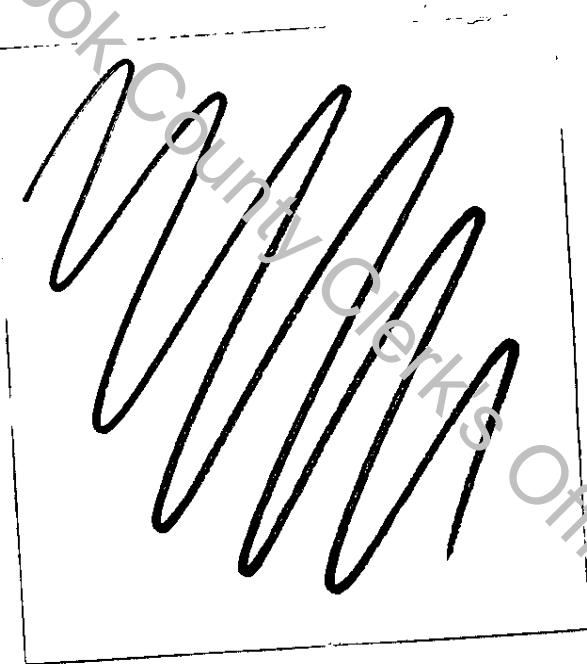
PINS:

28-02-404-053 THROUGH 069
28-02-404-085
28-02-404-001 THROUGH 031
28-02-403-024 THROUGH 049
28-02-404-086

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EXHIBIT B Permitted Encumbrances

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SCHEDULE B

File No.: 17000031584

Policy No.: PROFORMA

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. INTENTIONALLY OMITTED
2. INTENTIONALLY OMITTED
3. REAL ESTATE TAXES FOR THE YEAR(S) 2017, SECOND INSTALLMENT, 2018 AND SUBSEQUENT YEARS, A LIEN NOT YET DUE AND PAYABLE.
4. GRANT OF EASEMENT IN FAVOR OF COMCAST OF ILLINOIS/INDIANA, MICHIGAN, INC. DATED JULY 31, 2012 AND RECORDED AUGUST 31, 2012 AS DOCUMENT NUMBER 1224410068.
5. INTENTIONALLY OMITTED.
6. INTENTIONALLY OMITTED.
7. THE FOLLOWING MATTERS DISCLOSED ON SURVEY BY SIGHT ON SOLUTIONS, INC. DATED FEBRUARY 2, 2018 AND DESIGNATED JOB NO. 16087:
 - A) POSSIBLE EASEMENT FOR UTILITIES AS DISCLOSED BY OVERHEAD LINES ALONG THE SOUTHEASTERLY AND SOUTHWESTERLY LINES;
 - B) ENCROACHMENT OF FENCES ONTO FINLEY AVENUE ALONG THE SOUTHEASTERLY LINE;
 - C) POSSIBLE EASEMENT FOR ROADWAY PURPOSES OVER THE MOST NORTHEASTERLY CORNER.
8. TERMS AND PROVISIONS OF THE GROUND LEASE IDENTIFIED AS PARCEL 1 IN SCHEDULE A HEREIN, EXECUTED BY Housing Authority of Cook County, as lessor and Ford Heights Community Service Organization, Inc., as lessee, a memorandum of ground lease was recorded _____ as document _____, and as amended and assigned to RICHARD FLOWERS COMMUNITY HOUSING GROUP, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY by Assignment and Assumption of Lease and Landlord Consent among Housing Authority of Cook County, RICHARD FLOWERS COMMUNITY HOUSING GROUP, LLC and Ford Heights Community Service Organization, Inc., a Memorandum of Assignment and Assumption of Lease and Landlord Consent was recorded _____ as document number _____, and as further amended and assigned to RICHARD FLOWERS COMMUNITY HOUSING, LLC by Assignment and Assumption of Lease and Landlord Consent among RICHARD FLOWERS COMMUNITY HOUSING, LLC, RICHARD FLOWERS COMMUNITY HOUSING GROUP, LLC and Housing Authority of Cook County, a Memorandum of Assignment and Assumption of Lease and Landlord Consent was recorded _____ as document number _____.
9. RENTAL ASSISTANCE DEMONSTRATION USE AGREEMENT BY AND BETWEEN UNITED STATES OF AMERICA, SECRETARY OF HOUSING AND URBAN DEVELOPMENT, HOUSING AUTHORITY OF COOK COUNTY AND RICHARD FLOWERS COMMUNITY HOUSING, LLC, RECORDED _____ AS DOCUMENT NUMBER _____.
10. LOW INCOME HOUSING EXTENDED USE AGREEMENT BY AND BETWEEN ILLINOIS HOUSING DEVELOPMENT AUTHORITY AND RICHARD FLOWERS COMMUNITY HOUSING, LLC, DATED _____ AND RECORDED _____ AS DOCUMENT NUMBER _____.
11. ILLINOIS AFFORDABLE HOUSING TAX CREDIT REGULATORY AGREEMENT (IAHTC REGULATORY

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SCHEDULE B

AGREEMENT) BY AND BETWEEN ILLINOIS HOUSING DEVELOPMENT AUTHORITY AND RICHARD FLOWERS COMMUNITY HOUSING, LLC, DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.

12. LEASEHOLD CONSTRUCTION MORTGAGE, ASSIGNMENT OF LEASES AND RENTS, SECURITY AGREEMENT AND FIXTURE FILING MADE BY RICHARD FLOWERS COMMUNITY HOUSING, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY TO ILLINOIS HOUSING DEVELOPMENT AUTHORITY, DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____; ASSIGNED TO BMO HARRIS BANK N.A., PURSUANT TO ASSIGNMENT OF MORTGAGE AND LOAN DOCUMENTS BY ILLINOIS HOUSING DEVELOPMENT AUTHORITY RECORDED ____ AS DOCUMENT NUMBER ____.
13. AGREEMENT TO SUBORDINATE TO RENTAL ASSISTANCE DEMONSTRATION USE AGREEMENT BY RICHARD FLOWERS COMMUNITY HOUSING, LLC AND BMO HARRIS BANK N.A, DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
14. TAX REGULATORY AGREEMENT BY AND BETWEEN ILLINOIS HOUSING DEVELOPMENT AUTHORITY AND RICHARD FLOWERS COMMUNITY HOUSING, LLC DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
15. IHDA REGULATORY AGREEMENT (CONDUIT BOND LOAN) BY AND BETWEEN ILLINOIS HOUSING DEVELOPMENT AUTHORITY AND RICHARD FLOWERS COMMUNITY HOUSING, LLC DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
16. JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT MADE BY RICHARD FLOWERS COMMUNITY HOUSING, LLC, AN ILLINOIS LIMITED LIABILITY COMPANY TO RICHARD FLOWERS COMMUNITY HOUSING GROUP, LLC, DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
17. AGREEMENT TO SUBORDINATE TO RENTAL ASSISTANCE DEMONSTRATION USE AGREEMENT BY RICHARD FLOWERS COMMUNITY HOUSING, LLC AND RICHARD FLOWERS COMMUNITY HOUSING GROUP, LLC, DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
18. SUBORDINATED MORTGAGE MADE BY RICHARD FLOWERS COMMUNITY HOUSING, LLC IN FAVOR OF HOUSING AUTHORITY OF COOK COUNTY DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
19. DONATION TAX CREDIT SUBORDINATE MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT ("SPONSOR LOAN 2") MADE BY RICHARD FLOWERS COMMUNITY HOUSING, LLC TO HOUSING AUTHORITY OF COOK COUNTY, DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
20. AGREEMENT TO SUBORDINATE TO RENTAL ASSISTANCE DEMONSTRATION USE AGREEMENT BY RICHARD FLOWERS COMMUNITY HOUSING, LLC AND HOUSING AUTHORITY OF COOK COUNTY, DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
21. SUBORDINATION AGREEMENT (SELLER LOAN) BY AND AMONG RICHARD FLOWERS COMMUNITY HOUSING, LLC, RICHARD FLOWERS COMMUNITY HOUSING GROUP, LLC, AND BMO HARRIS BANK N.A., DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
22. SUBORDINATION AGREEMENT (SPONSOR LOANS) BY AND AMONG RICHARD FLOWERS COMMUNITY HOUSING, LLC, HOUSING AUTHORITY OF COOK COUNTY AND BMO HARRIS BANK N.A., DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
23. RECOGNITION, ATTORMENT AND ASSENT TO LEASEHOLD MORTGAGE BY AND AMONG RICHARD FLOWERS COMMUNITY HOUSING, LLC, HOUSING AUTHORITY OF COOK COUNTY AND BMO HARRIS BANK N.A., DATED ____ AND RECORDED ____ AS DOCUMENT NUMBER ____.
24. SUBORDINATION AGREEMENT (IAHTC REGULATORY AGREEMENT) DATED ____ AND RECORDED ____.

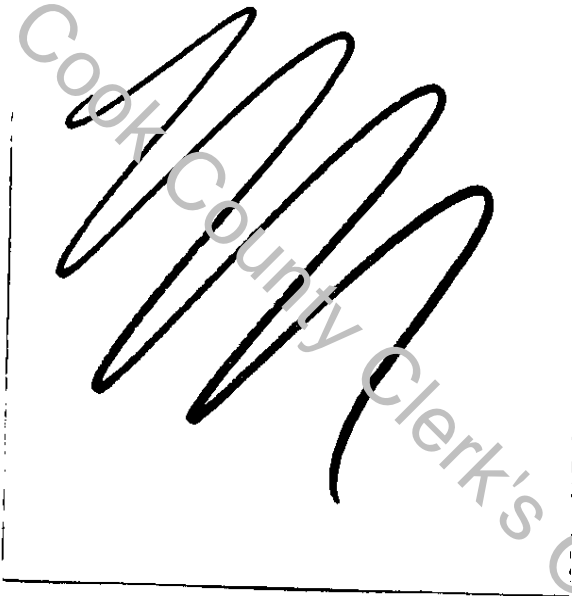
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SCHEDULE B

AS DOCUMENT NUMBER _____

- 25. ANY LIEN, OR RIGHT OF A LIEN, FOR SERVICES, LABOR OR MATERIAL HERETOFORE OR HEREAFTER FURNISHED, PROVIDED FOR OR ON BEHALF OF THE INSURED IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS
- 26. RIGHTS OR CLAIMS OF PARTIES IN POSSESSION UNDER RESIDENTIAL LEASES OR OCCUPANTS OF APARTMENT UNITS, AS TENANTS ONLY, WITHOUT ANY RIGHT OF FIRST REFUSAL TO PURCHASE ANY PORTION OF THE PROPERTY.

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EXHIBIT C Permitted Mortgages

Leasehold Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing to Illinois Housing Development Authority and assigned to BMO Harris Bank N.A., securing the principal sum of \$10,123,241.00.

Leasehold Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement (Seller Financing) made by Richard Flowers Community Housing, LLC, an Illinois limited liability company to Richard Flowers Community Housing Group, LLC, an Illinois limited liability company securing the principal sum of \$5,389,273.00.

Junior Leasehold Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Financing Statement (BTC) made by Richard Flowers Community Housing, LLC, an Illinois limited liability company to Housing Authority of Cook County, an Illinois municipal corporation securing the principal sum of \$2,625,000.00.