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Edward M. Moody
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03-08-100053-0000
03-08-100-054-0000

Property Address(es):
120 W. Boeger Drive
5 West Dundee Road
Arlington Heights, Illinois

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**FIDELITY NATIONAL TITLE
NC1800022CE**

4044

COLLATERAL ASSIGNMENT OF PROMISSORY NOTE AND JUNIOR MORTGAGE

This COLLATERAL ASSIGNMENT OF PROMISSORY NOTE AND JUNIOR MORTGAGE (this "Assignment") is made May 15, 2019, by **HOUSING OPPORTUNITY DEVELOPMENT CORPORATION** ("Assignor") with a mailing address of 2001 Waukegan Road, P.O. Box 480, Techny, Illinois 60082 to and in favor of **VILLAGE BANK & TRUST**, an Illinois banking corporation ("hereinafter, together with its successors and assigns, referred to as "the "Bank"), with a mailing address at 234 W. Northwest Highway #2W, Arlington Heights, Illinois 60004.

WITNESSETH

WHEREAS, Assignor has received a Subsidy award in the amount of **Two Hundred Seventy Thousand and No/ Dollars (\$270,000.00)** (the "AHP Subsidy") from Bank under the Affordable Housing Program of the Federal Home Loan Bank of Chicago ("FHLBC"); and

WHEREAS, in connection with the AHP Subsidy, Assignor, Bank and FHLBC have entered into an Affordable Housing Program Agreement with an effective date of November 14, 2018, as such agreement may be amended from time to time (the "AHP Agreement"); and

WHEREAS, Assignor will loan the proceeds from the AHP Subsidy to **HEART'S PLACE LP**, an Illinois limited partnership ("Owner") for the purposes described in the AHP application as approved by the FHLBC (the "AHP Application"); and

WHEREAS, under the AHP Agreement, Assignor has agreed to assure that it and the Owner comply with the Obligations. As used herein the term "Obligations means the affordable

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housing program regulations of the Federal Housing Finance Agency (currently 12 C.F.R. Part 1291) as may be in effect from time to time, or the regulations in effect from time to time of any successor in interest to the Federal Housing Finance Agency; the affordable housing restrictions set forth in the AHP Agreement and the covenants and agreements contained therein and the covenants and agreements in the Subsidy Documents. As used herein the term "Subsidy Documents" means the AHP Application, the AHP Agreement, the Retention/Recapture Agreement for Rental Projects dated of even date herewith between Assignor, Bank and Owner ("Recapture Agreement"), the promissory note dated of even date herewith executed by Assignor in favor of Bank, the Mortgage (as such term is defined below), the Note (as such term is defined below), this Assignment and all other documents relating to or securing the AHP Subsidy (as renewed, amended, modified, restated and extended from time to time); and

WHEREAS, to secure repayment or recapture of the AHP Subsidy, Assignor has received from Owner a promissory note in the amount of Two Hundred Seventy Thousand and No/ Dollars (\$270,000.00) of even date or substantially even date herewith (the "Note") and a Junior Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing (the "Mortgage") of even date or substantially even date herewith, such Mortgage recorded with the Cook County, Illinois Recorder of Deeds as document no. _____ encumbering title to the real estate legally described in Exhibit A attached hereto and made a part hereof (the "Mortgage").

NOW, THEREFORE, in consideration of the AHP Subsidy and other valuable consideration, the receipt of which is hereby acknowledged, and as further security for the performance of the Obligations, the Assignor hereby grants, conveys, transfers, and assigns to the Bank, the Mortgage, the Note, the debt and claims thereby secured and all of the Assignor's right, title and interest by virtue of said Mortgage, in and to the real estate therein described, and benefits under, in and to the Mortgage.

TO HAVE AND TO HOLD the same with all of the rights, privileges and appurtenances thereunto belonging unto the Bank, its successors and assigns until such time as the Obligations have been satisfied in full for the purpose of further and collaterally securing same (but not, however, for the purposes of securing any other obligations to Bank, whether now existing or hereafter arising).

The Assignor and the Bank agree that the following terms and conditions shall govern this Agreement:

1. Assignor's Rights until Default. So long as no "Event of Default" (as such term is defined in the Recapture Agreement and the Mortgage) shall exist, the Assignor shall have the right to exercise all of the Assignor's rights and benefits under, in and to the Note and the Mortgage.

2. Bank's Rights in Event of Default.

2.1 Immediately upon the occurrence of an "Event of Default" (as such term is defined in the Recapture Agreement) , and until such default shall have been cured, the Bank is hereby expressly and irrevocably authorized to assume any or all of Assignor's rights with respect to the

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Note and the Mortgage without further authorization, notice or demand and without the commencement of any action.

2.2 The Assignor hereby constitutes and appoints the Bank irrevocably, and with full power of substitution and revocation, the true and lawful attorney, for and in the name, place and stead of the Assignor, to exercise any and all rights and remedies of the Assignor under the Note and the Mortgage. The Assignor hereby grants unto said attorney full power and authority to do and perform each and every act whatsoever requisite to be done with respect to the Note and the Mortgage, as fully to all intents and purposes, as the Assignor could do if personally present, hereby ratifying and confirming all that said attorney shall lawfully do or cause to be done by virtue hereof, and further confirming that in the exercise of the powers herein granted to Bank, no liability shall be asserted or enforced against Bank, all such liability being hereby expressly waived and released by Assignor unless attributable to Bank's gross negligence or willful misconduct. Assignor hereby agreed to indemnify and hold Bank free and harmless from and against any and all liability, expense, cost, loss or damage which Bank may incur by reason of any act of omission of Assignor (except for liability, expense, cost, loss or damage resulting from the gross negligence or willful misconduct of Bank). Should Bank incur any liability, expense, cost, loss or damage by reason of the exercise of Bank's rights hereunder the amount thereof, including costs, expenses and reasonable attorneys' fees and expenses shall be secured hereby and by the other Subsidy Documents (whether or not such amount, when aggregated with other sums secured by the Loan, exceeds the face amount of the Note) and shall (a) be due and payable immediately upon demand by Bank, and (b) bear interest at the rate as set forth in the Note.

2.3 Acceptance of this Assignment by the Bank shall not constitute a satisfaction of all or any part of the Obligations of the Assignor.

2.4 The rights and powers of the Bank hereunder shall continue and remain in full force and effect until all Obligations are satisfied in full. Bank shall not be liable to Assignor or anyone claiming under or through Assignor by reason of any act or omission by the Assignor hereunder.

2.5 A default shall be cured when the Assignor shall have satisfied applicable provisions for cure in the AHP Agreement and AHP regulations and policies of the Federal Housing Finance Board adopted therein and the Recapture Agreement and Mortgage.

3. Termination. Upon satisfaction in full of the Obligations, this Assignment shall be void and of no effect and, in that event, upon Assignor's request, the Bank agrees to execute and deliver to the Assignor instruments evidencing the termination of this Agreement and/or release of Bank's interest in the Note and the Mortgage, all without recourse upon, or warranty whatsoever, by Bank and at the sole cost and expense of Assignor.

4. Notice. Any notice, demand, request or other communication given in connection with this Assignment shall be deemed sufficient if in writing and will be transmitted in the manner and to the addresses required by the Recapture Agreement, or to such other addresses as Bank and Assignor may specify from time to time in writing. Notwithstanding the foregoing, routine communications may be sent by ordinary first-class mail.

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5. Miscellaneous.

5.1 This Assignment and all obligations of Assignor hereunder shall be binding upon the successors and assigns of Assignor, except that Assignor shall not have the right to assign its rights hereunder or any interest herein without the prior written consent of Bank and shall, together with the rights and remedies of Bank hereunder, inure to the benefit of Bank and its respective successors and assigns. This Assignment shall be governed by, and be construed and interpreted in accordance with, the laws of the State of Illinois. Neither this Assignment nor anything set forth herein is intended to, nor shall it, confer any rights on any person or entity other than the parties hereto and all third party rights are expressly negated.

5.2 Any provision of this Assignment which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

5.3 No amendment, modification, cancellation or discharge of this Assignment shall be valid unless the Bank shall have consented thereto in writing.

5.4 All capitalized terms herein shall have the meanings ascribed to them in the Recapture Agreement unless otherwise defined in this Agreement.

5.5 Assignor certifies that Assignor has full power to make this Assignment and has not otherwise conveyed, sold, hypothecated, pledged, transferred or assigned the Note or the Mortgage.

5.6 This Assignment may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which together constitute one and the same instrument.

6. WAIVER OF JURY TRIAL. ASSIGNOR AND BANK, BY ITS ACCEPTANCE OF THIS ASSIGNMENT, HEREBY WAIVE THEIR RESPECTIVE RIGHTS TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING BASED UPON, OR RELATED TO, THE SUBJECT MATTER OF THIS ASSIGNMENT AND THE BUSINESS RELATIONSHIP THAT IS BEING ESTABLISHED. THIS WAIVER IS KNOWINGLY, INTENTIONALLY AND VOLUNTARILY MADE BY ASSIGNOR AND BANK, AND ASSIGNOR ACKNOWLEDGES THAT NEITHER BANK NOR ANY PERSON ACTING ON BEHALF OF BANK HAS MADE ANY REPRESENTATIONS OF FACT TO INDUCE THIS WAIVER OF TRIAL BY JURY OR HAS TAKEN ANY ACTIONS WHICH IN ANY WAY MODIFY OR NULLIFY ITS EFFECT. ASSIGNOR AND BANK ACKNOWLEDGE THAT THIS WAIVER IS A MATERIAL INDUCEMENT TO ENTER INTO A BUSINESS RELATIONSHIP, THAT EACH OF THEM HAS ALREADY RELIED ON THIS WAIVER IN ENTERING INTO THIS WAIVER IN THEIR

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RELATED FUTURE DEALINGS. ASSIGNOR AND BANK FURTHER ACKNOWLEDGE THAT THEY HAVE BEEN REPRESENTED (OR HAVE HAD THE OPPORTUNITY TO BE REPRESENTED) IN THE SIGNING OF THIS ASSIGNMENT AND IN THE MAKING OF THIS WAIVER BY INDEPENDENT LEGAL COUNSEL.

7. VENUE. ASSIGNOR AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING OUT OF, RELATED TO OR FROM THIS ASSIGNMENT SHALL BE LITIGATED, AT BANK'S SOLE DISCRETION AND ELECTION, ONLY IN COURTS HAVING A SITUS WITHIN THE STATE OF ILLINOIS. ASSIGNOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY LOCAL, STATE OR FEDERAL COURT LOCATED WITHIN SAID STATE. ASSIGNOR HEREBY WAIVES ANY RIGHT IT MAY HAVE TO TRANSFER OR CHANGE THE VENUE OF ANY LITIGATION BROUGHT AGAINST IT BY BANK ON THE SUBSIDIARY DOCUMENTS IN ACCORDANCE WITH THIS PARAGRAPH.

IN WITNESS WHEREOF, Assignor has executed this Assignment or has caused the same to be executed by Assignor's duly authorized representative(s) as of the date first above written.

ASSIGNOR:

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

By: 
Richard Koenig, Executive Director

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STATE OF ILLINOIS)
)
COUNTY OF Cook) SS

I, Laura Ruiz, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Richard Koenig, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the Executive Director of HOUSING OPPORTUNITY DEVELOPMENT CORPORATION, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said corporation the uses and purposes therein.

Given under my hand and notarial seal this 15th day of May, 2019.

Laura Ruiz
Notary Public

My commission expires on _____



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EXHIBIT A

LEGAL DESCRIPTION

Lot 1 in Hearts Place Resubdivision, being a resubdivision of lots 2 and 3 in Hardee's Dundee road Resubdivision; being a subdivision of parts of the Northwest 1/4 of the Northwest 1/4 and the North 1/2 of the Southwest 1/4 of the Northwest 1/4 of Section 8, Township 42 North, Range 11 East of the Third Principal Meridian, according to the Plat thereof recorded July 30, 2018 as document 1821145026, in Cook County, Illinois.

Address: 5 West Dundee Road and 120 W. Boeger Drive, Arlington Heights, Illinois

PIN Number: 03-08-100-053-0000
03-08-100-054-0000

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