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When Recorded Send to:

Office of the General Counsel
Chicago Housing Authority
60 East Van Buren, 12th Floor
Chicago, Illinois 60605
Attention: Pamela Cash



Doc# 2001719081 Fee \$88.00

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

EDWARD M. MOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 01/17/2020 02:17 PM PG: 1 OF 8

41044527 (26)

SUBORDINATE ASSIGNMENT OF RENTS AND LEASES

THIS SUBORDINATE ASSIGNMENT OF RENTS AND LEASES (this "Assignment"), is dated as of January 16, 2020, and is made by **SOUTHBRIDGE 4 MASTER OWNER LLC**, an Illinois limited liability company ("Assignor"), having an address of c/o The Community Builders, 135 South LaSalle Street, Suite 3350, Chicago, Illinois 60603, in favor of **CHICAGO HOUSING AUTHORITY**, an Illinois municipal corporation ("Assignee"), having its principal office at 60 East Van Buren Street, 12th Floor, Chicago, Illinois 60605, Attn: Chief Executive Officer.

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

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

C. The Note executed by Assignor is in the principal amount of Ten Million Eight Hundred Forty-Nine Thousand Two Hundred Eighty-Five and 00/100 Dollars (\$10,849,285.00). The Loan Agreement, the Note, the Mortgage, this Assignment and any other collateral security

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instruments and other agreements required by Assignee are herein collectively referred to as the “**Loan Documents**”.

D. Assignor, as landlord, and Southbridge 1-4 Housing LLC, an Illinois limited liability company (“**Master Tenant**”), as tenant, have entered into a Master Lease Agreement, of even date herewith (the “**Master Lease**”), pursuant to which that portion of the Premises comprised of the Affordable Condo Units (as defined in the Loan Agreement) are leased by Assignor to Master Tenant.

D. Assignor’s leasehold estate and fee estate in the Premises and interest in the Leases a (as herein after defined) will be encumbered by this Assignment.

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

F. Capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

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

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

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

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Upon the occurrence of an Event of Default, if said Event of Default shall be cured or waived, the appointment of Assignee as attorney-in-fact for Assignor shall cease.

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

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

Assignee shall not be obligated to perform or discharge any obligation or duty to be performed or discharged by Assignor under any of the Leases, and Assignor hereby agrees to indemnify Assignee for, and to defend and save it harmless from, any and all liability arising from any of the Leases or from this Assignment (other than any liability arising out of Assignee's gross negligence or willful misconduct or arising or following Assignee's acquisition of title to or control of the Premises, unless such act is taken in response to (1) any negligent act or omission of Assignor, or (2) any breach (other than failure to repay any of the obligations evidenced by the Note) by Assignor of any provisions of the instruments executed by Assignor, in connection with the Loan), and this Assignment shall not place responsibility for the control, care, management or repair of the Premises upon Assignee, nor make Assignee responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee or stranger prior to Assignee's acquisition of title or control of the Premises.

Assignor covenants and represents that Assignor has full right and title to assign all Leases assigned hereunder and the rents, income, issues and profits due or to become due thereunder and that except for assignments made in connection with the Permitted Encumbrances described in the Mortgage, Assignor has not otherwise assigned the assigned hereunder or the rents, income, issues and profits due or to become due thereunder.

Any cure of any defaults by any of Assignor's members, the Master Tenant, or the Master Tenant Investor Member (as defined in the Loan Agreement shall be deemed to be a cure by Assignor.

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

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

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

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

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

This Assignment is subject and subordinate to the Permitted Encumbrances described in the Mortgage, other than the "Junior Encumbrances" and "Additional Permitted Encumbrances" described on Exhibit B to the Mortgage.

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

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

[Signature Appears on Following Page]

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[CHA SUBORDINATE ASSIGNMENT OF RENTS AND LEASES SIGNATURE PAGE]

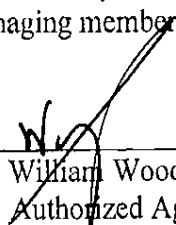
IN WITNESS WHEREOF, Assignor has executed and delivered this Assignment as of the date first written above.

ASSIGNOR:

SOUTHBRIDGE 4 MASTER OWNER LLC,
an Illinois limited liability company

By: Ickes Master Developer JV, LLC,
its sole member

By: The Community Builders, Inc.,
its managing member

By: 
Name: William Woodley
Its: Authorized Agent

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EXHIBIT A

LEGAL DESCRIPTION FOR SOUTHBRIDGE PHASE 1A

PARCEL 1:

THE LEASEHOLD ESTATE CREATED BY THE INSTRUMENT HEREIN REFERRED TO AS THE GROUND LEASE, EXECUTED BY CHICAGO HOUSING AUTHORITY, AN ILLINOIS MUNICIPAL CORPORATION, AS LANDLORD, AND TCB DEVELOPMENT SERVICES LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, AS TENANT, DATED AS OF JANUARY 16, 2020, WHICH LEASE WAS RECORDED JANUARY 17, 2020, AS DOCUMENT NUMBER 2001719057 ASSIGNED BY THE ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE, DATED AS OF JANUARY 16, 2020, BETWEEN SAID TCB DEVELOPMENT SERVICES LLC, AND SOUTHBRIDGE 4 MASTER OWNER LLC, AN ILLINOIS LIMITED LIABILITY COMPANY, WHICH ASSIGNMENT AND ASSUMPTION AND AMENDMENT OF GROUND LEASE WAS RECORDED JANUARY 17, 2020, AS DOCUMENT NUMBER 2001719058 WHICH LEASE DEMISES THE FOLLOWING DESCRIBED PROPERTY FOR A TERM OF 99 YEARS ENDING JANUARY 15, 2119:

THAT PART OF LOTS 1 THROUGH 12 (BOTH INCLUSIVE), THAT PART OF LOTS 40 THROUGH 46 (BOTH INCLUSIVE), AND THAT PART OF THE NORTH-SOUTH 15 FOOT WIDE PUBLIC ALLEY VACATED PER DOCUMENT NUMBER 15805877, RECORDED JANUARY 6, 1954, ALL IN BLOCK 10, IN UHLICH AND MUHLKE'S ADDITION TO CHICAGO, A SUBDIVISION OF THE EAST HALF OF THE NORTH-EAST QUARTER (EXCEPT THE SOUTH HALF OF THE SOUTH HALF THEREOF) IN SECTION 28, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF SAID LOT 1; THENCE SOUTH 01 DEGREES 31 MINUTES 56 SECONDS EAST, ALONG AN ASSUMED BEARING, BEING THE EAST LINE OF SAID LOTS 1 THROUGH 12, ALSO BEING THE WEST LINE OF STATE STREET, 289.70 FEET; THENCE SOUTH 88 DEGREES 29 MINUTES 48 SECONDS WEST 116.21 FEET; THENCE NORTH 01 DEGREES 31 MINUTES 56 SECONDS WEST 74.55 FEET; THENCE SOUTH 88 DEGREES 28 MINUTES 04 SECONDS WEST 35.00 FEET; THENCE NORTH 01 DEGREE 31 MINUTES 56 SECONDS WEST 151.00 FEET; THENCE NORTH 88 DEGREES 28 MINUTES 04 SECONDS EAST 37.00 FEET; THENCE NORTH 01 DEGREE 31 MINUTES 56 SECONDS WEST 64.15 FEET TO A POINT ON THE NORTH LINE OF SAID LOT 1; THENCE NORTH 88 DEGREES 29 MINUTES 48 SECONDS EAST ALONG SAID NORTH LINE, ALSO BEING THE SOUTH LINE OF W. 23RD STREET 114.21 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

EXCEPTING THEREFROM ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, THEREON.

PARCEL 2:

FEE SIMPLE TITLE TO ALL BUILDINGS AND IMPROVEMENTS LOCATED, OR TO BE LOCATED AFTER THE DATE OF THE AFORESAID GROUND LEASE, ON THE LEASEHOLD ESTATE HEREINABOVE DESCRIBED AS PARCEL 1.

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SAID PARCEL CONTAINS 38,823 SQUARE FEET OR 0.891 ACRES, MORE OR LESS.

Common Addresses: 2302-2322 S. State Street, Chicago IL 60616
 Residential Address: 2310 S. State Street, Chicago IL 60616
 Retail Addresses: 2302 S. State Street, Chicago IL 60616;
 2306 S. State Street, Chicago IL 60616;
 2318 S. State Street, Chicago IL 60616;
 2322 S. State Street, Chicago IL 60616

PROPERTY PINS

Property Pins. 17-28-218-028 (affects part of the land and other property);
 17-28-218-029 (affects part of the land and other property); and
 17-28-218-030 (affects part of the land and other property)

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COOK COUNTY
 CLERK OF DEEDS

COOK COUNTY
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