

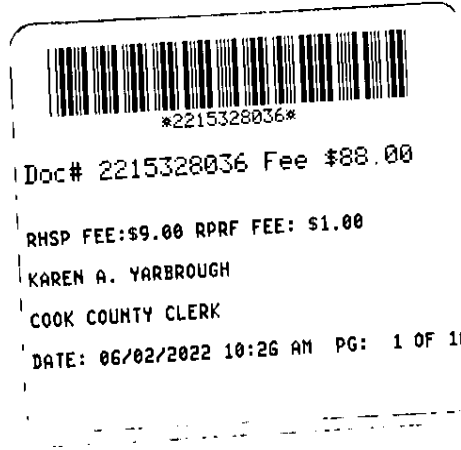
UNOFFICIAL COPY

Illinois Anti-Predatory
Lending Database
Program

Certificate of Exemption



Report Mortgage Fraud
844-768-1713



The property identified as: **PIN:** 15-09-400-088-0000

Address:

Street: 542 25th Avenue

Street line 2:

City: Bellwood

State: IL

ZIP Code: 60104

Lender: Housing & Human Development Corporation

Borrower: Bellwood Apartments LP

Loan / Mortgage Amount: \$825,000.00

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.

Certificate number: 57BD81D3-B50A-495E-9E7A-C93E45BE7B3A

Execution date: 5/26/2022

UNOFFICIAL COPY

This instrument was prepared by and after recording return to:

Paul Davis, Esq.
Applegate & Thorne-Thomsen, P.C.
425 South Financial Place,
Suite 1900
Chicago, Illinois 60605

Above space for Recorder's Use Only

JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (SELLER LOAN)

THIS JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (SELLER LOAN) ("Mortgage") is made as of May 24, 2022, by **BELLWOOD APARTMENTS LP**, an Illinois limited partnership ("Borrower"), to **HOUSING & HUMAN DEVELOPMENT CORPORATION**, an Illinois not-for-profit corporation ("Lender").

RECITALS

WHEREAS, Borrower is obtaining a loan from Lender in the amount of Eight Hundred Twenty Five Thousand and No/100 Dollars (\$825,000) (the "Mortgage Loan") to finance the acquisition of the Property (as defined below), on which an 80-unit housing development commonly known as Bellwood Senior Apartments, located in Cook County, Illinois, will be constructed (the "Project");

WHEREAS, the Mortgage Loan is evidenced by a promissory note of even date herewith from Borrower to Lender in the amount of Eight Hundred Twenty Five Thousand and No/100 Dollars (\$825,000) (the "Note"), bearing interest at the rate of 3.70% per annum, compounding annually, and with a maturity date of May 1, 2065 (as more specifically described in the Note). The Mortgage Loan will be repaid on the terms stated in the Note.

NOW, THEREFORE, for good and valuable consideration, the receipt of which is hereby acknowledged, **BORROWER HEREBY CONVEYS, GRANTS, MORTGAGES, AND WARRANTS TO LENDER, ITS SUCCESSORS AND ASSIGNS**, the estate, right, title and

UNOFFICIAL COPY

interest of Borrower in the real estate in Bellwood, Cook County, Illinois legally described on **Exhibit A** attached hereto and incorporated herein (the "Property");

FOR THE PURPOSE OF SECURING:

A. Payment of that certain indebtedness in the maximum principal amount of Eight Hundred Twenty Five Thousand and No/100 Dollars (\$825,000), evidenced by the Note, which Note, together with any and all amendments, modifications, extensions, and renewals thereof, however evidenced, are herein by reference made a part of this Mortgage; and

B. Payment of all sums advanced by Lender to protect the Property and to enforce its rights under this Mortgage; and

C. Performance of Borrower's obligations and agreements with respect to the Note, this Mortgage, and any other instrument now or hereafter given to evidence or further secure the payment of the Indebtedness (as that term is defined in **Section 1** herein) and any modification or amendment thereof (this Mortgage, the Note and any other instruments or documents executed in connection with the Mortgage Loan, including any modifications, extensions and renewals thereof, are hereinafter referred to collectively as the "Loan Documents").

In addition to the Property, Borrower also grants, mortgages and warrants to Lender, its successors and assigns, the following to secure the obligations set forth in paragraphs (A) through (C) above: (i) any and all buildings and improvements of every kind and description now or hereafter erected or placed on the Property (the "Improvements"); and (ii) all goods affixed or to be affixed to the Property or the Improvements, and all machinery, apparatus, equipment, fittings, and articles of personal property of every kind and nature whatsoever, now or hereafter located in or upon the Property or the Improvements or any part thereof and used or usable in connection with any present or future operation of the Property and now owned or hereafter acquired by the Borrower, including but without limiting the generality of the foregoing, all gas and electric fixtures, heating, lighting, and plumbing fixtures, laundry, incinerating and power equipment, engines and machinery, radiators, heaters, furnaces, steam and hot water boilers, stoves, ranges, refrigerators, elevators, pipes, pumps, ducts, tanks, motors, compressors, conduits, switchboards, fire-prevention, fire-extinguishing, ventilating and communications apparatus, air-cooling and air-conditioning apparatus, bathtubs, sinks, water closets, basins, cabinets, mantels, furniture, shades, awnings, partitions, screens, blinds, curtains, carpeting and other furnishings (the "Personal Property").

The Property, Personal Property and Improvements together comprise the "Mortgaged Property," and are part and parcel of the Mortgaged Property and appropriated to the use of the Mortgaged Property and, whether affixed or annexed or not, shall conclusively be deemed subject to the lien of this Mortgage. The Borrower agrees to execute, acknowledge and deliver, from time to time, any other documents that are necessary to confirm and perfect the lien of this Mortgage on any Personal Property under the provisions of the Uniform Commercial Code. This Mortgage is also a security agreement, and is intended to be effective as a financing statement.

UNOFFICIAL COPY

TO HAVE AND TO HOLD the Mortgaged Property unto Lender, its successors and assigns, forever, for the purposes and uses set forth in this Mortgage provided that if the Borrower makes all payments when due under the Note and performs all of the agreements contained in this Mortgage, then this Mortgage and the aforesaid Note shall be null and void; otherwise to remain in full effect.

Borrower hereby agrees, covenants with, represents, and warrants to Lender and any purchaser at any foreclosure sale, as of the date hereof and until the Indebtedness is paid in full and all other obligations of Borrower under this Mortgage and the Loan Documents are performed in full, as follows:

1. **Payment of Indebtedness.** Borrower shall pay, promptly when due, all indebtedness required to be paid pursuant to the Note; all charges, fees and other sums provided in the Loan Documents; and all other amounts, obligations, and indebtedness secured by this Mortgage (collectively, the "Indebtedness"), and Borrower hereby waives all rights that now or hereafter are conferred by statute or otherwise to assert, any right to any demand, counterclaim, offset, deduction or defense.
2. **Subordination of Mortgage.** This Mortgage is and shall be subject and subordinate in all respects to the liens and encumbrances contained in the following documents, all of which have been recorded in the Cook County Recorder's office prior to the recording of this Mortgage: (i) Second Amendment to Declaration of Covenants, Conditions, Restrictions and Easements by Village of Bellwood ("Village"), Evergreen Redevelopment LLC, T Washington Sq IL, LLC, Chicago Title Land Trust Company (as successor trustee to LaSalle Bank National Association, Trustee under the provisions of that certain Trust Agreement dated October 9, 1990 and known as Trust #52834-SK), and McDonald's Corporation; (ii) Low Income Housing Tax Credit Extended Use Agreement by Illinois Housing Development Authority, a body politic and corporate ("IHDA") and Borrower; (iii) Tax Regulatory Agreement by IHDA, Borrower, and Zions Bancorporation, National Association (Tax-Exempt Bond Issuance); (iv) IHDA Regulatory Agreement by IHDA and Borrower (Tax-Exempt Bond Issuance); (v) Construction Mortgage, Assignment of Leases and Rents, Security Agreement and Fixture Filing of even date herewith made by Borrower to Bank of America, N.A., a national banking association (Construction Loan); (vi) Delivery Assurance Fee Multifamily Mortgage, Security Agreement and Fixture Filing made by Borrower to Impact C.I.L., LLC (Permanent Loan); (vii) Junior Mortgage, Security Agreement and Assignment of Rents and Leases (TIF Loan) made by Borrower to the Village; (viii) Illinois Affordable Housing Tax Credits Regulatory Agreement by IHDA, Lender, and Borrower; (ix) Regulatory Agreement by IHDA, Lender, and Borrower (IHDA AHGP Grant); (x) Regulatory Agreement and Declaration of Covenants, Conditions and Restrictions by Borrower and the County of Cook (Cook County HOME Loan); (xi) Mortgage (HOME Investment Partnerships Program) by Borrower to the County of Cook; and (xii) Junior Mortgage, Assignment of Rents and Security Agreement by Borrower to Lender (Blended Loan).

In addition to the liens and encumbrances contained in the documents listed in the preceding paragraph, this Mortgage shall be subject and subordinate in all respects to the liens and encumbrances contained in all documents evidencing or securing such documents.

UNOFFICIAL COPY

3. **Care and Use of Mortgaged Property.** Borrower shall not commit any waste on the Mortgaged Property.
4. **Payment of Taxes and Impositions.** Borrower shall pay, not less than ten (10) days before any penalty or interest attaches, all real estate taxes and assessments (general or special), water charges, drainage charges, sewer charges and all other charges that may be imposed on the Mortgaged Property or any part thereof or interest therein (collectively, the "Impositions") and, at the request of Lender, shall exhibit to Lender official receipts evidencing such payments; provided, however, that if, by law, any such Impositions are payable in installments (or may be so paid at the option of the taxpayer), Borrower may pay the same together with any accrued interest on the unpaid balance in installments as they become due and before any cost may be added thereto for nonpayment.
5. **Payment of Expenses; No Liens.** Borrower shall (a) pay when due all expenses incurred and all claims for labor and materials furnished in connection with the Mortgaged Property; (b) keep the Mortgaged Property free from all liens, charges, mortgages, security agreements and encumbrances, other than (i) Impositions not yet due, (ii) the documents evidencing the indebtedness described in Section 2 herein, and (iii) such other encumbrances and restrictions as are reflected on the owner's title policy issued to Borrower on or about the date hereof, which Lender has reviewed; and (c) exhibit to Lender, upon request, satisfactory evidence of the payment and discharge of any such liens, charges and encumbrances.
6. **Right to Contest.** Notwithstanding anything in this Mortgage to the contrary, Borrower shall have the right to contest the validity (or the applicability to Borrower, the Mortgaged Property, the Note or this Mortgage) of any tax, assessment, law, ordinance, lien, charge or encumbrance referred to in Sections 4 or 5 herein of this Mortgage (other than those described in Section 5 (b)(ii) or (b)(iii) hereof). Borrower agrees to prosecute any such contest diligently and by appropriate legal proceedings that (a) will prevent the enforcement of the matter under contest and the sale or forfeiture of the Mortgaged Property or any portion thereof or interest therein, (b) will not impair the lien of this Mortgage, and (c) will not interfere with the use or occupancy of the Mortgaged Property or the normal conduct of business thereon.
7. **Insurance; Application of Insurance Proceeds.** The Borrower will keep the Improvements insured against loss from fire and such other hazards, casualties, and contingencies as required by the Lender and in default thereof the Lender shall have the right to obtain the required insurance. In the event the Lender obtains such insurance, Borrower covenants that it shall immediately reimburse the Lender for the cost. All insurance policies covering the Mortgaged Property shall be endorsed and contain loss payable clauses acceptable to the Lender.

Subject to the rights of any senior lienholders and rights granted under any documents identified in Section 2 hereof, the Lender agrees that insurance proceeds, along with all awards of damage resulting from condemnation proceedings or the taking of or injury to the Mortgaged Property for public use, shall be used to rebuild or restore the Project provided that (i) if such proceeds are not reasonably sufficient to so rebuild or repair, sufficient additional funds are provided from other sources to rebuild or restore the Project and (ii) Lender shall have the right to reasonably approve

UNOFFICIAL COPY

plans and specifications for any major rebuilding and the right to reasonably approve disbursement of such proceeds under a construction escrow or similar arrangement.

8. **Intentionally Omitted.**

9. **Further Representations, Warranties and Covenants of Borrower.** To induce Lender to make any loan secured hereby, in addition to all other covenants, representations and warranties contained in this Mortgage, Borrower further represents, warrants and covenants, as of the date hereof and until the Indebtedness is paid in full and all other obligations of Borrower under this Mortgage or any of the other Loan Documents are performed in full, as follows:

a. **Power and Authority.** Borrower is duly organized and validly existing, is qualified to do business and is in good standing in the state in which the Mortgaged Property is located, and has full power and due authority to execute, deliver and perform the obligations of Borrower under this Mortgage, the Note and all other Loan Documents.

b. **Nature of Loan and Mortgaged Property.** The proceeds of the Note are from a "business loan" (as that term is used in 815 ILCS 205/4(1)(c)); Borrower is borrowing money for the purpose of carrying on or acquiring a business of Borrower of the nature described in 815 ILCS 205/4(1)(c); and the proceeds of the Note shall be used exclusively for the purpose of carrying on or acquiring a business of Borrower of the nature described in 815 ILCS 205/4(1)(c).

10. **Lender's Right of Inspection; Further Assurances.** Borrower shall (a) permit Lender or its representatives to enter on and inspect the Mortgaged Property at all reasonable times and to inspect the Mortgaged Property, and (b) prepare such summaries and reports with respect to the Mortgaged Property as Lender may request. Borrower, at its sole cost and expense, shall do such further acts and execute such further documents as Lender may require at any time to better assign and confirm unto Lender the rights now or hereafter intended to be granted to Lender under this Mortgage or any other instrument or Loan Document. Borrower hereby appoints Lender its attorney-in-fact and authorizes Lender to execute, acknowledge and deliver in the name of Borrower the instruments required by Lender pursuant this Section 10 herein to the extent permitted by law. This power, being coupled with an interest, shall be irrevocable as long as any part of the Indebtedness remains unpaid.

11. **Lender's Right to Cure.** Upon the occurrence of any Event of Default (as defined in Section 12 herein), Lender may, at its option, in any form and manner and without inquiry into the validity thereof, make any payment or perform any act hereinbefore required of Borrower, including but not limited to making full or partial payments on other encumbrances, if any, discharging any tax lien, redeeming all or any portion of the Mortgaged Property from any tax sale, or contesting any tax or assessment. In no event shall such actions by Lender be construed as a waiver of any Event of Default. The amount of all moneys paid for any of the purposes herein authorized, all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and all other moneys advanced by Lender to protect the Mortgaged Property and the lien of this Mortgage shall be additional Indebtedness secured hereby and shall become immediately due and payable without notice.

UNOFFICIAL COPY

12. **Events of Defaults.** Any of the following shall constitute an "Event of Default" under this Mortgage:

a. **Non-Payment.** A default shall occur, and shall continue for ten (10) days after notice to Borrower from Lender in the payment when due of any amount under any of the Loan Documents;

b. **Non-Observance; Non-Performance; False or Inaccurate Representation or Warranty.** A default shall occur in the performance of any other obligation of Borrower contained in any of the Loan Documents or any other instrument given as security for payment of the Indebtedness, or any representation, warranty or statement made in any of the Loan Documents or in any other material furnished to Lender by or on behalf of Borrower in connection with the Indebtedness secured hereby proves to be false or inaccurate in any material respect as of the date of making or issuance thereof and any of the foregoing continues for thirty (30) days after notice from Lender to Borrower, provided, however, if Borrower has commenced the cure of such default within thirty (30) days, then such thirty (30) day period shall be extended so long as Borrower is diligently pursuing the cure.

13. **Lender's Remedies on Default.** Upon the occurrence of any Event of Default (after the expiration of any notice and cure periods set forth herein) and subject to the Forbearance Period described in the Note and the rights of the senior lienholders identified in Section 2, then:

a. **Acceleration.** The Indebtedness shall, at the option of Lender, become immediately due and payable without demand or further notice, from the date of the first of any such Event of Default.

b. **Foreclosure.** After acceleration, Lender may immediately foreclose this Mortgage. Lender shall have the right, in accordance with Sections 15-1701 and 15-1702 of the Illinois Mortgage Foreclosure Law, 735 ILCS 5/15-1101 through 735 ILCS 5/15-1706 (the "Act"), to be placed in possession of the Mortgaged Property or, at its request, to have a receiver appointed, and such receiver or the Mortgagee, if and when placed in possession, shall have all rights, powers, immunities, and duties as provided for in Sections 15-1702 and 15-1703 of the Act.

c. **Other Remedies.** Lender shall have the right, at its option and without regard to whether the Indebtedness is declared to be immediately due as provided in Section 13(a) above, either with or without process of law, forcibly or otherwise, and subject to the rights of any senior lienholders and rights granted under documents identified in Section 2 hereof, (a) to enter upon and take possession of the Mortgaged Property; (b) to expel and remove any persons, goods or chattels occupying or upon the same; (c) to collect or receive all the rents therefrom; (d) to manage and control the same; (e) to lease the same or any part thereof from time to time; and (f) after deducting all reasonable attorneys' fees and all reasonable expenses incurred in the protection, care, maintenance, management and operation of the Mortgaged Property, to apply the remaining net income so collected or received upon the Indebtedness or upon any deficiency decree entered in any foreclosure proceedings.

UNOFFICIAL COPY

14. **Protective Advances; Fees and Expenses.** All advances, disbursements, and expenditures made or incurred by the Lender before and during a foreclosure, and before and after judgment of foreclosure, and at any time prior to sale, and, where applicable, after sale, and during the pendency of any related proceedings, for the following purposes, in addition to those otherwise authorized by this Mortgage or by the Act (collectively the "Protective Advances"), shall have the benefit of all applicable provisions of the Act. The Protective Advances include the following:

a. All advances by the Lender in accordance with the terms of the Mortgage to: (i) preserve or restore the improvements upon the Mortgaged Property; (ii) preserve the lien of the Mortgage or the priority thereof; or (iii) enforce the Mortgage, as referred to in Section 15-1302(b)(5) of the Act;

b. Payments by the Lender of: (i) principal, interest or other obligations in accordance with the terms of any senior mortgage or other prior lien or encumbrance; (ii) real estate taxes and assessments and all other taxes assessed or imposed upon the Mortgaged Property or any part thereof; (iii) other obligations authorized by the Mortgage; or (iv) with court approval, any other amounts in connection with other liens, encumbrances or interests reasonably necessary to preserve the status of title, as referred to in Section 15-1505 of the Act;

c. Advances by the Lender in settlement of any claims asserted by claimants under senior mortgages or any other prior liens;

d. Reasonable attorneys' fees and other costs incurred in connection with: (i) the foreclosure of the Mortgage as referred to in Sections 15-1504(d)(1) and (2) and Section 15-1510 of the Act; (ii) any action, suit, or proceeding brought by or against the Lender for the enforcement of the Mortgage or arising from the interest of the Lender hereunder; or (iii) the commencement, prosecution, or defense of any other action related to the Mortgage or the Mortgaged Property;

e. Reasonable lender's fees and costs, including attorneys' fees, arising between the entry of judgment of foreclosure and the confirmation hearing as referred to in Section 15-1508(b)(1) of the Act;

f. Reasonable expenses deductible from proceeds of sale as referred to in Sections 15-1512(a) and (b) of the Act; and

g. Expenses incurred and expenditures made by the Lender for any one or more of the following: (i) premiums for casualty and liability insurance paid by the Lender whether or not the Lender or a receiver is in possession, if reasonably required, in reasonable amounts, and all renewals thereof, without regard to the limitation imposed by Section 15-1704(c)(1) of the Act of maintaining existing insurance in effect at the time any receiver or mortgagee takes possession of the Mortgaged Property; (ii) repair or restoration of damage or destruction in excess of available insurance proceeds or condemnation awards; (iii) payments deemed by the Lender to be required for the benefit of the Mortgaged Property, by reason of the exercise by Lender of any of its rights under Section 13 herein, or required to be made by the owner of the Mortgaged Property under any grant or declaration of easement, easement agreement, agreement with any adjoining land owners or instruments creating covenants or restrictions for the benefit of or affecting the

UNOFFICIAL COPY

Mortgaged Property; (iv) shares or common expense assessments payable to any association or corporation in which the owner of the Mortgaged Property is a member in any way affecting the Mortgaged Property; (v) if any loan secured hereby is a construction loan, costs incurred by the Lender for demolition, preparation for and completion of construction, as may be authorized by the applicable commitment, loan agreement or other agreement; (vi) payments deemed by the Lender to be required pursuant to any lease or other agreement for occupancy of the Mortgaged Property; (vii) if the Mortgaged Property or any portion thereof constitutes one or more units under a condominium declaration, assessments imposed upon the unit owner thereof deemed by the Lender to be required to be paid; (viii) if the Borrower's interest in the Mortgaged Property is a leasehold estate under a lease or sublease, rentals or other payments required to be made by the lessee under the terms of the lease or sublease; and (ix) if the Mortgage is insured, payments of FHA or private mortgage insurance required to keep such insurance in force.

This Mortgage shall be a lien for all Protective Advances as to subsequent purchasers and judgment creditors from the time this Mortgage is recorded pursuant to Section 15-1302(b)(5) of the Act. All Protective Advances shall, except to the extent, if any, that any of the same are clearly contrary to or inconsistent with the provisions of the Act, apply to and be included in: (i) determination of the amount of the Indebtedness at any time; (ii) the Indebtedness found due and owing to the Lender in the judgment of foreclosure and any subsequent supplemental judgments or orders by the court of any additional Indebtedness becoming due after such entry of judgment, it being agreed that in any foreclosure judgment, the court may reserve jurisdiction for such purposes; (iii) if the right of redemption has not been waived by this Mortgage, computation of amount required to redeem, pursuant to Sections 15-1603(d)(2) and (e) of the Act; (iv) determination of amounts deductible from sale proceeds pursuant to Section 15-1512 of the Act; (v) application of income in the hands of any receiver or Lender in possession; and (vi) computation of any deficiency judgment pursuant to Sections 15-1508(b)(2) and (3) and Section 15-1511 of the Act. However, the amount of Indebtedness secured by this Mortgage, including any Protective Advances, shall not exceed \$1,650,000.

The following shall be included in any decree foreclosing the lien of this Mortgage and shall be paid out of the rents or proceeds of any sale made in pursuance of any such decree in the following order: (i) all costs and expenses of such suit or suits as described in this **Section 14** herein with interest as herein provided; (ii) all money advanced by Lender for any purpose authorized in this Mortgage, with interest as herein provided; (iii) all of the accrued interest remaining unpaid on the Indebtedness; and (iv) the principal balance of the Note at such time remaining unpaid. The surplus of the proceeds of the sale, if any, shall then be paid to Borrower on reasonable request.

15. **Waiver of Right of Redemption.** Borrower acknowledges that the Mortgaged Property does not constitute agricultural real estate, as defined in 735 ILCS 5/15-1201, or residential real estate, as defined in Section 15-735 ILCS 5/15-1219, and, pursuant to 735 ILCS 5/15-1601(b), hereby waives for Borrower and all its successors in interest and for any and all persons claiming any interest in the Mortgaged Property, to the maximum extent permitted by law, any and all rights of redemption otherwise available to Borrower under the Act.

UNOFFICIAL COPY

16. **Prepayment Privilege; Evasion.** Borrower shall have the privilege of making prepayments on the principal of and interest on the Note at any time without penalty.
17. **Lender's Rights Cumulative.** The remedies and rights herein are cumulative and in addition to every other remedy or right now or hereafter existing at law or in equity. No delay in the exercise of, or omission to exercise, any such remedy or right accruing shall impair any such remedy or right or be construed to be a waiver of any Event of Default, nor shall it affect any subsequent Event of Default of the same or a different nature.
18. **No Usury.** Nothing contained in this Mortgage or in any of the other Loan Documents or in any transaction related hereto shall be construed or shall so operate either presently or prospectively (i) to require Borrower to pay interest in excess of the maximum amount of interest permitted by law to be charged in the case of the Indebtedness, but shall instead be deemed required payment of interest only to the extent of the lawful amount, or (ii) to require Borrower to make any payment or do any act contrary to law. Any interest in excess of that permitted by law that Lender may have received in connection with the Indebtedness shall, at the option of Lender, be (a) applied as a credit against the then unpaid principal balance under the Note, (b) applied as a credit against any accrued and unpaid interest on the unpaid principal balance under the Note (but not to exceed the maximum amount permitted by applicable law), (c) refunded to the Borrower or other payor thereof or (d) applied or refunded pursuant to any combination of the foregoing; and neither Borrower nor any of the other obligors under the Note shall have any action against Lender for any damages whatsoever arising out of the payment or collection of any such interest.
19. **Partial Invalidity; Severability.** If the lien of this Mortgage is invalid or unenforceable as to any part of the Indebtedness or the Mortgaged Property, the unsecured or partially secured portion of the Indebtedness shall be completely paid prior to the payment of the remaining secured or partially secured portions of the Indebtedness. All payments made on the Indebtedness, whether voluntary or not, shall be considered to have been first paid on and applied to the full payment of that portion of the Indebtedness not secured, or not fully secured, by the lien of this Mortgage. If any term, covenant or provision contained in any of the Loan Documents shall be determined to be void, illegal or unenforceable to any extent or shall otherwise operate to invalidate any such Loan Document, in whole or part, then such term, covenant or provision only shall be deemed not contained in such Loan Document; the remainder of such Loan Documents shall remain operative and in full force and effect and shall be enforced to the greatest extent permitted by law as if such clause or provision had never been contained therein.
20. **No Discharge of Borrower's Liability.** In the event of the voluntary sale or transfer, by operation of law or otherwise, of all or any part of the Mortgaged Property, Lender is hereby authorized and empowered to deal with such vendee or transferee with reference to the Mortgaged Property on the terms or conditions hereof, as fully and to the same extent as it might with Borrower, without in any way releasing or discharging Borrower from Borrower's liability, covenants or undertakings hereunder.
21. **Assignment of Rents.** It is agreed by the Borrower that upon the occurrence and during the continuance of any Event of Default, subject to the rights of any senior lienholders and rights granted under any documents identified in **Section 2** hereof, and subject to all prior liens and

UNOFFICIAL COPY

Section 14 herein, all the rents, income and profits from the Mortgaged Property shall be assigned and transferred over to the Lender, both before and after foreclosure of this Mortgage and during the period of redemption. The Borrower does hereby constitute and appoint the Lender its attorney-in-fact, irrevocably, with full power and Lender to enter upon and take full possession of the Mortgaged Property at once, to lease and control the same, and to receive, collect and receipt for all rents, income and profits received, which are expressly assigned and pledged as additional security for the payment of the debt secured by this Mortgage. Out of the amounts collected the Lender shall be entitled to pay all taxes, payments in lieu of taxes, assessments, water and sewer charges, amounts due under contracts affecting the Mortgaged Property, liens, insurance premiums, operating expenses, repairs, and other charges upon the Mortgaged Property, as well as the payments due and owing under the Note, and may retain the cost of collecting such rents, income and profits to the extent that they are sufficient for that purpose, paying the surplus from time to time, if any, to the Borrower. In any action to foreclose, the Lender shall be entitled to the appointment of a receiver of the Mortgaged Property as a matter of right, and without notice, with power to collect the rents, issues, and profits of the Mortgaged Property which are due or become due during the pendency of such foreclosure suit, and with power to manage the Mortgaged Property throughout. The Borrower, for itself and any subsequent owner, hereby waives any and all defenses to the application for a receiver as set forth above and hereby specifically consents to such appointment without notice, and nothing herein contained is to be construed to deprive the Lender of any other right, remedy, or privilege it may now have under the law to have a receiver appointed or to take possession itself.

Lender acknowledges and agrees that the foregoing assignment of rents set forth in this **Section 21** of this Mortgage is subordinate in all respects, and shall remain subject and subordinate in all respects, to any assignment by Borrower of the rents, income and profits from the Mortgaged Property to a senior lender identified in **Section 2** hereof.

22. **Release of Mortgage.** Upon full payment of all of the Indebtedness at the time and in the manner provided in this Mortgage, in the Note and in the other Loan Documents, and provided all covenants and agreements contained in this Mortgage and in the other Loan Documents are kept and performed, this Mortgage shall be null and void, and upon demand therefor following such payment, a release of the Mortgaged Property shall be made by Lender to Borrower.

23. **Governing Law.** The terms and provisions of this Mortgage and the Note it secures shall be construed and governed by the laws of the State of Illinois without regard to the rules of conflicts of law of such state.

24. **Addresses for Notices.** All notices, demands, consents, requests, or other communications that are either required or contemplated in connection with this Mortgage shall be in writing, and shall be deemed given to the intended recipient thereof upon the earlier of: (a) actual delivery thereof at the address designated below for such intended recipient; (b) the first business day after deposit with a nationally recognized, reputable commercial courier service, such as Federal Express Company, with all charges prepaid; (c) when sent by facsimile transmission (with written confirmation of receipt); or (d) the third business day after the deposit thereof at any main or branch United States post office with postage prepaid for delivery thereof via certified or registered first class mail, return receipt requested, and in any such case addressed as follows:

UNOFFICIAL COPY

If to Borrower:

Bellwood Apartments LP
c/o Evergreen Redevelopment LLC
566 W. Lake Street, Suite 400
Chicago, IL 60661
Attention: David Block

With copies to:

Applegate & Thorne-Thomsen, P.C.
425 South Financial Place, Suite 1900
Chicago, Illinois 60605
Attention: Paul Davis, Esq.

And to:

Hudson Bellwood LLC
c/o Hudson Housing Capital LLC
630 Fifth Avenue, Suite 2850
New York, NY 10111
Attention: General Counsel

With copies to:

Holland & Knight LLP
10 St. James Avenue, 11th Floor
Boston, Massachusetts 02116
Attention: Dayna Hutchins

If to Lender:

Housing & Human Development Corporation
P.O. Box 618141
Chicago, IL 60661

By notice complying with the foregoing provisions of this **Section 24** herein, the parties may from time to time change the above addresses applicable to them for the purposes hereof, except that any such notice shall not be deemed delivered until actually received. Copies of notices are for informational purposes only and may be sent by regular mail or in any other manner and the failure to give or to receive copies of notices shall not be deemed a failure to give notice to a party.

25. **Binding Effect.** All provisions and covenants of this Mortgage run with the land and shall inure to and bind the parties hereto and their respective heirs, devisees, representatives, vendees, successors and assigns.

UNOFFICIAL COPY

26. **Transfer.** So long as any indebtedness under the Mortgage Loan remains outstanding and notwithstanding anything in the Loan Documents to the contrary, Lender agrees that the following actions are expressly permitted without the prior written consent of Lender and in no event shall transfers described below constitute defaults under the Loan Documents:

1. The transfer by the Investor Limited Partner or the Special Limited Partner (as such terms are defined in the Amended and Restated Agreement of Limited Partnership of Borrower (the "LPA")) of partnership interests in the Borrower permitted under the LPA;
2. A change in the beneficial ownership of the Investor Limited Partner or the Special Limited Partner;
3. The pledge and encumbrance of the interests of the Investor Limited Partner or the Special Limited Partner to or for the benefit of any financial institution which enables the Investor Limited Partner to make its capital contributions to the Borrower; as well as the taking of such interests by such financial institution and their admission as a partner in the Borrower;
4. The removal of any general partner or class B limited partner of Borrower by the Special Limited Partner pursuant to the terms of the LPA and the replacement of such general partner or class B limited partner; and
5. The Investor Limited Partner or the Special Limited Partner of the Borrower otherwise selling, transferring, pledging, assigning or otherwise encumbering or disposing of all or any part of its interest in the Borrower in accordance with the terms and conditions of the LPA.

27. **Captions.** The captions or headings at the beginning of any paragraph or portion of any paragraph in this Mortgage are for the convenience of Borrower and Lender and for purposes of reference only and shall not limit or otherwise alter the meaning of the provisions of this Mortgage.

28. **General Partner/Class B Limited Partner Change.** Subject to the rights of any senior lienholders and rights granted under any documents identified in **Section 2** hereof, the withdrawal, removal and/or replacement of the general partner or class B limited partner of the Borrower pursuant to the terms of the LPA shall not require Lender notice or consent or constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Mortgage Loan.

29. **Monetary Default; Non-Monetary Default; Limited Partner Right to Cure.** In the event of a monetary event of default under the Loan Documents, the Borrower's Limited Partners, as defined in the LPA, shall have the right (but not the obligation) to cure the default within 30 days after receipt of such notice prior to exercise of any remedies available to the Lender under the Loan Documents. If a non-monetary event of default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and the Borrower's Limited Partners, as identified in the LPA, simultaneous written notice of such default. If the non-monetary default is reasonably capable of being cured within thirty (30) days, Borrower shall have such period

UNOFFICIAL COPY

to effect a cure prior to exercise of remedies by Lender under the Loan Documents, or such longer period of time as may be specified in the Loan Documents. If the non-monetary default is such that it is not reasonably capable of being cured within thirty (30) days or such longer period if so specified, and if Borrower (i) initiates corrective action within said period, and (ii) diligently, continually, and in good faith works to effect a cure as soon as possible, then Borrower shall have such additional time as is reasonably necessary to cure the default prior to exercise of any remedies by Lender. If Borrower fails to take corrective action or to cure the default within a reasonable time, Lender shall give Borrower and the Borrower's Limited Partners written notice thereof, whereupon the Borrower's Limited Partners may remove and replace the general partner with a substitute general partner in accordance with the LPA. Unless as otherwise provided for under the Loan Documents, the substitute general partner shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. Unless as otherwise provided for under the Loan Documents, in no event shall Lender be precluded from exercising remedies if its security becomes or is about to become materially jeopardized by any failure to cure a default or the default is not cured within one hundred eighty (180) days after the first notice of default is given, or such longer period of time as may be specified in the Loan Documents.

30. **Intentionally Omitted.**

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

32. **Intentionally Omitted.**

33. **Loan Assumption.** If the Project is sold subject to low-income housing use restrictions as contained in an existing regulatory agreement or other recorded covenant, any requisite consent of Lender to said sale, and to the assumption without penalty of loan obligations by the purchaser and the release of Borrower from such obligations, shall not be unreasonably withheld.

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

35. **Non-recourse Obligation.** Payment and performance of the obligations set forth in this Mortgage and the Note shall be non-recourse to Borrower and its partners, and the Lender's sole recourse with respect to the Loan shall be the right to foreclose under the Mortgage; provided that this provision shall not restrict any exceptions to non-recourse liability set forth in this Mortgage or the Note, respecting such matters as fraud, waste and misappropriation of funds of Borrower.

36. **Loan Sale or Assignment.** Lender agrees that it shall not assign or transfer the Loan (or any interest therein) to any third party without the prior written consent of the Borrower and the Investor Limited Partner.


[Signature page follows]

UNOFFICIAL COPY

WITNESS the due execution hereof on the day and year first above written.

BELLWOOD APARTMENTS LP,
an Illinois limited partnership

By: Bellwood Apartments GP LLC,
an Illinois limited liability company,
its general partner

By: 
Name: David Block
Title: Manager

ACKNOWLEDGMENT

STATE OF ILLINOIS

COUNTY OF COOK

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that David Block, personally known to me to be the Manager of Bellwood Apartments GP LLC, an Illinois limited liability company (the "General Partner"), the general partner of Bellwood Apartments LP, an Illinois limited partnership, 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 severally acknowledged that as such manager, he signed and delivered the said instrument, pursuant to authority given by the members of the General Partner as his free and voluntary act, and as the free and voluntary act and deed of the General Partner and Bellwood Apartments LP, for the uses and purposes therein set forth.

Given under my hand and official seal this 11th day of May 2022.

(SEAL)



Mary A. Nealy
Notary Public

UNOFFICIAL COPY

Exhibit A

Legal Description

Parcel 1:

LOT 3 IN SCARLATO WASHINGTON SQUARE, BEING A SUBDIVISION OF PART OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JUNE 10, 1996 AS DOCUMENT 96439257, IN COOK COUNTY, ILLINOIS.

Parcel 2:

NON-EXCLUSIVE EASEMENT FOR THE BENEFIT OF PARCEL 1 AS CREATED BY DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS DATED JULY 18, 1996 AND RECORDED JULY 26, 1996 AS DOCUMENT NUMBER 96574801, AS AFFECTED BY AFFIDAVIT TO CORRECT SCRIVENER'S ERROR IN DOCUMENT RECORDED JUNE 30, 1998 AS DOCUMENT NUMBER 98561106, AND AS AFFECTED BY FIRST AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS RECORDED OCTOBER 3, 2013 AS DOCUMENT NUMBER 1327641085, AND AS AFFECTED BY THE SECOND AMENDMENT TO DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS AND EASEMENTS RECORDED APRIL 6, 2022, AS DOCUMENT NUMBER 2209619012 FOR REASONABLE ACCESS, INGRESS AND EGRESS OVER AND THROUGH THE AREA DESIGNATED AS EASEMENT DRIVE AS DESCRIBED ON EXHIBIT G OF SAID DECLARATION (EXCEPTING THEREFROM THE VACATED ACCESS EASEMENT).

Property Address: 542 25th Avenue, Bellwood, IL 60104

Property Index Number: 15-09-400-088-0000