

CITY LOAN AGREEMENT

THIS AGREEMENT, made and entered into as of the 28th day of March, 1983, by and among John Stern, Donald Brummerstedt, Ernest Raymond Schatz, Veverka and David Thiemann (hereinafter referred to as "Owner"), Hawthorne Bank of Wheaton, not personally but solely as Trustee under a Trust Agreement dated November 10, 1982, and known as Trust No. 82-219 (hereinafter referred to as "Trustee") Community Investment Corporation, an Illinois corporation (hereinafter referred to as "CIC"); The City of Chicago, Department of Housing (hereinafter referred to as the "City"), Chicago Federal Savings & Loan Association (hereinafter sometimes referred to as "Agent Lender");

RECITALS

WHEREAS, the Owner is the sole beneficiary under a Trust Agreement dated November 10, 1982, by and between Owner and Trustee;

WHEREAS, Owner has applied to the Agent Lender for a loan (the "Mortgage Loan") under the Rental Property Improvement Program of CIC to be used for the rehabilitation of certain improvements located on the Real Estate owned by the Trustee described in Exhibit A attached (said improvements and real estate together hereinafter referred to as the "Property"); and

WHEREAS, Owner has applied for an interest subsidy payment loan from the City to Owner to be funded by the City on Owner's behalf and applied to interest due under the Mortgage Loan as provided in the CIC Program; and

WHEREAS, it is a condition of said loan and subsidy under the CIC Program, that the Owner and Trustee enter into this Agreement for the benefit of the Lender, the City and CIC; and

WHEREAS, the Owner and Trustee in order to induce the Lender to make the Mortgage Loan and the City to give the interest subsidy payment, has agreed to certain terms and conditions concerning the subsidy payment under the CIC Program.

NOW, THEREFORE, for and in consideration of premises, covenants and agreements herein contained, the parties hereto agree as follows:

1. The City shall lend to the Trustee and Owner and the Owner and Trustee shall borrow from the City the sum of

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\$ 10,565.00 or so much as shall from time to time be disbursed hereunder (the "City Loan") which sum shall be held under and applied in accordance with this Agreement. Concurrent with the first advance of the Mortgage Loan the City shall deposit into a Construction Loan Escrow Account the City Loan in the same proportion as the first advance bears to the entire Mortgage Loan. Thereafter concurrent with each subsequent advance, the City shall deposit into the Construction Loan Escrow Account the City Loan in the same proportion as each subsequent advance bears to the entire Mortgage Loan. The City Loan shall be disbursed to Lender for its own account from the Construction Loan Escrow Account upon deposit by the City of the City Loan. Owner herein directs the City to make such deposit of the City Loan on its behalf to be applied under the terms of this agreement.

2. Interest on the outstanding principal balance of the Mortgage Loan from time to time shall be paid by Owner and Trustee to Lender as provided under the Mortgage Loan. Each month Lender shall give as a credit to Owner and Trustee against monthly interest due under the Mortgage Loan a sum equal the City Loan Proportionate Share as shown in Schedule A attached and made a part hereof. The City shall be deemed to have advanced to Owner and Trustee the City Loan in the same proportion as the credit is given by Lender to Owner and Trustee against interest due on the Mortgage Loan. To the extent Lender has received the City Loan and not applied the same as a credit against the interest due on the Mortgage Loan, Lender shall apply such monies as provided in Paragraph 7 below. Owner and Trustee shall pay no interest up to and including February 20, 1995, except as otherwise provided herein.

3. A. Owner and Trustee hereby agree to pay to the City on February 20, 1995, an amount equal to the City Loan or so much thereof as shall have been advanced to Owner and Trustee pursuant to Paragraph 2 above together with accrued interest unless Owner's and Trustee's obligation for repayment of the City Loan shall become sooner due as provided in subparagraph 3B hereof or shall be satisfied and discharged as provided in subparagraph 3D hereof.

B. In the event that one or more of the following events (herein "Event of Default") shall occur or exist, to wit:

- (i) all work in connection with the rehabilitation of the Property is not completed within 3 months from the date of the first advance of the Mortgage Loan, or within such additional period of time as may be

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agreed upon by Lender, the City and CIC, in their absolute discretion; or

(ii) at any time prior to February 20, 1995,

(a) title to the Property shall have been conveyed or otherwise transferred; or

(b) Owner shall have assigned, hypothecated or pledged or otherwise transferred its beneficial interest, in whole or in part, in and to that certain Trust Agreement dated November 10, 1982, known as Trust No. 82-219, with Hawthorne Bank of Wheaton as Trustee, the owner of record title to the Property; or

(c) there shall have been any change in, or substitution or withdrawal of any partners, general or limited, of the Owner if such Owner is a partnership whether general partnership or limited partnership, or there shall have been a sale, assignment, pledge or other transfer of a majority of the stock of Owner if Owner is a corporation,

without the prior written consent of Lender, the City, and CIC; or

(iii) The Owner or Trustee shall have defaulted on the Mortgage Loan (the occurrence of an Event of Default as defined in the Note evidencing the Mortgage Loan or Trust Deed [or Security Agreement] securing the Note) which default has not been cured within 30 days of the date of default; or

(iv) If a default shall occur in the performance or observance of any covenant, term, provision or condition of this Agreement or the City

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Loan Mortgage which constitutes an obligation of the Owner or Trustee,

then, at the option of the City or CIC, and upon written demand by the City to Owner and Trustee, the City Loan shall be accelerated and the principal sum of the City Loan shall at once become due and payable to City.

C. Upon the occurrence of an Event of Default the City shall be entitled to exercise any and all rights and remedies available at law or in equity to the City to enforce the Owner's and Trustee's performance of their obligations hereunder including specifically the right of the City to proceed at law or in equity to foreclose the lien of City Loan Mortgage against all or any part of the Property and to have the same sold under the Judgment or a decree of a court of competent jurisdiction and the right of the City to exercise the power of sale of the Property by advertisement at private sale or public auction in accordance with the provisions of any statute of the State of Illinois now or hereafter in effect which authorizes the foreclosure of a mortgage by power of sale.

D. If any of the events set forth in subparagraph 3B hereof shall not have occurred or existed on or before March 28, 1989, then for each consecutive 12-month period thereafter during which the said events shall not have occurred or existed, the Owner and Trustee shall be deemed to have satisfied, discharged and paid in full one sixth ( $1/6$ ) of the principal amount of the City Loan for each of said years. If any of the events set forth in subparagraph 3B hereof shall not have occurred or existed on or before February 20, 1995, then as of February 20, 1995, Owner's and Trustee's obligations to repay the City Loan shall be deemed to have been fully satisfied and Owner and Trustee shall be released and discharged of and from any and all liabilities and obligations to City or CIC on account of this Agreement.

4. The Owner's and Trustee's obligations hereunder to repay the City Loan are further evidenced in and secured by a certain Mortgage of even date given by Owner and Trustee to City to secure repayment of the City Loan.

5. Both principal and interest if any as may be due on the City Loan shall be payable at the Office of CIC at 6 North Michigan, Suite 905, Chicago, Il. or such other place as the City may from time to time designate in writing. In the event the Lender transfers any portion of the City Loan to the City pursuant to Paragraph 7 below, said transfer shall be by wire transfer to Chicago Title and Trust Company to the trust

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account established pursuant to the Rental Property Improvement Program Trust Agreement.

6. If default be made in the payment of any amount due hereunder from Owner and Trustee to City, and such default is not made good within 30 days from the due date of said payment, then the entire principal balance of the City Loan shall accrue interest, and Owner and Trustee hereby agree to pay such interest, at the rate of 10 % per annum unless said rate of interest is deemed to be usurious under the laws of the State of Illinois in which event interest shall accrue at the highest permitted rate of interest.

7. In the event the City Loan shall become due and payable to the City, Lender shall, upon notice from the City or CIC of such event, immediately transfer and set over unto the City the balance of the deposit made under Paragraph 1 above to the extent the deposit has not been applied on behalf of the Owner and Trustee to interest due the Lender under the Mortgage Loan.

8. In the event of a default in the payment of the City Loan and if the same is collected by an attorney at law, Owner and Trustee hereby agree to pay all costs of collection including reasonable attorneys' fees.

9. The City hereby grants to CIC the right to exercise any and all rights of the City for enforcement of the terms of this City Loan Agreement and administration of the Rental Property Improvement Program.

10. Owner and Trustee hereby waives presentment for payment, demand, protest and notice of protest, except as provided herein.

11. All notices, demands, or requests required to be given hereunder shall be in writing and shall be deemed to have been properly given if served in person or if mailed by United States registered or certified mail, postage prepaid, return receipt requested as follows:

Trustee: \_\_\_\_\_

Owner: \_\_\_\_\_

CIC: 6 North Michigan, Chicago, Il. 60602

City: \_\_\_\_\_

Lender: \_\_\_\_\_

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or to such other address as may from time to time be designated by the respective party.

IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first above written

*Hardina Partnership*

HAWTHORNE BANK OF WHEATON, TRUSTEE UNDER TRUST AGREEMENT #82-219.

By *[Signature]*  
(Owner)

By *[Signature]*  
(Trustee) Raymond H. Myers-Vesco President & Trust Officer

\_\_\_\_\_  
(Owner)

\_\_\_\_\_  
(Owner)

\_\_\_\_\_  
(Owner)

\_\_\_\_\_  
(Lender)

COMMUNITY INVESTMENT CORPORATION

By: \_\_\_\_\_

THE CITY OF CHICAGO, DEPARTMENT OF HOUSING BY ITS AGENT, COMMUNITY INVESTMENT CORPORATION

By: \_\_\_\_\_

RETURN TO:

Joel D. Birman  
Assistant Corporation Counsel  
121 N. LaSalle  
City Hall room 610  
Chicago, Illinois 60602  
(312) 744-0224

This instrument is executed by HAWTHORNE BANK OF WHEATON, Illinois, not personally but solely as trustee, as intended. All the covenants and conditions to be performed hereunder by HAWTHORNE BANK OF WHEATON are undertaken by it solely as trustee, and no personal liability shall be incurred or be enforceable against HAWTHORNE BANK OF WHEATON by reason of any of the covenants, statements or representations contained in this instrument, and the same shall only be a claim on to the assets described herein.

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RETURN TO:

Joel D. Birman  
Assistant Corporation Counsel  
121 N. LaSalle  
City Hall room 610  
Chicago, Illinois 60602  
(312) 744-0224

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## EXHIBIT A

### DESCRIPTION OF PROPERTY

Lot 1 in Block 3 in Nils F. Olson's Subdivision of all that Part of the Northwest Quarter of the Southwest Quarter of Section 36, Township 40 North, Range 13 East of the Third Principal Meridian, and

bearing the Permanent Index Number of 13-36-308-017 and commonly known as 3105-07 W. Cortland, Chicago, Illinois

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. COOK COUNTY RECORDER

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