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NOTICE: THIS IS A FOURTH MORTGAGE WHICH SECURES
AN INSTALLMENT NOTE WHICH PROVIDES FOR A BALLOON PAYMENT

FOURTH MORTGAGE AND SECURITY AGREEMENT

THIS FOURTH MORTGAGE AND SECURITY AGREEMENT (this "Mortgage") is made as of this 17th day of May, 1992, by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but as Trustee under a Trust Agreement dated April 20, 1990 and known as Trust No. 110859-09 ("Trustee") and SHOREWOOD LIMITED PARTNERSHIP, an Illinois limited partnership having its principal offices at c/o City Lands, 5100 W. Harrison, Chicago, Illinois ("Beneficiary") (Beneficiary and Trustee together referred to hereinafter as "Mortgagor"), in favor of the ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate established pursuant to the Illinois Housing Development Act, Laws 1967, p. 1931, constituting Chapter 67-1/2, Section 301, et. seq., Illinois Revised Statutes, as amended and supplemented (the "Act") having its principal office at 401 North Michigan Avenue, Suite 900, Chicago, Illinois ("Mortgagee").

DEPT-01 RECORDING 164.00
T#3333 TRAN 5370 05/18/92 15:23:00
#3363 \$ C *--92-342610
COOK COUNTY RECORDER

WITNESSETH:

WHEREAS, Trustee is holder of legal title of certain real property located at 1962 E. 73rd Place, 1731-40 E. 72nd Street, 1500-06 E. 67th Place, 1501-03 E. 69th Place, 1500-02 E. 67th Street, all located in Chicago, Cook County, Illinois, which real property is legally described in Exhibit A attached hereto and by this reference made a part hereof (the "Real Estate");

WHEREAS, Beneficiary is the sole beneficiary of the Trustee and as such stands to materially benefit from the making of the Loan (as hereinafter defined);

WHEREAS, Mortgagee has agreed to make a loan to Trustee in the amount of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) (the "Loan");

WHEREAS, contemporaneously with the execution and delivery hereof, Trustee has executed and delivered to Mortgagee a certain Installment Note dated as of the date hereof (hereinafter together with any renewals, modifications, extensions, amendments and replacements thereof is referred to as the "Note") as evidence of its indebtedness to Mortgagee in the amount of the Loan or so much thereof as may hereafter be advanced upon the Loan by Mortgagee, with interest thereon at the rates and payable at the times and in the manner as specified in the Note; provided, however, the final payment of principal and interest and all other indebtedness evidenced thereby, if not sooner paid, shall be due and payable on the 1st day of May, 2017; and

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THIS MORTGAGE WAS PREPARED BY
~~AND AFTER RECORDING SHOULD BE RETURNED TO:~~
Diane Corbett
Illinois Housing Development Authority
401 N. Michigan, Suite 900
Chicago, Illinois 60611
(312-836-5333)

BOX 430

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WHEREAS, the Loan is and shall be evidenced, secured and governed by, among other things: (a) that certain Conditional Commitment Letter from Mortgagee accepted by or on behalf of Beneficiary dated March 25, 1992 (the "Commitment"), (b) the Note, (c) this Mortgage, (d) that certain Regulatory and Land Use Restriction Agreement dated as of the date hereof by and between Trustee, Beneficiary and Mortgagee (the "Regulatory Agreement"), (e) that certain Security Agreement dated as of the date hereof by and between Trustee, Beneficiary and Mortgagee (the "Security Agreement"), (f) certain Uniform Commercial Code Financing Statements by Trustee and Beneficiary (the "UCCs"), and (g) certain other documents entered into in connection with this Mortgage. This Mortgage, the Commitment, the Note, the Regulatory Agreement, the Security Agreement, the UCCs, and all other documents executed by Mortgagor which evidence or secure the Loan are hereinafter collectively referred to as the "Loan Documents."

NOW, THEREFORE, Mortgagor, to secure the (a) payment of the indebtedness evidenced by the Note (the "Mortgage Debt"), which Mortgage Debt includes but is not limited to, (i) so much thereof as may hereafter be advanced under the Loan to, or for the benefit of, Mortgagor by Mortgagee, and (ii) other costs and expenses of Mortgagee or for the benefit of, attributable to Mortgagor as determined by Mortgagee pursuant to the Note and the Mortgage (all of which payments are set forth in greater particularity and detail in the Note and as to which said Note shall control and prevail), such payments to be made all at the rates, times, manner and place specified and set forth in the Note and (b) performance and observance of all of the provisions of this Mortgage and the other Loan Documents, does by these presents GRANT, ALIEN, PLEDGE, MORTGAGE, WARRANT, AND CONVEY the Real Estate and all of its estate, title and interest therein unto Mortgagee, its successors and assigns (which Real Estate together with the property described in the next succeeding paragraph is hereinafter referred to as the "Development");

TOGETHER with all improvements, tenements, easements, fixtures, and appurtenances thereto belonging, and all rents, issues and profits thereof for so long and during all such times as Mortgagor may be entitled thereto (which are pledged primarily and on a parity with the Real Estate and not secondarily), including, without limiting the foregoing: (a) if and to the extent owned by Mortgagor: all fixtures, fittings, furnishings, appliances, apparatus, equipment and machinery including, without limitation, all gas and electric fixtures, radiators, heaters, engines and machinery, boilers, ranges, ovens, elevators and motors, bathtubs, sinks, water closets, basins, pipes, faucets and other air-conditioning, plumbing and heating fixtures, mirrors, mantles, refrigerating plants, refrigerators, ice-boxes, dishwashers, carpeting, furniture, laundry equipment, cooking apparatus and appurtenances, and all building material, supplies and equipment now or hereafter delivered to the Development and intended to be installed therein; all other fixtures and personal property of whatever kind and nature at present contained in or hereafter placed in any building standing on the Development; such other goods, equipment, chattels and personal property as are usually furnished by landlords in letting other premises of the character of the Development; and all renewals or replacements thereof or articles in substitution thereof; and all proceeds and profits thereof and all of the estate, right, title and interest of Mortgagor in and to all property of any nature whatsoever, now or hereafter situated on the Development or intended to be used in connection with the operation thereof; (b) all of the right, title and interest of Mortgagor in and to any fixtures or personal property subject to a lease

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other Loan Documents are each incorporated herein by this reference and made a part hereof as fully and with the same force and effect as if repeated herein at length. Any default by Trustee or Beneficiary under any of the other Loan Documents which is not cured within any applicable cure or grace period shall constitute a default under this Mortgage.

3. Covenants of Maintenance, Etc. Mortgagor shall (a) promptly commence, prosecute and complete the rehabilitation of the Development for which this Loan is made; (b) promptly repair, restore, or rebuild any buildings or improvements now or hereafter on the Development which may become damaged or be destroyed; (c) after completion of the rehabilitation of the Development, keep the Development in good condition and repair, without waste, and free from mechanics' liens or other liens or claims for lien subject to Mortgagor's right to contest such liens as provided herein; (d) pay when due any indebtedness which may be secured by a lien or charge on the Development superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such lien to Mortgagee; (e) obtain all governmental approvals required by law for the acquisition, construction, ownership and operation of the Development; (f) complete within a reasonable time any improvements now or at any time in process of erection upon the Development; (g) comply with all requirements of law, municipal ordinances, or restrictions of record with respect to the Development and the use thereof; (h) after completion of the rehabilitation of the Development, make no alterations in the Development without Mortgagee's prior written approval, which approval shall be within Mortgagee's sole discretion; (i) suffer or permit no change in the general nature of the occupancy of the Development, without Mortgagee's prior written consent, which consent shall be within Mortgagee's sole discretion; (j) initiate or acquiesce in no zoning variation or reclassification of the Development, without Mortgagee's prior written consent, which consent shall be within Mortgagee's sole discretion; and (k) pay each item of the Mortgage Debt when due according to the terms hereof or of the Note.

4. Representations and Warranties. Mortgagor represents, warrants, covenants and agrees as follows:

a. Mortgagor now has and hereafter shall maintain the standing, capacity, right, power and lawful authority to own the Development, to carry on the business of and operate the Development, to enter into, execute and deliver to Mortgagee the Loan Documents, to encumber the Development to Mortgagee as provided herein or in the other Loan Documents and to perform all of its obligations and to consummate all of the transactions described in or contemplated by the Loan Documents.

b. The execution, delivery and performance by Mortgagor of and under this Mortgage, the Note and the other Loan Documents does not and will not constitute a violation of any applicable laws and does not and will not conflict with or result in a default or breach of or under or an acceleration of any obligation arising, existing or created by or under any agreement, instrument, document, mortgage, deed, trust deed, note, judgment, order, award, decree or other restriction to which Mortgagor, or any of the Development is a party or by which Mortgagor, or any of the Development is bound or any law or regulatory provision affecting Mortgagor, or any of the Development.

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c. The various data and information relating to the Development and the operation and business thereof, and/or Mortgagor, including, without limitation, project budgets, financial statements, books and records, and operating statements, heretofore and from time to time hereafter delivered by or for Mortgagor to Mortgagee pursuant to the Regulatory Agreement or otherwise are and shall be correct, complete and accurate in all material respects as of the date so delivered.

d. Mortgagor has timely filed and at all times hereafter shall continue to timely file all federal, state and other governmental tax and similar returns which they are required by law to file with respect to Mortgagor and/or the Development and the operation and business thereof, and all taxes and other sums which are shown to be due and payable as of the date hereof until such returns have been fully paid, and, for such future returns, shall be fully paid when due and payable.

e. To the best of Mortgagor's actual knowledge after due and diligent inquiry, there are no suits, actions or proceedings at law or in equity or before any governmental instrumentality or agency now pending or threatened against Mortgagor, or the Development, which, in Mortgagee's reasonable judgment, have or will have a material and adverse effect on the performance by Mortgagor of its obligations pursuant to and as contemplated by the terms and provisions of this Mortgage.

f. Mortgagor now possesses and holds and at all times hereafter shall use all good faith best efforts to maintain adequate properties, interests in properties, leases, licenses, franchises, rights and governmental and other permits, certificates, consents and approvals to conduct and operate the Development as presently conducted thereon or as planned as indicated to Mortgagee, and none of the foregoing contain or shall contain any term or condition materially burdensome or materially different than those possessed or held by other parties conducting or operating a similar business.

g. No default or breach has occurred and at all times hereafter no default or breach will occur under any agreement, instrument or document for borrowed money secured by a lien against the Development, which default has not or will not be cured within the time specified for the cure thereof.

h. Except as previously disclosed to Mortgagee in writing, the location, existence and use of all of the Development is and shall remain in compliance with all applicable zoning laws, rules, ordinances and regulations, and the Development is, and shall be, in compliance with all other applicable laws, rules, ordinances and regulations, including but not limited to, building, zoning, health, safety, OSHA, fire and environmental laws, and all covenants and restrictions of record affecting the Premises, and, in addition, none of the Development is in a flood risk or flood plain area or in a federally designated flood hazard area other than an area designated as Zone C, an area of minimal flooding. Such exceptions shall be remedied by the rehabilitation of the Development, except for the requirement of off-street parking.

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i. The Loan and the interest and interest rate, together with any and all fees, charges and other payments under this Mortgage, the other Loan Documents, and the Note, charged under the Note are not in violation of any applicable statutes, case law, rules, regulations, ordinances or other governmental requirements, including, without limitation, applicable usury laws.

j. The Development shall be managed and operated at all times by Mortgagor or a management company approved in writing by Mortgagee. The management company shall have executed an agreement governing the management of the Development, which agreement shall be in form and substance reasonably satisfactory to Mortgagee and said management company, at the request of Mortgagee, shall sign an agreement in form and substance reasonably acceptable to Mortgagee pursuant to which said management agreement and the rights of the manager thereunder are made subject and subordinate to the provisions of this Mortgage.

k. Mortgagor shall indemnify, defend, and hold Mortgagee harmless, to the full extent allowed by law, from and against any and all damage, loss, cost and expense, including, but not limited to, reasonable attorneys' fees, costs and expenses, incurred by reason of or arising from or on account of or in connection with (i) any claims for brokerage commissions or finders fees arising out of Mortgagor's conduct or alleged conduct, or (ii) any suit or proceeding, threatened, filed and/or pending, in or to which Mortgagee is or may become or may have to become a party by reason of or arising from or on account of or in connection with the Mortgage Debt, the Development, this Mortgage, the Note or the other Loan Documents; provided, however, that Mortgagor shall have no obligation to indemnify, defend, and hold Mortgagee harmless from and against any such damage, loss, cost or expense incurred by reason of or arising from or on account of Mortgagor's gross negligence or willful misconduct.

l. Any and all improvements, fixtures, equipment and facilities comprising the Development will be, upon completion of the rehabilitation, and at all times thereafter Mortgagor shall maintain the same, in good operating condition and repair, ordinary wear and tear and loss or damage by fire or other casualty excepted.

m. Without limiting the effect of any of the foregoing, the covenants, representations, and warranties set forth in this Mortgage shall be continuing and shall remain true and correct throughout the term of the Loan.

5. Insurance. Mortgagor shall keep all buildings, improvements, fixtures and articles of personal property now or hereafter situated on the Development continuously insured against loss or damage by fire or other hazards and such other appropriate insurance as may be reasonably required by Mortgagee, all in form and substance reasonably satisfactory to Mortgagee, including, without limitation of the generality of the foregoing, rent loss insurance, business interruption insurance, builder's risk, and flood insurance (if and when the Development lies within an area designated by an agency of the federal government as a flood risk area). Mortgagor shall also provide liability insurance with such limits for personal injury and death and property damage as Mortgagee may reasonably require. All policies of insurance to be furnished hereunder shall be in forms, companies and amounts reasonably

satisfactory to Mortgagee, with mortgagee loss payable clauses or endorsements attached to all policies in favor of and in form reasonably satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days prior written notice to Mortgagee; provided, however, if Mortgagor secures senior financing, said insurance policies may name the Senior Lenders, as defined in Paragraph 10 herein, as loss payee subject to the rights of Mortgagee as fourth mortgagee. Mortgagor shall deliver all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration. Mortgagor shall immediately reimburse Mortgagee for any premiums paid for insurance procured by Mortgagee or reasonably deemed necessary by Mortgagee.

6. Insurance Proceeds. Subject to the rights of the Senior Lenders in case of loss or damage by fire or other casualty absent an existing Default or an event that would become a Default with the passage of the applicable grace or cure period, Mortgagor is authorized to settle and adjust any claim under insurance policies which insure against such risks subject to the approval of Mortgagee. If Mortgagor is in default at the time of loss or damage, Mortgagee is authorized to settle and adjust any claim under insurance policies which insure against such risks. In either case, Mortgagee in conjunction with the Senior Lenders is authorized to collect and issue a receipt for any such insurance money. Such insurance proceeds may be held by Mortgagee in conjunction with the Senior Lenders and within the discretion of Mortgagee and the Senior Lenders, used to pay directly or reimburse Mortgagor for the cost of the rebuilding or restoration of buildings or improvements on the Development. Whether or not such insurance proceeds are adequate for such purpose (but provided that the insurance proceeds are made available for such purpose) Mortgagor shall restore and rebuild the Development so as to be of at least equal value and substantially the same character as immediately prior to such damage or destruction. If the cost of rebuilding, repairing or restoring the building and improvements can reasonably be expected to exceed the sum of Fifty Thousand and 00/100 Dollars (\$50,000.00), then Mortgagor must obtain the prior written consent of Mortgagee to the plans and specifications of such work before such work shall be commenced, which consent may not be unreasonably withheld or delayed. In any case, where the insurance proceeds are made available for rebuilding and restoration, such proceeds shall be disbursed in the manner and under the conditions that Mortgagee may reasonably require and conditioned upon Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with architect's certificates, waivers of lien, contractor's and subcontractors' sworn statements and other evidence of cost and payments so that Mortgagee can verify that the amounts disbursed from work is free and clear of mechanics' lien claims. If the estimated cost of completion exceeds the amount of the insurance proceeds available, Mortgagor immediately shall, on written demand of Mortgagee or a Senior Lender, deposit with Mortgagee in cash the amount of such estimated excess cost. No payment made prior to the final completion of the work performed shall exceed ninety percent (90%) of the value of the work performed from time to time, and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work free and clear of

liens. Any surplus which may remain out of said insurance proceeds after payment of such cost of building or restoration shall, at the option of Mortgagee and subject to the rights of the Senior Lenders, be applied on account of the amounts next coming due under the Note, the Mortgage Debt or reimbursed to Mortgagor (provided no Default exists).

7. Tax, Insurance, and Utility Payments. Mortgagor shall pay when due all real estate taxes (except any real estate taxes which Mortgagor is contesting as hereinafter provided), assessments, water rates, sewer, gas or electric charges, insurance premiums and any imposition or lien on the Development, and in default thereof Mortgagee may, at its option, pay the same. The sum or sums so paid by Mortgagee shall be added to the Mortgage Debt and shall bear interest at the Default Rate, as stated in the Note. Mortgagee shall have the right to declare immediately due and payable any amount paid by it for any such real estate tax, assessment, water rate, sewer, gas or electric charge, insurance premium or imposition or lien, whether or not the same shall have priority over this Mortgage. Mortgagor shall upon written request of Mortgagee furnish to Mortgagee duplicate receipts evidencing payment of taxes and assessments, insurance premiums and utility charges. Notwithstanding the foregoing, Mortgagor may contest the validity or amount of any real estate taxes in good faith unless and until non-payment of such taxes shall constitute a Default under Paragraph 13.d hereof, and provided that such contest shall prevent the sale or forfeiture of the Development, or any part thereof or interest therein, to satisfy the same or at the option of Mortgagee, Mortgagor shall deposit an amount deemed necessary by Mortgagee to pay such taxes should the Mortgagor's challenge fail. If and to the extent the Senior Lenders do not require Mortgagor to make periodic payments into an escrow to insure money is available to pay each installment of taxes and insurance premiums, Mortgagee may require Mortgagor make such payments into an escrow with Mortgagee.

8. Prohibited Transfers, Creation of Cooperative Ownership.

a. Mortgagor agrees that in determining whether or not to make the Loan, Mortgagee evaluated the background and experience of Mortgagor in owning and operating property such as the Development, found them acceptable and relied and continues to rely upon the same as the means of maintaining the value of the Development which is Mortgagee's primary security for the Note. Mortgagor is experienced in borrowing money and owning and operating property such as the Development, has been ably represented by a licensed attorney at law in the negotiation and documentation of the Loan and bargained at arm's length and without duress of any kind for all of the terms and conditions of the Loan, including this provision. Mortgagor recognizes that Mortgagee is entitled to keep its loan portfolio at current interest rates by, among other things, making new loans at such rates. Mortgagor further recognizes that any further financing placed upon the Development (A) could divert funds which would otherwise be used to pay the Note secured hereby, (B) could result in acceleration and foreclosure of said further encumbrance which would force Mortgagee to take measures and incur expenses to protect its security, (C) would detract from the value of the Development should Mortgagee come into possession thereof with the intention of selling same, and (D) would impair Mortgagee's right to accept a deed in lieu of foreclosure, because a foreclosure by Mortgagee would be necessary to clear the title to the Development.

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In accordance with the foregoing and for the purposes of (i) protecting Mortgagee's security for the repayment of the Loan, the value of the Development and the payment of the Mortgage Debt and performance of Mortgagor's obligations under the Loan Documents; (ii) giving Mortgagee the full benefit of its bargain and contract with Mortgagor; and (iii) keeping the Development free of subordinate financing liens, Mortgagor agrees that if this Paragraph 8 be deemed a restraint on alienation, that it is a reasonable one, and that Mortgagor shall not, without the prior written consent of Mortgagee, create, effect, consent to, suffer or permit any "Prohibited Transfer" (as defined herein). A "Prohibited Transfer" shall include any sale or other conveyance, transfer, lease or sublease, mortgage, refinancing, assignment, pledge, grant of a security interest, grant of any easement, license or right-of-way affecting the Development, hypothecation or other encumbrance of the Development or any interest therein or any interest in Mortgagor, in each case whether any such Prohibited Transfer is effected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise; provided, however, that Mortgagor, with the prior written approval of Mortgagee, may:

i. grant easements, licenses or rights-of-way over, under or upon the site of the Development, so long as such easements, licenses or rights-of-way do not destroy or diminish the value or usefulness of the Development; as determined and permitted by Mortgagee in advance in writing;

ii. sell or exchange any portion of the Real Estate not required for the improvements, provided that the proceeds derived by Mortgagor from the sale of any such Real Estate shall, subject to the rights of the Senior Lenders, be at the option of Mortgagee paid over to Mortgagee and applied by Mortgagee to reduce the obligations of Mortgagee incurred in connection with the financing of the Loan (such payment to Mortgagee shall also be applied as a mandatory reduction of the Mortgage Debt); and

iii. mortgage the Development in favor of the Senior Lenders as set forth in Paragraph 10 hereof.

Mortgagee's written approval as required in this subparagraph 8.a shall be granted, conditioned or withheld as Mortgagee in its sole discretion shall determine.

b. In addition to the matters set forth in subparagraph 8.a, any sale, conveyance, assignment, pledge, hypothecation or other transfer of all or any part of (i) any right to manage or receive the rents and profits from the Development; or (ii) any general partnership interest, stock ownership interest or other interest in an entity or person comprising Mortgagor or Mortgagor's general partner (other than the original Mortgagor named herein), shall be deemed a sale, conveyance, assignment, hypothecation or other transfer for the purposes of the restrictions imposed by the foregoing subparagraph 8.a. Furthermore, Mortgagor shall not, without the prior written consent of Mortgagee, permit the transfer of "control" of the Development to any other person or legal entity. For the purposes of the foregoing sentence, the term "control" shall mean the power to direct or cause the direction of the management and policies of the Development by the voting of securities or

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by contract. The provisions of this Paragraph 8 shall not apply to (i) liens securing the Mortgage Debt, (ii) the lien of current taxes and assessments not yet due and payable, (iii) liens or encumbrances specifically permitted by the terms hereof or contested in accordance with the terms of this Mortgage, and (iv) any leases or subleases for apartment units of the Development entered into in the ordinary course of business, provided that such leases or subleases have been entered into in conformity with the Regulatory Agreement. Mortgagor acknowledges that any agreements, liens or encumbrances created in violation of the provisions of this Paragraph 8 shall, at the option of Mortgagee be voidable and, if Mortgagee exercises the option to void such agreement, lien or encumbrance, it shall be of no further force or effect, and to the extent the provisions of this Paragraph 8 conflict with or are inconsistent with similar provisions of the Note or any of the Loan Documents, the provisions of this Paragraph 8 shall govern and control.

9. Acknowledgment of Mortgage Debt. Mortgagor, within three (3) days from the date of verbal request of a duly authorized representative of Mortgagee, confirmed in writing, or within five (5) days of receipt of written notice as provided herein from Mortgagee shall furnish to Mortgagee a written statement duly acknowledged of the amount advanced to it which is secured by this Mortgage, and/or Mortgagor's calculation of the amount due to Mortgagee in order to release this Mortgage, and whether any offsets or defenses exist against the Mortgage Debt.

10. Subordination. This Mortgage shall be subject and subordinate in all respects to the interests of Community Investment Corporation and City of Chicago ("Senior Lenders") in connection with loans in the principal amounts of \$1,900,000, \$1,000,000 and \$1,500,000, respectively, to Mortgagor (the "Senior Loans") and the documents evidencing or securing the Senior Loans, including, without limitation, the promissory notes evidencing each of the Senior Loans (the "Senior Notes") and those certain three mortgages, one mortgage dated as of May 1, 1992 and two mortgages dated May 12, 1992 (collectively, the "Senior Mortgages") (the Senior Notes, the Senior Mortgages, and the other documents evidencing, securing or governing the Senior Loans collectively referred to herein as the "Senior Loan Documents"). Mortgagor will not modify, extend or amend the Senior Loan Documents, increase the amount of the indebtedness secured thereby, or incur additional indebtedness secured by a lien against any or all of the Development without prior written consent of Mortgagee. So long as the Senior Loan Documents are in full force and effect, in the event of any conflict between the provisions of the Loan Documents and the Senior Loan Documents, the provisions of the Senior Loan Documents shall control. Any waiver or forbearance by a Senior Lender of any right or remedy under the Senior Loan Documents shall not impair the priority of its lien under the Senior Loan Documents.

11. Assignment of Leases and Rents. As additional security for the payment of the Note and for the faithful performance of the terms and conditions contained herein, Mortgagor, subject to the rights of CIC and the City, hereby assigns all of its right, title and interest as landlord in all current and future leases of the Development and to any rents due and security deposits held by Mortgagor under such current or future leases of the Development.

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Notwithstanding anything herein to the contrary, so long as there exists no Default, as defined below, Mortgagor shall have the right to collect all rents, security deposits, income and profits from the Development and to retain, use and enjoy the same.

Nothing in this Mortgage or in any other documents relating to the Mortgage Debt shall be construed to obligate Mortgagee, expressly or by implication, to perform any of the covenants of any landlord under any of the leases assigned to Mortgagee or to pay any sum of money or damages herein provided to be paid by the landlord, each and all of which covenants and payments Mortgagor agrees to perform and pay.

12. Security Interest. From time to time whenever demand may be made therefor by Mortgagee, Mortgagor, within five (5) days from such demand, shall execute and deliver to Mortgagee documents sufficient in form and content to grant to Mortgagee a security interest under the Code, or any document required by the Mortgagee to confirm the Loan or correct technical defects (or to perfect, or to continue the perfection of, such security interest) covering the equipment, chattels, and personal property then or thereafter to be installed in, or used in connection with the operation or maintenance of the physical improvements on the Real Estate; and any delay, failure or refusal so to do shall constitute a default under this Mortgage; and all the equipment, chattels, and personal property aforesaid shall be and remain clear and unencumbered except by (a) this Mortgage and such security interest under the Code delivered to Mortgagee and (b) liens and security interests securing the Senior Loans. Said equipment, chattels, or personal property shall not be removed from the lien of this Mortgage except when replaced in the ordinary course of business with the equivalent equipment, chattels or personal property of at least comparable value. Mortgagor will not attach to or incorporate into the Development any personal property which is subject to a security interest of anyone other than Mortgagor under the Code, other than the holders of the Senior Notes.)

13. Default. The whole of the Mortgage Debt and any other amounts payable to Mortgagee pursuant hereto shall immediately become due and payable at the option of the Mortgagee, its successors and assigns, and Mortgagee shall have the right to an order of court directing Mortgagor to specifically perform its obligations hereunder (the irreparable injury to Mortgagee and inadequacy of any remedy at law being expressly recognized by Mortgagor) without any further action of Mortgagee, upon the happening of any one or more of the following events (each of which is hereinafter called a "Default"):

a. A failure in the payment of any installment, fee or charge under the Note within fifteen (15) days after the same is due;

b. A default in the performance or observance of any other covenant, representation, warranty or agreement of Mortgagor herein which is not cured within thirty (30) days after Mortgagee gives Mortgagor notice of the same, provided, however that if the default is not reasonably curable despite Mortgagor's diligent efforts to cure the same within said thirty (30) days, Mortgagor shall have such additional time as is reasonably necessary to cure such default so long as Mortgagor continues to make every diligent effort to cure such default, and provided further, however, that in no event shall Mortgagor have more than 120 days to cure such default;

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c. A default by Mortgagor in the due observance or performance of any covenants, agreements or conditions contained, required to be kept or observed under any of the other Loan Documents or any other instrument evidencing, securing or relating to the Loan not cured within the time, if any, specified therein;

d. A default declared by the Senior Lenders, continuing beyond all applicable cure periods, if any, under the Senior Loans Documents and permitting foreclosure thereunder;

e. Failure on the part of Mortgagor, after completion of the rehabilitation, to maintain the Development in a rentable and tenantable state of repair, after notice of the condition of the Development is given to Mortgagor by Mortgagee, or failure on the part of Mortgagor to maintain the Development in a status required by governmental entity after notice of a violation of law is given by any governmental entity claiming jurisdiction of the Development; or failure on the part of Mortgagor to comply with all or any of the statutes, requirements, orders or decrees of any Federal, state or municipal entity relating to the use of the Development, or of any part thereof;

f. Failure to permit Mortgagee, its agents or representatives, at any and all reasonable times to make inspection of the Development, or to allow Mortgagee to examine and make copies of the books and records of Mortgagor and of the Development;

g. If a receiver or trustee of the property of Mortgagor is appointed, or if Mortgagor makes an assignment for the benefit of creditors or is adjudged insolvent by any state or Federal court, except that in the case of an involuntary petition, action or proceeding for the adjudication as a bankrupt or for the appointment of a receiver or trustees of the property of Mortgagor not initiated by Mortgagor, Mortgagor shall have sixty (60) days after the service of such petition or the commencement of such action or proceeding, as the case may be, within which to obtain a dismissal of such petition, action or proceeding, provided that Mortgagor is not otherwise in default under the terms of this Mortgage, including but not limited to, the payment of interest, principal and any other payments due hereunder;

h. Failure to comply with the Illinois Affordable Housing Act (P.A. 86-925) effective September 15, 1989 (the "Trust Fund Act") and the rules promulgated thereunder, and the Act and any rules and regulations duly promulgated from time to time by Mortgagee; or

i. The occurrence of a Prohibited Transfer.

If while any insurance proceeds or condemnation awards are being held by Mortgagee to reimburse Mortgagor for the cost of rebuilding or restoration of buildings or improvements on the Development, Mortgagee shall be or become entitled to, and shall, accelerate the Maturity Date and the Mortgage Debt, then and in such event, Mortgagee shall be entitled to apply all such insurance proceeds and condemnation awards then held by it to the payment of the Mortgage Debt, and the amount of any such insurance proceeds and condemnation awards over the amount of indebtedness then due hereunder shall be returned to Mortgagor or any party entitled thereto without interest.

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14. Mortgagee's Remedies. To the extent provided in this Mortgage and subject to the rights of Senior Lenders, the rents, issues and profits of the Development are hereby specifically mortgaged, granted, pledged and assigned to Mortgagee as further security for the payment of the Mortgage Debt. Upon a Default, and subject to the rights of the Senior Lenders, the holder of the Note and this Mortgage, as attorney-in-fact of Mortgagor or the then owner of the Development, shall thereupon be clothed with and shall possess all the powers, rights, remedies and authority of Mortgagor, as the owner of the Development, with power to institute mortgage foreclosure proceedings and power to eject or dispossess tenants and to rent or lease any portion or portions of the Development, and Mortgagor shall, on demand, surrender possession of the Development to the holder of this Mortgage and the said holder may enter upon the Development and rent or lease the same on any terms approved by it, and may collect all the rents therefrom which are due or become due, and may apply the same, after payment of all charges and expenses, including the making of repairs which in its judgment may be necessary, on account of the Mortgage Debt; and the rents and all leases existing at the time of such Default are hereby assigned to the holder of this Mortgage as further security for the payment of the Mortgage Debt. In the case of such Default, the holder of this Mortgage, by virtue of such right to possession or as the agent of Mortgagor, may dispossess by legal proceedings or other legally available means any tenant defaulting in the payment to the holder of this Mortgage of any rent, and Mortgagor hereby irrevocably appoints the holder of this Mortgage its agent for such purposes. If Mortgagor is occupant of any part of the Development, such occupant agrees to surrender possession of the Development to the holder of this Mortgage immediately upon any such Default hereunder and, if such occupant remains in possession, the possession shall be as tenant of the holder of this Mortgage, and such occupant agrees to pay monthly in advance to the holder of this Mortgage a rental determined by Mortgagee (in its sole discretion) for the portion of the Development so occupied, and in default of so doing, such occupant may also be dispossessed by the usual summary proceedings. Mortgagor makes these covenants for itself and for any subsequent owner of the Development, and these covenants shall become effective immediately after the happening of any such Default solely on the determination of the then holder of this Mortgage, who shall give notice of such determination to Mortgagor or the then owner of the Development. In the case of foreclosure or the appointment of a receiver of rents, the covenants herein contained shall inure to the benefit of the holder of this Mortgage or any such receiver.

15. Foreclosure. Subject to the rights of Senior Lenders, when the Mortgage Debt, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for any indebtedness hereunder or part thereof. In any civil action to foreclose the lien hereof, there shall be allowed and included as additional Mortgage Debt in the order or judgment for sale all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for reasonable attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographers' charges, publication costs, costs (which may be estimated as to items to be expended after entry of the order or judgment) of procuring all such abstracts of title, title searches and examinations, title insurance policies, Torrens certificates, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such civil actions or to the evidence to bidders at any sale which may be had pursuant to such order or judgment the true condition of the title to or the

value of the Development, and all other costs Mortgagee incurs in connection with the foreclosure and Mortgagor's default. All expenditures and expenses of the nature mentioned in this Paragraph, and such expenses and fees as may be incurred in the protection of the Development and maintenance of the lien of this Mortgage including the reasonable fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or the Development, including probate, bankruptcy and appellate proceedings, or in preparations for the commencement or defense of any proceeding or threatened civil actions or proceeding shall be immediately due and payable by Mortgagor, with interest thereon at the Default Rate as specified in the Note, and shall be secured by this Mortgage. In case of a foreclosure sale, the Development may be sold in one or more parcels.

If any provision of this Mortgage restricts Mortgagee's rights under the Illinois Mortgage Foreclosure Act (Ill. Rev. Stat. ch. 110, para. 15-1101 et seq.), as amended from time to time, or this Mortgage otherwise does not grant Mortgagee the full advantage, rights or remedies of said foreclosure law, Mortgage shall be vested with the rights, powers, and remedies of said foreclosure laws to the full extent permitted by law.

16. Foreclosure Sale. The proceeds of any foreclosure sale of the Development shall be distributed and applied in the following order of priority: first, on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, all other items which may under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; third, all accrued interest remaining unpaid on the Note; fourth, all principal remaining unpaid on the Note; and fifth, any overplus to Mortgagor, its successors or assigns, as their rights may appear.

17. Appointment of Receiver. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of the Development. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor at the time of application for such receiver and without regard to the then value of the Development or whether the same shall be then occupied as a homestead or not and Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of the Development during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Development during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of (a) the Mortgage Debt, or by any judgment or order foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to a foreclosure sale of the Development, or (b) the deficiency in case of a sale of the Development and deficiency thereunder.

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18. Rights Cumulative. Each right, power and remedy herein conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy, and no delay or omission of Mortgagee in the exercise of any right, power or remedy accruing hereunder or arising otherwise shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

19. Extensions of Time. If the payment of the Mortgage Debt or any part thereof is extended or varied or if any part of any security for the payment of the Mortgage Debt is released or additional security is taken, all persons now or at any time hereafter liable therefor, or interested in said Development, shall be held to assent to such extension, variation, or taking of additional security or release, and their liability and the lien and all provisions hereof shall continue in full force, the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding such extension, variation, taking of additional security or release.

20. Right to Inspect. Mortgagee, its representatives, agents and employees, shall have the right to inspect the Development at all reasonable times upon reasonable advance notice (except where circumstances prevent such advance notice from being given, in which case no such notice shall be required) and access thereto shall be permitted for that purpose.

21. Condemnation. If part of the Development is taken by or sold to any municipal, Federal or state entity or any other entity having the power of eminent domain (under eminent domain proceedings or under bona fide threat of eminent domain proceedings), and if the remaining portion of the Development can be restored, in whole or in part, and the Development so restored will produce sufficient income to meet the then existing obligations (after the reduction hereinafter described) of Mortgagor under this Mortgage and the Note, all as determined by Mortgagee, the proceeds of such taking or sale, if sufficient for the purpose (or, if not sufficient by itself, then if, together with funds provided by Mortgagor, sufficient for the purpose) and to the extent necessary for the purpose, shall be made available to Mortgagor for such restoration. Such restoration shall be made in a manner approved by Mortgagee and such governmental entity as may then have jurisdiction. If the entire Development is taken by or sold to any municipal, Federal or state entity or any other entity having the power of eminent domain (under eminent domain proceedings), the proceeds of such taking or sale shall be applied as hereinafter set forth in this Paragraph 21. Mortgagor shall not approve or accept the amount of any condemnation award or sale price without approval by Mortgagee of such amount confirmed in writing by Mortgagee. If Mortgagor does not diligently pursue any such actual or threatened eminent domain proceedings and competently attempts to obtain a proper settlement or award, Mortgagee, at Mortgagee's option, may take such steps, in the name of and in behalf of Mortgagor, as Mortgagee deems necessary to obtain such settlement or award, and Mortgagor shall execute such instruments as may be necessary to enable Mortgagee to represent Mortgagor in said proceedings. The proceeds of any such taking or sale shall first be applied toward payment of appraisers' fees,

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reasonable attorneys' fees, court costs and other reasonable expenses incurred by Mortgagor or Mortgagee, as the case may be, in collecting such proceeds; next toward satisfaction of the Mortgage Debt; and the remainder, if any, to Mortgagor. The rights of Mortgagee under this Paragraph 21 are subject to the rights of the Senior Lenders.

22. Release Upon Payment and Discharge of Obligations. Mortgagee shall release this Mortgage, the other Loan Documents and the lien thereof by proper instrument upon payment and discharge of the Mortgage Debt.

23. Notices. Any notice which any party hereto may desire or may be required to give to any other party hereto shall be in writing, and shall be deemed given (i) if and when personally delivered, (ii) on the first business day after deposit with delivering agent if sent by an overnight courier addressed to a party at its address set forth below, or (iii) on the second business day after proper posting and deposit with the United States Postal Service registered or certified mail, postage prepaid, addressed to a party at its address set forth below, or at such other place as such party may have designated to all other parties by notice in writing in accordance herewith (but service or delivery of courtesy copies not in accordance herewith shall not be a default hereunder):

If to Mortgagor: American National Bank and Trust
Company of Chicago, as Trustee
under Trust No. 110859-09
c/o City Lands Corp.
5100 W. Harrison
Chicago, Illinois 60644
Attention: Susan McCann

With a copy to: National Equity Fund
547 W. Jackson, Suite 601
Chicago, Illinois 60661

If to Mortgagee: Illinois Housing Development Authority
401 North Michigan Avenue, Suite 900
Chicago, Illinois 60611
Attention: Legal Department

Except as otherwise specifically required herein, notice of the exercise of any right or option granted to Mortgagee pursuant to this Mortgage is not required to be given.

24. Waiver of Defenses. No action for the enforcement of the lien or of any provision hereof shall be subject to any defense which would not be good and available to the party interposing such defense in an action at law upon the Note hereby secured.

25. Waiver of Certain Statutory Rights. Mortgagor shall not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws," now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagor for itself and all who may claim through or under it waives any and all right to have the property

and estates comprising the Development marshalled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Development sold as an entirety. Mortgagor does hereby expressly waive any and all rights of redemption under any order or decree of foreclosure of this Mortgage on behalf of Mortgagor, the trust estate and all persons beneficially interested therein, and each and every person except decree or judgment creditors of Mortgagor in its representative capacity and of the trust estate, acquiring any interest in or title to the Development subsequent to the date of this Mortgage.

26. Financial Statements. Mortgagor shall keep and maintain books and records of account in which full, true and correct entries shall be made of all dealings and transactions actions relative to the Development, which books and records of account shall, at reasonable times, and on reasonable notice, be open to the inspection of Mortgagee and its accountants and other duly authorized representatives. Such books of record and account shall be kept and maintained in accordance with (a) Mortgagor's income tax accounting practice consistently applied and (b) such additional requirements as Mortgagee may reasonably require.

27. Filing and Recording Fees. Mortgagor will pay all filing, registration or recording fees, and all expenses incident to the execution and acknowledgment of this Mortgage and the other Loan Documents and all Federal, state, county, and municipal taxes, and other taxes, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Mortgage and the other Loan Documents.

28. Change of Tax Laws. In the event of the enactment after this date of any law of the State of Illinois deducting from the value of the Real Estate for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagee's interest in the Development, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holders thereof, then, and in any event, Mortgagor, upon demand by Mortgagee, shall pay such taxes or assessments, or reimburse Mortgagee therefor; provided, however, that if in the opinion of counsel for Mortgagee (a) it might be unlawful to require Mortgagor to make such payment or (b) the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, Mortgagee may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to be and become due and payable immediately on the giving of such notice.

29. Business Purpose. Mortgagor recognizes and agrees that the proceeds of the Loan secured by this Mortgage will be used for the purposes specified in Paragraph 6404 of Chapter 17 of the Illinois Revised Statutes, and that the principal obligation secured hereby constitutes a "business loan" within the purview of said paragraph.

30. Miscellaneous. This Mortgage and all provisions hereof, shall extend to and be binding upon Mortgagor and its successors, grantees and assigns, any subsequent owner or owners of the Development and all persons claiming under or through Mortgagor, and the word "Mortgagor" when used herein shall include all such persons and all persons liable for the payment of the Mortgage Debt

or any part thereof, whether or not such persons shall have executed said Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Note secured hereby.

If one or more of the provisions contained in this Mortgage or the Note secured hereby or in any of the other Loan Documents shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall, at the option of Mortgagee, not affect any other provision of this Mortgage, and this Mortgage shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein or therein. This Mortgage, the Note and the other Loan Documents are to be construed and governed by the laws of the State of Illinois.

Mortgagor shall not by act or omission permit any building or other improvement on the Development not subject to the lien of this Mortgage to rely on the Development or any part thereof or any interest therein to fulfill any municipal or governmental requirement, and Mortgagor hereby assigns to Mortgagee any and all rights to give consent for all or any portion of the Development or any interest therein to be used. Similarly, no building or other improvement on the Development shall rely on any premises not subject to the lien of this Mortgage or any interest therein to fulfill any governmental or municipal requirement. Mortgagor shall not by act or omission impair the integrity of each parcel of Real Estate constituting the Development as a single zoning lot separate and apart from all other premises.

Mortgagee shall have the right at its option to foreclose this Mortgage subject to the rights of any tenant or tenants of the Development and the failure to make any such tenant or tenants a party defendant to any such civil action or to foreclose their rights will not be asserted by Mortgagor as a defense in any civil action instituted to collect the Mortgage Debt, or any part thereof or any deficiency remaining unpaid after foreclosure and sale of the Development, any statute or rule of law at any time existing to the contrary notwithstanding.

At the option of Mortgagee, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any award in condemnation) to any and all leases upon the execution by Mortgagee and recording or registering thereof, at any time hereafter, in the office wherein this Mortgage was recorded or registered, of a unilateral declaration to that effect.

Mortgagor on written request of Mortgagee will furnish a signed statement of the amount of the Mortgage Debt and whether or not to the Mortgagor's best knowledge any default then exists hereunder and specifying the nature of such default or defaults.

31. Security Agreement. Mortgagor and Mortgagee agree that this Mortgage shall constitute a Security Agreement within the meaning of the Code with respect to any property included in the definition herein of the word "Development," which property may not be deemed to form a part of the Real Estate or may not constitute a "fixture" (within the meaning of Section 9-313 of the Code), and all replacements of such property, substitutions for such property, additions to such property, and the proceeds thereof (said property and the replacements, substitutions and additions thereto and the proceeds

thereof being sometimes hereinafter collectively referred to as the "Collateral"), and that a security interest in and to the Collateral is hereby granted to Mortgagee to secure payment of the Mortgage Debt and to secure performance by Mortgagor of the terms, covenants and provisions hereof. All of the terms, provisions, conditions and agreements contained in this Mortgage pertain and apply to the Collateral as fully and to the same extent as to any other property comprising the Development, and the following provisions of this Paragraph shall not limit the applicability of any other provision of this Mortgage but shall be in addition thereto:

a. Mortgagor (being the Debtor as that term is used in the Code) is and will be the true and lawful owner of the Collateral, subject to no liens, charges or encumbrances other than the lien hereof, other liens and encumbrances benefitting Mortgagee and the holder(s) of any mortgage(s) permitted under Paragraph 10 hereof, and any other liens permitted hereunder.

b. The Collateral is to be used by Mortgagor solely for business purposes.

c. The Collateral will be kept at the Development, and, except for any obsolete collateral, will not be removed therefrom without the consent of Mortgagee (being the Secured Party as that term is used in the Code). The Collateral may be affixed to the Real Estate but will not be affixed to any other real estate.

d. Upon a Default hereunder Mortgagee shall have the remedies of a secured party under the Code, including without limitation, the right to take immediate and exclusive possession of the Collateral, or any part thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace) upon any place which the Collateral or any part thereof may be situated and remove the same therefrom (provided that if the Collateral is affixed to real estate, such removal shall be subject to the conditions stated in the Code); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Collateral for sale, until disposed of, or may propose to retain the Collateral subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations, as provided in the Code. Mortgagee may (i) render the Collateral unusable without removal, (ii) dispose of the Collateral on the Premises, or (iii) require Mortgagor to make it available to Mortgagee for its possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Mortgagee will give Mortgagor at least ten (10) days notice of the time and place of any public sale of the Collateral or of the time after which any private sale or any other intended disposition thereof is made. The requirements of reasonable notice shall be met if such notice is mailed, by certified United States mail or equivalent, postage prepaid, to the address of Mortgagor hereinabove set forth at least ten (10) days before the time of the sale or disposition. Mortgagee may buy at any public sale and, if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at private sale. Any such sale may be held as part of and in conjunction with any foreclosure sale of the Premises, the Premises including the Collateral to be sold as one lot if Mortgagee so elects.

The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale, selling or the like and the reasonable attorney's fees and reasonable legal expenses incurred by Mortgagee, shall be applied against the indebtedness hereby secured in such order or manner as Mortgagee shall select. Mortgagee will pay to Mortgagor any surplus realized on such disposition.

e. The terms and provisions contained in this Paragraph 31 shall, unless the context otherwise requires, have the meanings and be construed as provided in the Code.

f. This Mortgage is intended to be a financing statement within the purview of the Code with respect to the Collateral and the goods described herein, which goods are or may become fixtures relating to the Premises. The addresses of Mortgagor (Debtor) and Mortgagee (Secured Party) are hereinabove set forth. This Mortgage is to be filed for record with the Recorder of Deeds of the County where the Premises is located. Trustee is the record owner of the Premises.

In the event of a Default under this Mortgage, Mortgagee, pursuant to the appropriate provisions of the Code, shall have the option of proceeding as to both real and personal property in accordance with its rights and remedies with respect to the real property, in which event the default provisions of the Code shall not apply.

32. Non-Waiver. The failure or delay of Mortgagee or any subsequent holder of the Note and this Mortgage to assert in any one or more instances any of its rights hereunder shall not be deemed or construed a waiver of such rights.

33. Maximum Indebtedness. At all times, regardless of whether any loan proceeds have been disbursed, this Mortgage secures as part of the Mortgage Debt the payment of all loan commissions, service charges, liquidated damages, attorneys' fees, expenses and advances due to or incurred by Mortgagee in connection with the Mortgage Debt, all in accordance with the Note and this Mortgage; provided, however, that in no event shall the total amount of the Mortgage Debt, including loan proceeds disbursed plus any additional charges, exceed three times the face amount of the Note. All such advances are intended by the parties hereto to be a lien on the premises from the time this Mortgage is recorded, as provided in the Illinois Mortgage Foreclosure Act.

34. Additional Governing Law. This Mortgage, to the extent inconsistent with the Act and the Trust Fund Act, shall be governed by the Act and the Trust Fund Act, and the rights and obligations of the parties shall at all times be in conformance with the Act and the Trust Fund Act.

35. No Prepayment. Without the prior written consent of Mortgagee, this Note secured by this Mortgage may not be prepaid in whole or in part prior to the Maturity Date (as defined in the Note) of the Loan.

36. Incorporation of Riders. The provisions of the Riders attached hereto are hereby incorporated herein and made a part hereof by this reference as fully and with the same force and effect as if repeated herein at length.

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37. Non-Recourse Loan. The Loan is a non-recourse obligation of Mortgagor. Neither Mortgagor nor any other party shall have any personal liability for repayment of the Loan. The sole recourse of Mortgagee under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Development and related security thereunder.

38. Trustee's Exculpation. This Mortgage is executed and delivered by American National Bank and Trust Company of Chicago, not personally but solely as Trustee under a certain Trust Agreement dated April 20, 1990 and known as Trust Number 110859-09 in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed by and each original and successive holder of this Mortgage, that no personal liability shall be asserted or be enforceable against said Trustee, because or in respect of the making, issue or transfer of this Mortgage or the Note, all such liability, if any, being expressly waived by each original and successive holder hereof but nothing herein contained shall modify or discharge the personal liability expressly assumed by any other party, and Mortgagee accepts the same upon the express condition that no duty shall rest upon Mortgagor, either personally or as said Trustee, to sequester the rents, issues and profits arising from the collateral given in connection with the Loan or the proceeds arising from the sale or other disposition thereof.

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IN WITNESS WHEREOF, Mortgagor has signed and delivered this Mortgage as of the date first set forth above.

MORTGAGOR:

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee as aforesaid

ATTEST:

By: _____

Its: Trustee

By: _____

Its: _____

SHOREWOOD LIMITED PARTNERSHIP, an Illinois limited partnership

By: City Lands Corp., a Delaware Corporation, general partner

ATTEST:

By: _____

Its: Secretary

By: _____

Its: Secretary

By: TMI Development Corporation, an Illinois Corporation, general partner

ATTEST:

By: _____

Its: Secretary

By: _____

Its: President

MORTGAGEE:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate

ATTEST:

By: _____

Its: Asst. Secretary

By: _____

Its: DIRECTOR

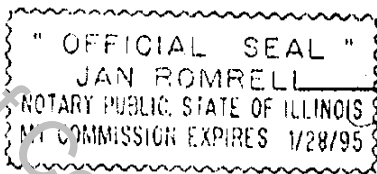
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Shirley McCann and, Henry Johnson personally known to me to be the V.P. and Asst. Secy. of City Lands Corp., a Delaware corporation, personally known to be to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument in their capacities as Shirley McCann and Henry Johnson of said corporation as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation in its capacity as the general partner of Shorewood Limited Partnership, an Illinois limited partnership, for the uses and purposes therein set forth.

Given under my hand and official seal this 12 day of May, 1992.

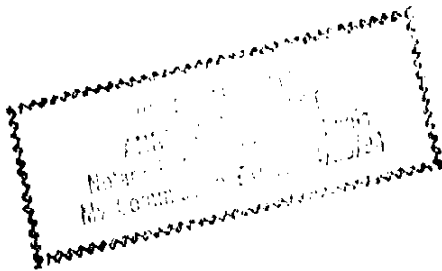


Jan Romrell
Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that R. MICHAEL WORTH and, P. J. CHANICE personally known to me to be the Vice President and Assistant Secretary of American National Bank and Trust Company of Chicago, personally known to be to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument in their capacities as Vice President and Assistant Secretary of American National Bank and Trust Company of Chicago as their free and voluntary act and deed and as the free and voluntary act and deed of American National Bank and Trust Company of Chicago as Trustee for the uses and purposes therein set forth.

Given under my hand and official seal this ___ day of MAY 12 1992.



Jan Romrell
Notary Public

92042610

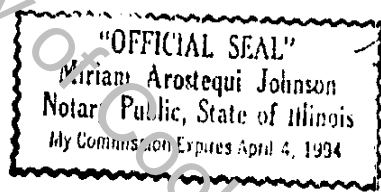
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Peter E. Dwers and, Peter K. Lennon personally known to me to be the Director and Asst Secretary of the Illinois Housing Development Authority and personally known to be to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument in their capacities as Director and Asst Secretary of the Illinois Housing Development Authority as their free and voluntary act and deed and as the free and voluntary act and deed of the Illinois Housing Development Authority for the uses and purposes therein set forth.

Given under my hand and official seal this 11th day of May, 1992.



Miriam Arostequi Johnson
Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that [Signature] and, [Signature] personally known to me to be the [Signature] and [Signature] of TNI Development Corporation, an Illinois corporation and personally known to be to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument in their capacities as [Signature] and [Signature] of said corporation as their free and voluntary act and deed and as the free and voluntary act and deed of Shorewood Limited Partnership, an Illinois Limited Partnership for the uses and purposes therein set forth.

Given under my hand and official seal this 12 day of May, 1992.



Jan Romrell
Notary Public

92542510

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RIDER TO THAT FOURTH MORTGAGE AND SECURITY AGREEMENT
DATED AS OF MAY __, 1992
FROM AMERICAN NATIONAL BANK AND TRUST COMPANY,
NOT PERSONALLY BUT SOLELY AS TRUSTEE
UNDER A TRUST AGREEMENT DATED APRIL 20, 1990
AND KNOWN AS TRUST NO. 110859-09

Mortgagor is executing simultaneously herewith that certain Fourth Mortgage and Security Agreement (the "Mortgage") in connection with the loan in the amount of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) being made to Mortgagor. In consideration of the respective covenants of the parties contained in the Mortgage, and for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, Mortgagor and Mortgagee further mutually agree as follows:

R-1 Senior Mortgages. Mortgagor has executed and delivered to Community Investment Corporation and City of Chicago (i) those three mortgage notes in the original principal amount of \$1,900,000, \$1,000,000, and \$1,500,000, respectively (the "Senior Notes"); (ii) that certain first mortgage executed by Mortgagor in favor of Community Investment Corporation and those certain second and third mortgages executed by Mortgagor in favor of City of Chicago securing the Senior Notes dated May 1, 1992 and May 12, 1992, respectively, and recorded with the Recorder of Deeds of Cook County, Illinois ("Senior Mortgages"); (iii) various other documents in connection with or securing the Senior Notes (collectively, the "Senior Loan Documents"). Mortgagee acknowledges that this Mortgage is junior and subordinate to the lien of the Senior Mortgages.

R-2 Mortgagor's Covenants with Respect to Senior Loan Documents.

a. Mortgagor covenants and agrees to comply with all of the terms and provisions of the Senior Loan Documents.

b. Mortgagor shall give Mortgagee a copy of all notices given Mortgagor with respect to any of the Senior Loan Documents within five (5) days after receiving such notice.

c. Mortgagor shall not, without the prior written consent of Mortgagee enter into any modification, extension, amendment, agreement or arrangement in connection with any of the Senior Loan Documents.

R-3 Default under Senior Loan Documents; Mortgagee's Right to Cure. If Mortgagor is declared by the holder of any of the Senior Loan Documents to be in default with respect to any requirement of any of the Senior Loan Documents, Mortgagor agrees that said default shall constitute a Default hereunder and under the Loan Documents (as defined in the Mortgage). Upon the occurrence of such Default, in addition to any other rights or remedies available to Mortgagee, Mortgagee may, but need not, make any payment or perform any act required to cure or attempt to cure any said default under any of the Senior Loan Documents in any manner and form deemed expedient by Mortgagee. Mortgagee shall not be responsible for determining the validity or accuracy of any claim of default made by the mortgagee under the Senior Loan Documents and the payment of any sum by Mortgagee in curing or attempting to cure any alleged default or omission shall be presumed conclusively to have been reasonable, justified and authorized. Mortgagor hereby grants to

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Mortgagee an irrevocable power of attorney, which power of attorney is coupled with an interest, for the term of this Mortgage to cure any default or forfeiture which may occur under any of the Senior Mortgages. Mortgagor further agrees to execute a formal and recordable power of attorney granting such right at any time during the existence of this Mortgage if requested by Mortgagee. All monies paid by Mortgagee in curing any default under any of the Senior Loan Documents, including attorneys' fees and costs in connection therewith, shall bear interest from the date or dates of such payment at the Default Rate as described in the Note, shall be paid by Mortgagor to Mortgagee on demand, and shall be deemed a part of the Mortgage Debt and recoverable as such in all respects with interest at Default Rate as specified in the Note. Any inaction on the part of the Mortgagee shall not be construed as a waiver of any right accruing to Mortgagee on account of any Default hereunder.

R-4 Mortgagee's Right to Prepay Senior Notes. If a Default under Paragraph 13.d hereof occurs, Mortgagee may prepay the entire balance due under the Senior Notes, and any prepayment fees or penalty incurred by Mortgagee in connection with such prepayment shall bear interest from the date of such payment at the Default Rate, as described in the Note, shall be paid by Mortgagor to Mortgagee upon demand, and shall be deemed a part of the Mortgage Debt and recoverable in all respects.

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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1: 1500-02 EAST 67TH STREET, CHICAGO IL 60637
PIN: 20-23-228-015 VOL: 260

LOT 15 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 1 AND 4 IN JUNIUS MULVEY'S SUBDIVISION OF THE SOUTH 703.4 FEET OF THAT PART LYING EAST OF THE ILLINOIS CENTRAL RAILROAD OF THE NORTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: 1500-06 EAST 67TH PLACE, CHICAGO, IL 60637
PIN: 20-23-403-007 VOL: 261

LOTS 16 AND 17 IN BLOCK 1 IN BASS' SUBDIVISION OF THE NORTH 1/2 OF THE NORTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THE EAST 256 FEET THEREOF) IN COOK COUNTY, ILLINOIS.

PARCEL 3: 1501-03 EAST 69TH PLACE, CHICAGO IL 60637
PIN: 20-23-418-001 VOL. 261

LOTS 20 & 21 IN BLOCK 6, IN THE SUBDIVISION OF THE NORTH 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 23, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 4: 1734 EAST 72ND STREET, CHICAGO IL 60649
PIN: 20-25-104-004 VOL. 262

LOT 55 (EXCEPT THE NORTH 8.5 FEET) AND ALL OF LOTS 56, 57 AND 58 IN MURRAY WOLBACH'S ADDITION TO SOUTH SHORE IN THE NORTHWEST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED AS DOCUMENT NUMBER 5938751 IN COOK COUNTY, ILLINOIS.

PARCEL 5: 1962 EAST 73RD PLACE, CHICAGO IL 60649
PIN: 20-25-130-023 VOL. 262

LOT 11 (EXCEPT THE WEST 20 FEET THEREOF) AND ALL OF LOTS 12, 13, 14 AND 15 IN DALY AND McBRIDE'S SUBDIVISION OF BLOCK 9 IN THE SUBDIVISION OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 25, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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MORTGAGE LOAN RIDER

This Rider is attached to and made a part of the Installment Note, the Fourth Mortgage and Security Agreement, and the other documents evidencing, securing, and governing a loan in the amount of FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$500,000.00) (the "Loan") made to THE ILLINOIS HOUSING DEVELOPMENT AUTHORITY ("Lender") by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee under a Trust Agreement dated April 20, 1990 and known as Trust No. 110859-09 ("Trustee") and SHOREWOOD LIMITED PARTNERSHIP ("Beneficiary") (Trustee and Beneficiary are hereinafter collectively referred to as "Borrower") for the construction or rehabilitation of the residential apartment buildings located at 1500-02 E. 67th Street, 1500-06 E. 67th Place, 1501-03 E. 69th Place, 1734-40 E. 72nd Street and 1962 E. 73rd Place, all located in Chicago, Illinois (the "Project"). The form of this Rider has been designed for use whether the Borrower is a limited partnership, a land trust of which a limited partnership is the beneficiary or otherwise. Accordingly, the limited partnership developing the Project, whether or not identified as Borrower, is sometimes referred to herein as the "Partnership." The Articles of Limited Partnership forming or continuing the Partnership are referred to herein as the "Partnership Agreement."

The parties hereto agree that the following covenants, terms, and conditions shall be part of and shall modify or supplement each of the documents evidencing, securing, or governing the disbursement of the Loan (the "Loan Documents"), and that in the event of any inconsistency or conflict between the covenants, terms, and conditions of the Loan Documents and this Rider, the following covenants, terms, and conditions shall control and prevail:

1. The Loan is a nonrecourse obligation of Borrower. Neither Borrower nor any of its general and limited partners (or, if Borrower is not the Partnership, the general and limited partners of the Partnership), nor any other party shall have any personal liability for repayment of the Loan. The sole recourse of Lender under the Loan Documents for repayment of the Loan shall be the exercise of its rights against the Project and related security thereunder.
2. The withdrawal, removal, and/or replacement of a general partner of the Partnership pursuant to the terms of the Partnership Agreement shall not constitute a default under any of the Loan Documents, and any such actions shall not accelerate the maturity of the Loan, provided that a substitute general partner is reasonably acceptable to Lender and is selected with reasonable promptness.
3. If a monetary default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and the National Equity Fund 1991 Limited Partnership ("NEF") simultaneous written notice of such default. Borrower shall have a period of seven (7) days after such notice is given within which to cure the default 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.

4. If a non-monetary default occurs under the terms of any of the Loan Documents, prior to exercising any remedies thereunder Lender shall give Borrower and NEF simultaneous written notice of such default. If the default is reasonably capable of being cured within thirty (30) days, Borrower shall have such period 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 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 (a) initiates corrective action within said period, and (b) 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 NEF written notice thereof, whereupon NEF may remove and replace the general partner with a substitute general partner who shall effect a cure within a reasonable time thereafter in accordance with the foregoing provisions. 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.
5. In the event of any fire or other casualty to the Project or eminent domain proceedings resulting in condemnation of the Project or any part thereof, Borrower shall have the right to rebuild the Project, and to use all available insurance or condemnation proceeds therefor, provided that (a) such proceeds are sufficient to keep the Loan in balance and rebuild the Project in a manner that, in Lender's judgment, provides adequate security to Lender for repayment of the Loan, or if such proceeds are insufficient then Borrower shall have funded any deficiency, (b) Lender shall have the right to approve plans and specifications for any major rehabilitation, reconstruction or rebuilding and the right to approve disbursements of insurance or condemnation proceeds for rebuilding under a construction escrow or similar arrangement, (c) no material default then exists under the Loan Documents, and (d) in Lender's reasonable judgment, Borrower can complete the rebuilding of the Project prior to the Maturity Date, as defined in the Note. If the casualty or condemnation affects only part of the Project and total rebuilding is infeasible, then proceeds may be used for partial rebuilding and partial repayment of the Loan in a manner that provides adequate security to Lender for repayment of the remaining balance of the Loan.
6. There shall be no default 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.
7. The execution and delivery of the purchase option and right of first refusal agreement described in the Partnership Agreement shall not constitute a default under the Loan Documents or accelerate the maturity of the Loan thereunder. Any requisite consent of Lender to the exercise of said purchase option and right of first refusal agreement by the project sponsor identified therein shall not be unreasonably withheld,

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nor shall the assumption without penalty of Loan obligations by the project sponsor and the release of Borrower from such obligations, and, subject to any such requirement, the exercise of rights thereunder shall not constitute a default or accelerate maturity of the Loan.

8. If the purchase option and right of first refusal agreement described in the Partnership Agreement is not exercised and 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 shall not be unreasonably withheld, nor shall Lender's consent to the assumption without penalty of loan obligations by the purchaser and the release of Borrower from such obligations.
9. In any approval, consent, or other determination by Lender required under any of the Loan Documents, Lender shall act reasonably and in good faith.

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IN WITNESS WHEREOF, the undersigned have caused this Rider to be executed as of this 12th day of May, 1992.

BORROWER:

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee as aforesaid

ATTEST:

By: [Signature]
Its: [Signature]

By: [Signature]
Its: [Signature]

SHOREWOOD LIMITED PARTNERSHIP, an Illinois limited partnership

ATTEST:

By: City Lands Corp., a Delaware corporation, general partner

By: [Signature]
Its: [Signature]

By: [Signature]
Its: [Signature]

By: TNI Development Corporation, an Illinois Corporation, general partner

ATTEST:

By: [Signature]
Its: [Signature]

By: [Signature]
Its: [Signature]

LENDER:

ILLINOIS HOUSING DEVELOPMENT AUTHORITY, a body politic and corporate

ATTEST:

By: [Signature]
Its: [Signature]

By: [Signature]
Its: [Signature]

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