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This instrument prepared by:

Alexis Kennedy, Esq.
City of Chicago
Office of the Corporation Counsel
121 North LaSalle Street
Room 511
Chicago, Illinois 60602

THIRD MORTGAGE, ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT

THIS THIRD MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (the "Mortgage") is made as of October 1, 1987 from AMERICAN NATIONAL BANK AND TRUST COMPANY as Trustee, under trust agreement dated October 1, 1987 and known as Trust No. 103670-01 (hereinafter called the "Borrower" or "Trustee"), to the CITY OF CHICAGO, a municipal corporation, having its principal office at City Hall, Chicago, Illinois 60602 (hereinafter called the "Lender" or the "City").

WITNESSETH:

WHEREAS, the Borrower has executed and delivered to the Lender a Note in the principal amount of \$1,860,000, payable to Lender, and of even date herewith (hereinafter the "Note"); and

WHEREAS, the Lender is desirous of securing the payment of the Note in accordance with the terms of the Note, and any additional indebtedness accruing to the Lender on account of any future payments, advances or expenditures made by the Lender pursuant to the Note or this Mortgage; and

NOW, THEREFORE, to secure the performance and observance by the Borrower of all the terms, covenants and conditions in the Note and in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such consideration, the receipt and sufficiency whereof is hereby acknowledged, the Borrower has executed and delivered this Mortgage and does hereby grant, convey, assign, mortgage, grant a security interest in, and confirm unto the Lender and its successors and assigns forever, all of the following described property (which is hereinafter sometimes referred to as the "Mortgaged Property"),

(A) All those certain tracts, pieces or parcels of land and the easements, if any, located in the Kenwood-Oakland community, Chicago, Illinois, and more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Land");

RE IDENTIFIED

Legal description affects property on Certificate # 1457834 and other property

4-7-88

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(B) All structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures of every kind and nature whatsoever which are or shall be attached to said buildings, structures or improvements, and now or hereafter owned by the Borrower, including all extensions, additions, improvements, betterments, renewals and replacements of any of the foregoing (the "Improvements");

(C) The rents and issues of the Land and Improvements from time to time and all of the estate, right, title, interest, property, possession, claim and demand at law, as well as in equity of the Borrower, in and to the same;

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto the Lender, its successors and assigns, to its own proper use, benefit and advantage forever, subject, however, to the terms, covenants and conditions herein;

WITHOUT limitation of the foregoing, the Borrower hereby further grants unto the Lender, pursuant to the provisions of the Uniform Commercial Code of the State of Illinois, a security interest in all of the above-described property, which are or are to become fixtures.

All terms, unless herein defined, shall have the same meanings as defined in that Housing Development Grant Owner-Grantee Agreement, dated as of October 1, 1987 (the "HDG Loan Agreement") between the Lender and the Borrower.

THIS MORTGAGE IS GIVEN TO SECURE: (a) payment of the indebtedness secured hereby, and (b) performance of each and every of the covenants, conditions and agreements contained in this Mortgage and the Note, both of even date herewith, and in the HDG Loan Agreement, and in any other agreement, document or instrument to which reference is expressly made in this Mortgage or which secures the Note.

AND the Borrower covenants and agrees with the Lender that:

ARTICLE I

1.01 Taxes and Assessments

(a) The Borrower will pay when due all general taxes and assessments, special assessments, water charges and all of the charges against the premises and shall, upon written request, furnish to Lender receipts evidencing payment thereof, provided that nothing contained herein shall restrict Borrower's right to contest such taxes, assessments or charges.

(b) The Borrower will not suffer (unless bonded over) any mechanic's, laborer's, materialmen's, or statutory lien to remain outstanding upon any of the Mortgaged Property.

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1.02 Insurance

The Borrower will procure for, deliver to and maintain for the benefit of the Lender during the term of this Mortgage, a policy or policies insuring the Mortgaged Property against fire, lightning, extended coverage, vandalism and malicious mischief and such other insurable perils in commercially reasonable amounts. The policy shall contain a Lender's loss payable endorsement and shall provide for at least (30) days notice to Lender prior to the expiration date of each such policy.

1.03 Care of the Property

(a) The Borrower will preserve and maintain the Mortgaged Property in good condition and repair, will not commit or suffer any waste thereof, and will keep the same in a clean, orderly and attractive condition. The Borrower will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, the Borrower will immediately give written notice of the same to the Lender.

(c) The Lender or its representatives has the right, subject to the rights of tenants, to inspect the Mortgaged Property at all reasonable times upon twenty-four (24) hours prior written notice to Borrower, and access thereto shall be permitted for that purpose.

(d) The Borrower will promptly comply, and cause the Mortgaged Property and the occupants or users thereof to comply, with all present and future laws, ordinances, orders, rules and regulations and other requirements of any governmental authority affecting the Mortgaged Property or any part thereof or the use or occupancy thereof and with all instruments and documents of record or otherwise affecting the Mortgaged Property, or any part thereof or the use or occupancy thereof.

(e) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, the Borrower will promptly restore the Mortgaged Property to the equivalent of its condition prior to the casualty, to the extent of any insurance proceeds made available to Borrower for that purpose.

1.04 Subordination

This Mortgage shall be subject and subordinate in all respects to a) the Mortgage and Security Agreement of the Illinois Housing Development Authority in the amount of \$2,900,000 plus interest, plus additional amounts actually advanced for completion of the Project, b) the Second Mortgage and Security Agreement of the Lender in the amount of \$1,860,000

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plus interest, plus additional amounts actually advanced for completion of the Project, or upon a failure of Borrower to perform its obligations thereunder (collectively, the "Senior Financing").

1.05 Collection of Rents

Notwithstanding anything hereinbefore to the contrary, it is mutually agreed between Borrower and Lender that so long as there shall exist no default by Borrower in the payment of the Note or in the performance of Borrower's obligations hereunder, Borrower shall have the right to collect all rents, security deposits, income and profits from the Mortgaged Property and to retain, use and enjoy the same.

ARTICLE II

2.01 Events of Default; Substantive Violations

The terms "Event of Default" or "Events of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) Failure by the Borrower to duly observe or perform any material term, covenant, condition, or agreement of this Mortgage, the Note, or HDG Loan Agreement after the expiration of all Cure Periods (as hereinafter defined); or

(b) A default under the Senior Financing (as defined in the HDG Loan Agreement), continuing beyond all applicable cure periods under the HDG Loan Agreement or the Senior Financing.

2.02 Acceleration of Maturity

(a) If a Monetary Event of Default (which shall mean failure to make any payment when the same is due and owing under the Note), shall have occurred under this Mortgage, the Note or the HDG Loan Agreement and shall have continued for 10 days following notice thereof from Lender to Borrower, the entire indebtedness secured hereby shall at Lender's sole option become immediately due and payable without further notice or demand.

(b) If a Non-Monetary Event of Default (which shall mean any Default other than a Monetary Default), shall have occurred under this Mortgage, the Note or the HDG Loan Agreement, and shall have continued for 60 days following receipt of notice thereof from Lender to Borrower, the entire indebtedness secured hereby shall at Lender's sole option, immediately become due and payable without further notice or demand; provided, however, that in the event such default cannot reasonably be cured within such 60 day period and if Borrower has commenced efforts to cure, then the time to cure shall be extended so long as said party diligently continues to cure such default.

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(c) If a default should occur upon a Substantive Violation, which default is not timely cured pursuant to any applicable Cure Period, the City shall declare the entire indebtedness secured hereby immediately due and payable plus simple interest accrued at a rate determined by HUD by adding two percent to the average yield on outstanding marketable long-term obligations of the United States during the month preceding the date on which the initial HDG funds were released. The principal amount and accrued interest to be repaid shall be reduced by ten percent for each full year in excess of ten years that intervened between the beginning of the term of the HDG Loan Agreement and the Violation.

(d) Except as otherwise permitted pursuant to Section XIII of the HDG Loan Agreement, a sale, partial sale, refinancing, syndication or other disposition of the Mortgaged Property shall entitle the Lender to declare the entire indebtedness secured hereby immediately due and payable without further notice or demand; provided, however, the replacement or substitution of any machinery, equipment or fixtures, now owned or hereafter acquired by Borrower, with machinery or equipment of like kind and value, whether or not such machinery or equipment is deemed a fixture under applicable provisions of the Illinois Uniform Commercial Code, will not be an Event of Default under this Mortgage provided Borrower executes such documents as may be necessary to assure Lender of a continuing perfected secured interest in such replacement or substituted machinery, equipment or fixtures.

(e) The Lender shall have no liability to Borrower for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith.

(f) Lender shall send copies of all notices to Lender A and Lender C (as defined in the HDG Loan Agreement).

2.03 Remedies

(a) When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Lender shall have the right to foreclose the lien hereof for such indebtedness or part thereof. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure, and may be foreclosed successively and in parts, until all of the Mortgaged Property has been foreclosed against. In any such foreclosure, or upon the enforcement of any other remedy of Lender under this Mortgage or the Note, there shall be allowed and included as additional indebtedness, all expenditures and expenses which may be paid or incurred by or on behalf of Lender for attorneys' fees, appraisers' fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs involved in title insurance and title examinations. All expenditures and expenses of the nature in this paragraph mentioned, and such expenses and fees as may be

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incurred in the protection of the Mortgaged Property and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Lender in any litigation or proceeding affecting this Mortgage, the Note or the Mortgaged Property, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Borrower, with interest thereon at the lesser of the highest rate permitted by law or 10% per annum, and shall be secured by this Mortgage. The proceeds of any foreclosure sale of the Mortgaged Property shall be distributed and applied in the following order of priority: (i) on account of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in this paragraph hereof; (ii) all other items which under the terms hereof constitute secured indebtedness additional to that evidenced by the Note, with interest thereon as herein provided; (iii) all principal and interest remaining unpaid on the Note; and (iv) any remaining amounts to the Borrower, its successors or assigns, as their rights may appear.

(b) Borrower shall not and will 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. Borrower for itself and all who may claim through or under it, waives any and all right to have the property and estates comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof, and agrees that any court having jurisdiction to foreclose such lien may order the Mortgaged Property sold as an entirety. The Borrower hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its behalf and on behalf of each and every person, except decree or judgment creditors of the Borrower, acquiring any interest in or title to the Mortgaged Property subsequent to the date of this Mortgage.

(c) Upon any other entering upon or taking of possession of the Mortgaged Property other than by means of a foreclosure, the Lender or may hold, use, manage and control the Mortgaged Property and, from time to time (i) make all necessary and proper maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property required in connection therewith; (ii) insure or keep the Mortgaged Property insured; (iii) manage the Mortgaged Property and exercise all the rights and powers of the Borrower to the same extent as the Borrower could in its own name or otherwise with respect to the same (except that Lender shall not be entitled to operate the business of Borrower); and (iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted to the Lender, all as the Lender from time to time may reasonably determine to be to its best advantage. The Lender may collect and receive all the

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rents, issues, profits and revenues of the same, including those past due as well as those accruing thereafter, and, after deducting to the extent reasonable, (aa) all expenses of taking, holding and managing the Mortgaged Property (including compensation for the services of all persons employed for such purposes); (bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions; (cc) the cost of such insurance; (dd) such taxes, assessments and other similar charges as the Lender may determine to pay; (ee) other proper charges upon the Mortgaged Property or any part thereof; and (ff) the reasonable compensation, expenses and disbursements of the attorneys and agents of the Lender, shall apply the remainder of the monies and proceeds so received by the Lender first to payment of accrued interest; and second to the payment of principal. The balance of such funds, if any, after payment in full, of all of the aforesaid amounts (including, without limitation, the entire outstanding principal balance under the Note) shall be paid to Borrower, subject to the rights of the Senior Financing as set forth in the HDG Loan Agreement.

(d) The Lender shall have no liability to Borrower for any loss, damage, injury, cost or expense resulting from any action or omission by it or its representatives which was taken or omitted in good faith.

2.04 Receiver

If an Event of Default shall have occurred after an applicable Cure Period has expired and be continuing, the Lender, upon application to a court of competent jurisdiction, shall be entitled to the appointment of a receiver to take possession of and to operate the Mortgaged Property and to collect and apply the rents, issues, profits and revenues thereof. The receiver shall have all of the rights and powers to the fullest extent permitted by law.

2.05 Purchase by the Lender

Upon any foreclosure sale, the Lender may bid for and purchase the Mortgaged Property and shall be entitled to apply all or any part of the indebtedness secured hereby as a credit to the purchase price.

2.06 Remedies Cumulative

No right, power or remedy conferred upon or reserved to the Lender by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

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2.07 Waiver

No delay or omission of the Lender or of any holder of the Note to exercise any right, power or remedy accruing upon any default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such default, or acquiescence therein; and every right, power and remedy given by this Mortgage to the Lender may be exercised from time to time as often as may be deemed expedient by the Lender. No consent or waiver, expressed or implied, by the Lender to or of any breach or default by the Borrower in the performance of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance of the same or any other obligations of the Borrower hereunder. Failure on the part of the Lender to complain of any act or failure to act or to declare an Event of Default, irrespective of how long such failure continues, shall not constitute a waiver by the Lender of its rights hereunder or impair any rights, powers or remedies on account of any breach or default by the Borrower.

ARTICLE III

3.01 Successors and Assigns

This Mortgage shall inure to the benefit of and be binding upon the Borrower and the Lender and their respective legal representatives, successors and assigns. Whenever a reference is made in this Mortgage to the Borrower or to the Lender, such reference shall be deemed to include a reference to legal representatives, successors and assigns of the Borrower or Lender.

3.02 Terminology

All personal pronouns used in this Mortgage, whether used in the masculine, feminine or neuter gender, shall include all other genders; the singular shall include the plural, and vice-versa. Titles and sections are for convenience only and neither limit nor amplify the provisions of this Mortgage, and all references herein to Articles, Sections or Paragraphs shall refer to the corresponding Articles, Sections or Paragraphs of this Mortgage unless specific reference is made to such Articles, Sections or Paragraphs of another document or instrument.

3.03 Severability

If any provision of this Mortgage or the application thereof to any person or circumstance shall be invalid or unenforceable to any extent, the remainder of this Mortgage and the application of such provision to other persons or circumstances shall not be affected thereby and shall be enforced to the extent permitted by law.

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3.04 Security Agreement

This Mortgage shall be construed as a "Security Agreement" within the meaning of and shall create a security interest under the Uniform Commercial Code as adopted by the State of Illinois with respect to any part of the Mortgaged Property which constitutes fixtures. The Lender shall have all the rights with respect to such fixtures afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded the Lender by this Mortgage or any other agreement.

3.05 Modification

No change, amendment, modification, cancellation or discharge hereof, or of any part hereof, shall be valid unless in writing and signed by the parties hereto or their respective successors and assigns.

3.06 No Merger

It being the desire and intention of the parties hereto that the Mortgage and the lien thereof do not merge in fee simple title to the Mortgaged Property, it is hereby understood and agreed that should the Lender acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by the Lender as evidenced by an appropriate document duly recorded, this Mortgage and the lien thereof shall not merge in the fee simple title, toward the end that this Mortgage may be foreclosed as if owned by a stranger to the fee simple title.

3.07 Non-Recourse

The Borrower shall be solely responsible for payment of the Note secured hereby, and no other person, officer of Borrower nor the parent corporation of Borrower shall be personally liable for repayment of said Note.

3.08 Applicable Law

This Mortgage shall be interpreted, construed and enforced under the laws of the State of Illinois.

3.09 Trustee Exculpatory Clause

This Agreement is executed by American National Bank and Trust Company of Chicago, not personally but solely as Trustee as aforesaid. All the covenants and conditions to be performed hereunder by American National Bank and Trust Company of Chicago

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are undertaken by it solely as Trustee, as aforesaid and not individually, and no personal liability shall be asserted or be enforceable against American National Bank and Trust Company of Chicago by reason of any of the covenants, statements, representations or warranties contained in this Mortgage.

IN WITNESS WHEREOF, the undersigned has executed the foregoing instrument as of the date and year first above written.

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO, not
individually but solely as
Trustee under Trust Agreement
103670-01, dated October 1, 1987

By: 

Its: VICE PRESIDENT

ATTEST:

By: 

Property of Cook County Clerk's Office

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EXHIBIT A

***PARCEL 1:

Lots 24, 25, 26 and the South 5 feet of Lot 27 in Henry J. Furber's Woodlawn and Lake Avenue Subdivision in the Southeast fractional quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 2:

LOT ONE (1) In Cutler and Boice's Woodlawn Avenue Subdivision in the Southeast Quarter (1) of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois, according to the Plat thereof recorded February 15, 1887, in Book 25 of Plate, Page 6, as Document Number 799471.

PARCEL 3:

Lot 32 (except the Southeasterly 35 feet thereof) in Henry J. Furber's Woodlawn and Lake Avenue Subdivision of part of Lots 7, 8 and 9 in Lyman's Subdivision of Section 2, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

AND

The Southeasterly 35 feet of Lot 32 in Henry J. Furber's Woodlawn and Lake Avenue Subdivision of part of Lots 7, 8 and 9 in Lyman's Subdivision of Section 2, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 4:

Lots 12 and 13 in Otis Subdivision of the North 2/5ths and the North 1/18th of the South 3/5ths of Lot 9 in Lyman's Subdivision of part of South East fractional quarter of Section 2, Township 38 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois according to the plat thereof recorded February 3, 1891 in book 42 of Plat Page 20 as Document 1413176 in Cook County, Illinois.

PARCEL 5:

Lot 21 in Otis Subdivision of the North 2/5ths and the North 1/18th of the South 3/5ths of Lot 9 in Lyman's Subdivision of part of the South East fractional quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 6:

Lot nineteen (19) in Otis' Subdivision of the North two fifths (N 2/5) and the North one eighteenth (N 1/18) of the South three fifths (S 3/5) of Lot nine (9) in Lyman's Subdivision of part of the Southeast fractional quarter of Section two (2), Township thirty eight (38) North, Range fourteen (14), East of the Third Principal Meridian, in Cook County, Illinois.

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PARCEL 7:

Lot 18 and the North 6 32/100 feet of Lot 17 in Otis Subdivision of the North 2/5 and the North 1/18 of the South 2/5 of Lot 9 in Lyman's Subdivision of part of the South East Fractional quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 8:

Lots 1 to 4, Otis' Subdivision, North 2/5, North 1/18, South 3/5 of Lot 9 in Lyman's Subdivision of part of Southeast Fractional Quarter Division, Section 2, Township 38 North, Range 14, lying East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 9:

Lot 14 and 15 in Otis' Subdivision of part of Lot 9 in Lyman's Subdivision of part of the Southeast Fractional quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 10:

Lot 16 and South 14.84 feet of Lot 17 in Otis' Subdivision of North 2/5 and North 1/8 of South 3/5 of Lot 9 in Lyman's Subdivision of that part of the Southeast Fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 11:

Lots 10 and 11 and Southerly 10 feet of Lot 9 in Otis Subdivision of North 2/5 and North 1/18 of South 3/5 of Lot 9 in Lyman's Subdivision of part of Southeast Fractional Quarter, West half of Southeast Quarter, Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 12:

Lot 22 in Otis' Subdivision of the North 2/5 and the North 1/18 of the South 3/5 of Lot 9 in Lyman's Subdivision of part of the South East Fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 13:

Lots 5, 6, 7, 8 and the North 15 feet of Lot 9 in Otis' Subdivision of the North 2/5 and the North 1/18 of the South 3/5 of Lot 9 in Lyman's Subdivision of that part lying West of the Illinois Central Railroad of the South East Fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 14:

Lot 27 (except the South 5 feet thereof) and all of Lots 28, 29, 30 and 31 in Henry J. Furber's Woodlawn and Lake Avenue Subdivision in the Southeast Fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

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Schedule A - Legal Description Continued...

PARCEL 15:

Lot 2 in Cutler and Boice's Woodlawn Avenue Subdivision of Lot 9 of Lyman's Subdivision of part of the Southeast Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, as per Plat thereof recorded February 18, 1887 as Document No. 799471 in Book 25 of Plats, Page 6, in Cook County, Illinois

PARCEL 16:

Lots 3 and 4 in Cutler and Boice's Woodlawn Avenue Subdivision in the Southeast Fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 17:

Intentionally omitted

PARCEL 18:

Intentionally omitted

PARCEL 19:

The North 2 feet of Lot 25 and all of Lots 26 to 29, inclusive, in Otis' Subdivision of the North 2/5 and the North 1/18 of the South 3/5 of Lot 9 in Lyman's Subdivision of part of the Southeast Fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

PARCEL 20:

Lots 23, 24 and 25 (except the North 2 feet of said Lot 25) in Otis' Subdivision of the North 2/5 and the North 1/18 of South 3/5 of Lot 9 in Lyman's Subdivision of part of the Southeast Fractional Quarter of Section 2, Township 38 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.***

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Permanent Tax No.'s:

20-02-402-005, 007, 008, 010, 014, 015, 028, 029, 033

Property Addresses:

4514-16 South Lake Park Avenue
4521 South Woodlawn
4525 South Woodlawn
4527 South Woodlawn
4535-37 South Woodlawn
4601 South Woodlawn
4609-21 South Woodlawn

All in Chicago, Illinois 60653

Address: 4502 S. Lake Park Avenue

P.I.N.: 20-02-402-032

Address: 4500-06 South Lake Park Avenue

P.I.N.: 20-02-402-054

Address: 4545-55 South Woodlawn Avenue

P.I.N.: 20-02-402-012

Address: 4539-41 South Woodlawn Avenue

P.I.N.: 20-02-402-011

Address: 4559-4605 South Woodlawn Avenue

P.I.N.: 20-02-402-013

Address: 4531 South Woodlawn Avenue

P.I.N.: 20-02-402-009

Address: 4519 South Woodlawn Avenue

P.I.N.: 20-02-402-004

Address: 4511-15 South Woodlawn Avenue

P.I.N.: 20-02-402-003

Address: 4501-09 South Woodlawn Avenue

P.I.N.: 20-02-402-002

Address: 4455-67 South Woodlawn Avenue
4558-68 South Lake Park Avenue

P.I.N.: 20-02-402-001

Address: 4520-4522 South Lake Park Avenue

P.I.N.: 20-02-402-034

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PROMISSORY NOTE

\$955,427

October 1, 1987
CHICAGO, ILLINOIS

FOR VALUE RECEIVED, the undersigned AMERICAN NATIONAL BANK AND TRUST COMPANY AS TRUSTEE, under trust agreement dated October 1, 1987 and known as Trust No. 103670-01 hereinafter "Trustee" and KODC, INC., an Illinois not for profit corporation and sole beneficiary of said Trust (hereinafter "Owner") ('Trustee and/or Owner' to be designated hereinafter as "Borrower"), do hereby promise to pay to the order of CITY OF CHICAGO, a municipal corporation (hereinafter, "Holder" or "City"), at the Comptroller's Office, Room 501, City Hall, Chicago, Illinois, or such other place as Holder may designate in writing, in lawful money of the United States of America, the principal sum of Nine Hundred Fifty Five Thousand Four Hundred Twenty Seven and No/100 Dollars (\$955,427.00) or so much thereof as may be advanced together with interest thereon (the "IDAG Loan"), as follows:

All terms, unless herein defined, shall have the same meanings as defined in that Development/Loan Agreement, dated as of October 1, 1987 (the "IDAG Loan Agreement") between the City and the Borrower.

1. Interest Rate. The amounts from time to time outstanding hereunder (see disbursement schedule attached as Exhibit A and made a part hereof) shall bear three percent (3%) interest.

2. Loan Term. The term of the IDAG Loan shall be thirty (30) years, maturing on October 1, 2017 (the "IDAG Loan Maturity Date").

3. Repayment. (a) Interest payments will be deferred for 20 years.

(b) Annual payments of principal of up to \$5,000 shall be made from surplus cash, to the extent such surplus cash is available for such payment, as set forth in the IDAG Loan Agreement.

(c) Payments of interest and principal will be renegotiated by the City and Borrower 20 years after the IDAG Loan Closing Date.

(d) Payment of the entire principal amount of the IDAG Loan will become due and payable on the earlier of A) the Project's sale, syndication or refinancing or B) the IDAG Loan Maturity Date, plus late charges and attorneys' fees, if any, incurred in collecting the IDAG Loan.

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4. Borrower shall submit to City and IDFA within 120 days of the close for each fiscal year during the term of the IDAG Loan, financial statements prepared by a certified public accountant, in accordance with generally accepted accounting principles, consistently applied, and certified by Borrower, setting forth among other things the annual gross revenues and expenditures of the Project.

5. This Note is secured by and entitled to the benefits of: (i) The IDAG Loan Agreement and the Mortgage, and (ii) any other agreements under which the Holder has been granted a lien and security interest in property and/or other assets, to secure the payment and performance by Borrower of this Note (all of the foregoing hereinafter sometimes collectively referred to as the "Security Agreement"), to which reference is made for a statement of the nature and extent of the protection and security afforded and the rights of the payee or Holder hereof, and the rights and obligations of the Borrower.

6. Borrower shall be in default under this Note upon the occurrence of any of the following events or conditions, namely: (a) default in the payment ("monetary default"), or performance of any of the obligations or of any covenants or liabilities of Borrower ("non-monetary default"), contained or referred to herein, after the expiration of the Cure Period (as hereinafter defined); (b) any warranty, representation or statement made or furnished to City by or on behalf of Borrower, proving to have been false in any material respect when made or furnished; (c) any action by Borrower in contravention of the IDAG Grant Agreement which serves to place the City in violation thereof; (d) the making of any levy, seizure or attachment on the Collateral; (e) involuntary dissolution, termination of existence insolvency, business failure, appointment of a receiver of any part of the property of, assignment for the benefit of creditors by, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower or any guarantor or surety of Borrower, or uncured default on the IDAG Loan; (f) a default of any of the senior financing. If a monetary default or a non-monetary default shall have occurred, and shall continue for 10 or 60 days, respectively, from receipt of notice thereof (deemed to be 3 days after City has placed said notice in the United States Mails, addressed to Borrower with copies to IHDA, as senior lender as defined in the IDAG Loan Agreement, first class postage, certified, return receipt requested, all prepaid), Borrower has not cured said default(s), (the "Cure Period"), then the City shall have the right to exercise the remedies provided herein; provided, however, that in the event a non-monetary default cannot reasonably be cured within the aforesaid 60 day period, and if Borrower has commenced efforts to cure, then the time to cure such non-monetary default shall be extended so long as Borrower diligently continues to cure such default; provided further, that in the case of a default under the IHDA Security Documents, the cure period granted therein shall be the Cure Period under this Note.

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If a default shall occur under any Security Agreement or the IHDA Loan which default is not timely cured pursuant to any applicable Cure Period, the City may declare this Note immediately due and payable in the manner and with the effect provided for herein.

7. Demand, presentment for payment, notice of dishonor, protest, notice of non-payment or notice of protest, except as otherwise provided herein, is hereby waived by Borrower. The Holder shall not be required to look to any Collateral for the payment of this Note, but, subject to Paragraph 9 hereof, may proceed against the Borrower or any guarantor hereof in such manner as it deems desirable. None of the rights or remedies of the Holder hereunder or under the Security Agreement are to be deemed waived or affected by any failure to exercise same. All remedies conferred upon the Holder of this Note, the Security Agreement or any other instrument, document or agreement to which the Borrower or any guarantor thereof is a party or under which any or all of them is bound, shall be cumulative and not exclusive, and any such remedies may be exercised concurrently or consecutively at the Holder's option.

8. The IDAG Loan may be prepaid, in whole or in part, at any time without premium or penalty.

9. The Borrower shall be solely responsible for repayment of this Note, and no other person, officer or employee of Borrower shall have any personal liability hereunder.

10. This Agreement is executed by American National Bank and Trust Company of Chicago, not personally but solely as Trustee as aforesaid. All the covenants and conditions to be performed hereunder by American National Bank and Trust Company of Chicago are undertaken by it solely as Trustee, as aforesaid and not individually, and no personal liability shall be asseted or be enforceable against American National Bank and Trust Company of Chicago by reason of any of the covenants, statements, representations or warranties contained in this Agreement.

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IN WITNESS WHEREOF, the undersigned has caused this Note to be duly executed on the date first above written.

KODC, INC.,
an Illinois not for profit
corporation

BY: _____

ITS: _____

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHIAGO, not
individually but solely as
Trustee under Trust Agreement
103670-01, dated October 1, 1987

BY: _____

ITS: _____

ATTEST: _____
Secretary

3706170

PROMNOT19A

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0 3 7 0 5 1 7 0

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 the above-named officer of KODC, Inc. (the "Borrower"), and the (Assistant) Secretary of the Borrower personally known to me 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, sealed and delivered the said instrument as the officer and secretary thereof, and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this ___ day of _____, 198_.

Notary Public

My Commission Expires _____

Property of Cook County Clerk's Office

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0 3 7 6 5 1 7 0

STATE OF ILLINOIS)
) SS:
COUNTY OF C O O K)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that the above-named officer of AMERICAN NATIONAL BANK AND TRUST COMPANY (the "Owner"), and the (Assistant) Secretary of the Trustee personally known to me 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, sealed and delivered the said instrument as the officer and secretary thereof, and as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this _____ day
of _____, 19__.

Notary Public

My Commission Expires _____

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EXHIBIT A

DISBURSEMENT SCHEDULE

<u>Date</u>	<u>Grant Amount to be Disbursed</u>	<u>Balance of Grant</u>
<u>11/87</u>	<u>\$250,000</u>	<u>\$705,427</u>
<u>12/15/87</u>	<u>\$350,000</u>	<u>\$355,427</u>
<u>1/87</u>	<u>\$355,427</u>	<u>\$0</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>

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HEALTH
EMERGENCY

3706170

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69 011 1-181

Submitted by _____

Address _____

Promised _____

Delivered _____

Address _____

Deed to _____

Address _____

Notified _____

Stack

JITILE SERVICES, INC.
 531 E. ROOSEVELT ROAD
 BOX 430
 WHEATON, IL 60189-0430