

(B) all buildings, structures and other improvements of every kind and description now or hereafter erected, situated or placed upon the Real Property, together with any fixtures or attachments now or hereafter owned by Mortgagor and located in or on, forming part of, attached to, used or intended to be used in connection with or incorporated in the Real Property including

(A) all of the real estate, as more particularly described in Exhibit A attached hereto and made a part hereof, together with all easements, water rights, hereditaments, mineral rights and other rights and interests appurtenant thereto (the "Real Property")

NOW, THEREFORE, in order to secure payment of principal and interest under the Note and of all other payments due to Mortgagor by Mortgagor under any of the Loan Documents and performance of the covenants and agreements contained in this Mortgage, including any substitutions, extensions or modifications hereto, Mortgagor does grant, assign, convey and mortgage to Mortgagee, its successors and assigns forever a continuing security interest in and to, all of the following interests, claims and property:

WHEREAS, Mortgagee desires to secure repayment of the indebtedness evidenced by the Note, together with interest thereon, in accordance with the terms of the Loan Documents and any additional indebtedness or obligations incurred by Mortgagor on account of any future payments, advances or expenditures made by Mortgagor pursuant to the Loan Documents;

WHEREAS, Mortgagor has concurrently herewith executed and delivered a promissory note bearing even date herewith, in the principal sum of Seven Hundred Fifty-Nine Thousand Sixty-Six DOLLARS (\$759,666) and made payable to Mortgagee ("Note") in which Mortgagor promises to pay the said principal sum, plus interest thereon, at the rate specified in the Note; and

W I T N E S S E T H :

All capitalized terms, unless defined herein, shall have the same meanings as are set forth in that certain Housing Loan Agreement dated of even date herewith between Mortgagor and Mortgagee ("Loan Agreement").

THIS JUNIOR MORTGAGE AND SECURITY AGREEMENT ("Mortgage") is made as of this 17<sup>th</sup> day of August, 1991, by Austin Mutual Limited Partnership ("Mortgagor") to the CITY OF CHICAGO, ILLINOIS together with its successors and assigns, having its principal office at 121 North LaSalle Street, Chicago, Illinois 60602 ("Mortgagee").

JUNIOR MORTGAGE AND SECURITY AGREEMENT

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all extensions, additions, betterments, renewals, substitutions and replacements to any of the foregoing (the "Improvements")

(c) any interests, estates or other claims of every name, kind or nature, both in law and in equity, which Mortgagee now has or may acquire in the Real Property, the Improvements, the Equipment (as hereinafter defined) or any of the property described in clauses (d), (f), (g) or (h) hereof

(d) all of Mortgagee's interest and rights as lessor in and to all leases, subleases and agreements, written or oral, now or hereafter entered into affecting the Real Property, the Improvements, the Equipment or any part thereof, and all income, rents, issues, proceeds and profits accruing therefrom (provided that the assignment hereby made shall not diminish or impair the obligation of Mortgagee under the provisions of such leases, subleases or agreements, nor shall such obligations be imposed on Mortgagee)

(e) all right, title and interest of Mortgagee in and to all fixtures, personal property of any kind or character now or hereafter attached to, contained in and used or useful in connection with the Real Property or the Improvements, together with all furniture, furnishings, apparatus, goods, systems, fixtures and other items of personal property of every kind and nature, now or hereafter located in, upon or affixed to the Real Property or the Improvements, used or useful in connection with any present or future operation of the Real Property or the Improvements, including, but not limited to, all apparatus and equipment used to supply heat, gas, air conditioning, water, light, power, refrigeration, electricity, plumbing and ventilation including all renewals, additions, and accessories to and replacements of and substitutions for each and all of the foregoing, and all proceeds therefrom (the "Equipment")

(f) all the estate, interest, right, title or other claim or demand which Mortgagee now has or may acquire with respect to or demand which Mortgagee now has or may acquire with respect to the Real Property, the Improvements or the Equipment, and (g) any and all awards, claims for damages, judgments, settlements and other compensation made for or consequent upon the taking by any or any portion of the Real Property, the Improvements or the Equipment

(g) all other property rights of Mortgagee of any kind or character related to all or any portion of the Real Property, the Improvements or the Equipment) and

(h) the proceeds from the sale, transfer, pledge or other disposition of any or all of the property described in the preceding clauses.

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(b) keep and maintain the premises in good condition and repair, without waste, and free from mechanics, liens, materialmen's liens or other

(a) promptly repair, restore, replace or rebuild any portion of the premises which may become damaged, destroyed, altered, removed, severed or demolished, whether or not insurance proceeds are available or sufficient for the purpose, with replacements at least equal in quality and condition as existed prior thereto, free from any security interest in, encumbrances on or reservation of title thereto except permitted encumbrances (as hereinafter defined);

(2) Preservation, Restoration and Use of Premises. Mortgagor shall:

Mortgagor shall pay promptly when due any sums due under the Senior Loan Documents and the Junior Loan Documents and shall perform promptly and fully any acts required under the Senior Loan Documents and the Junior Loan Documents. Mortgagor will not, without prior written consent of Mortgagee, modify, extend or amend the Senior Loan Documents or the Junior Loan Documents, increase the amount of the indebtedness secured thereby or change the repayment terms of such indebtedness. Mortgagor shall promptly give Mortgagee a copy of any notice received by Mortgagee from Senior Lender or Junior Lender pursuant to any of the Senior Loan Documents and the Junior Loan Documents.

(1) Principal and Interest. Mortgagor shall pay promptly when due the principal and interest and any other sums required to be paid on the Note or under the loan documents at the times and in the manner provided therein and shall pay any other indebtedness secured hereby as the same becomes due and shall perform and observe all of the covenants, agreements and provisions contained herein and in the other loan documents.

To protect the security of this Mortgage, Mortgagor further covenants and agrees as follows:

TO HAVE AND TO HOLD the Premises unto Mortgagee and its successors and assigns, forever, for the purposes and uses herein set forth.

IT IS FURTHER agreed, intended and declared that all the aforesaid property rights and interests shall, so far as permitted by law, be deemed to form a part and parcel of the Premises and be covered by this Mortgage.

All of the property referred to in the preceding clauses (A) through (H) shall be called, collectively, the "Premises".

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- liens and claims except those arising from the Senior Mortgage, this Mortgage, the Junior Mortgage, the Senior Assignment of Rents, the Assignment of Rents, the Regulatory Agreement, the encumbrances shown on Exhibit C attached hereto and hereby made a part hereof, and leases or portions of the Premises entered into after the date hereof in Mortgagee's ordinary course of business (collectively, "Permitted Encumbrances") provided however that Mortgagee shall have the right to contest the validity of any such liens by posting security in form and amount reasonably acceptable to Mortgagee;
- (c) complete, within a reasonable time, any construction of improvements now or hereafter constructed upon the Premises;
- (d) comply with all statutes, rules, regulations, orders, decrees and other requirements of any federal, state or local governmental body having jurisdiction over the Premises and the use thereof and observe and comply with any conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including without limitation zoning variances, special exceptions and non-conforming uses), privileges, franchises and concessions that are applicable to the ownership, renovation, use and occupancy of the Premises;
- (e) make no material alterations in the Premises (except those required by law or by the Plans and Specifications) without Mortgagee's prior written consent;
- (f) suffer or permit no change in the general nature of the occupancy or use of the Premises without Mortgagee's prior written consent;
- (g) pay all operating costs of the Premises when due, including all utility charges and all other assessments or charges of a similar nature;
- (h) not initiate or acquiesce in any zoning reclassification with respect to the Premises, without Mortgagee's prior written consent;
- (i) not abandon the Premises, nor do anything whatsoever to depreciate or impair the value of the Premises or the security of this Mortgage;

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Mortgagee shall furnish Mortgagee within 30 days after the date upon which any charge is due and payable by Mortgagee, satisfactory receipts of the appropriate authority, or other proof that the charge is due and payable by Mortgagee, and that the charge is not in default of any charge by Mortgagee. Mortgagee shall have the right before any delinquency occurs to appropriate legal proceedings properly instituted and prosecuted in such manner as shall stay collection of the charge and prevent the imposition of a lien or the sale or forfeiture of the premises to collect the same; provided that no such contest or objection shall be deemed or construed in any way as relieving, modifying or extending Mortgagee's covenants to pay any such charge at the time and in the manner provided in this Mortgage unless Mortgagee has given prior written notice to Mortgagee of Mortgagee's intent to contest or object to a charge, and (1) Mortgagee shall demonstrate to Mortgagee's satisfaction that legal proceedings instituted by Mortgagee contesting or objecting to such charges shall conclusively operate to prevent a lien against or the sale or forfeiture of the premises, or any part thereof as satisfaction of such charge prior to final

(3) Taxes and Charges. Mortgagee agrees to pay or cause to be paid, at least 10 days prior to delinquency, all charges (as hereinafter defined) which are assessed or imposed upon the premises or upon any of the loan documents, Senior Loan Documents or Junior Loan Documents, or become due and payable, and which create, may create or appear to create a lien upon the premises or any part thereof or upon any of the loan documents, Senior Loan Documents or Junior Loan Documents; provided, however, that it by law any such charge is payable or, at the option of Mortgagee, may be paid in installments, Mortgagee may pay the same together with any accrued interest on the unpaid balance of such charge in installments as the same become due and before any time, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest. ("Charge" shall mean and include all federal, state, county, city, municipal or other governmental (or any instrumentality, division, agency, body or department thereof) taxes, levies, assessments, charges, liens, claims or encumbrances related to the premises, Borrower's liabilities, Mortgagee and/or General Partners or any of the loan documents, Senior Loan Documents or Junior Loan Documents.)

- (j) refrain from any action and correct any condition which would increase the risk of fire or other hazard to all or any portion of the premises;
- (k) not permit any unlawful use or nuisance to exist upon the premises; and
- (l) comply with all instruments and documents of record or otherwise affecting the use or occupancy of all or any portion of the premises.

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All insurance policies shall contain an endorsement naming Mortgagee as an additional insured and loss payee and shall provide that Mortgagee shall be given 30 days' prior written notice of any alteration or cancellation. Certificates, evidencing the required coverages, along with paid receipts, shall be delivered to Mortgagee on or prior to the Closing Date followed by certified copies of the policies within 30 days after the Closing Date. If Mortgagee fails to obtain or maintain any of the insurance policies required under this Mortgage or to pay any premium in whole or part when due, Mortgagee may (without making or releasing any obligation or event of default by Mortgagee hereunder) obtain and maintain such insurance policies and take any other action which Mortgagee deems advisable to protect its interest in the premises, including acceleration of the Note. All sums so disbursed by Mortgagee, including

(c) such additional coverage as Mortgagee may require (including business interruption and loss of rental insurance), in form, content, amount and with such insurers as may be satisfactory to Mortgagee.

(b) all risk property insurance in the amount of the full replacement value of the premises such policy shall list Mortgagee as loss payee/mortgagee and

(a) commercial liability insurance with limits of not less than \$1,000,000 per occurrence, combined single limit, for bodily injury and/or property damage liability; such insurance shall include products/completed operation, independent contractors and contractual liability coverages; Mortgagee shall be named as an additional insured;

The kind and amounts of insurance required are as follows:

(4) Insurance. Mortgagee shall procure and maintain at all times, at Mortgagee's own expense, until final repayment of the indebtedness secured hereby, the types of insurance specified below, with insurance companies authorized to do business in the State of Illinois covering all operations contemplated in connection with the Project, whether performed by Mortgagee or others.

determination of such proceedings; and (11) Mortgagee shall furnish to Mortgagee or Senior Lender (and to Senior Lender, notice thereof to Mortgagee) a good and sufficient bond or surety, or a good and sufficient undertaking as may be required or permitted by law to accomplish a stay of any such sale or forfeiture of the premises during the pendency of such contest, in an amount (x) not less than 125% of such charge and (y) adequate fully to pay all such contested charges and all interest and penalties upon the adverse determination of such contest.

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(a) In the event of any loss covered by insurance policies, Mortgagee is hereby authorized at its option to either (1) settle and adjust any claim under such policies without the consent of Mortgagee or (2) settle and adjust any claim with the consent of Mortgagee within 180 days of any loss, or (11) allow Mortgagee to agree with the insurance company or companies on

(6) Insurance Proceeds. In the event of any damage to, or destruction of the Premises, Mortgagee will give notice to Mortgagee of such damage or destruction and, subject to the rights granted to Senior Lender under the Senior Mortgage, authorize Mortgagee to proceed as follows:

(5) Inspection of Premises and of Books and Records. Mortgagee shall permit Mortgagee, HUD and/or their agents to inspect the Premises at all reasonable times, and access thereto shall be permitted for that purpose. Mortgagee shall keep and maintain full and correct records at Mortgagee's office showing in detail the income and expenses of the Premises and shall make such books, records and all supporting vouchers, data and other documents available for examination upon request by Mortgagee and its agents, successors and assigns as long as the loan is outstanding.

Mortgagee maintains the right to modify, delete, alter or change these requirements within limits that are commercially reasonable. Mortgagee expressly understands and agrees that any insurance maintained with respect to the Premises by Mortgagee shall apply in excess of and not contribute with insurance provided by Mortgagee under this Section.

Mortgagee shall waive their rights of subrogation against subcontractor in connection with the project to agree that all

Mortgagee expressly understands and agrees that any insurance coverages and limits furnished by Mortgagee shall in no way limit Mortgagee's liabilities and responsibilities specified under any of the loan documents or by law.

Mortgagee shall require all contractors and subcontractors to carry the insurance required herein, or Mortgagee may provide the coverage for any or all contractors and subcontractors, and, if so, the evidence of insurance submitted shall so stipulate.

Reasonable attorneys' fees, court costs and expenses, shall be reimbursed by Mortgagee upon demand by Mortgagee.

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- the amount to be paid upon the loss. Mortgagee shall, and is hereby authorized to, collect any such insurance proceeds, and the expenses incurred by mortgagee in the adjustment and collection of insurance proceeds shall be deemed additional indebtedness secured by this mortgage and shall be reimbursed to mortgagee by mortgagee upon demand.
- (b) In the event of any insured damage to, or destruction of, the premises or any part thereof, mortgagee shall apply the proceeds of insurance to reimburse mortgagee for the cost of restoring, repairing, replacing or rebuilding the premises. If an event of default hereunder or an event of default under any of the other Loan Documents, the Senior Loan Documents, or the Junior Loan Documents shall not have occurred and be continuing, (1) such insurance proceeds shall be in an amount sufficient to restore the premises to at least the same value and substantially the same character as the premises had immediately prior to such damage or destruction (and subject to no liens or encumbrances other than permitted Encumbrances), or if such proceeds are not so sufficient, mortgagee shall promptly deposit with mortgagee funds equal to the amount of such deficiency. (2) Mortgagee shall obtain all required governmental approvals with respect to such restoration, repair, replacement or rebuilding; and (3) prior to such restoration, repair, replacement or rebuilding, all building permits therefor shall have been obtained by mortgagee and mortgagee shall receive and approve plans and specifications and a detailed budget and cost breakdown with respect to such work.
- (c) In the event that proceeds of insurance, if any, shall be made available to mortgagee for the restoration, repair, replacement or rebuilding of the premises, mortgagee hereby covenants to restore, repair, replace or rebuild the same, to at least equal value, and substantially the same character as prior to such damage or destruction, all to be effected in accordance with plans and specifications submitted to and approved by mortgagee, and to expend all such proceeds and any funds deposited by mortgagee pursuant to Section 6(d)(1) hereof prior to the further disbursement of any loan proceeds.
- (d) If all of the conditions described in paragraph (b) of this Section with respect to the

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(b) Transfer and Encumbrance of Premises. Mortgagee shall not create, effect, contract for, commit to, consent to, suffer or permit any conveyance, sale, assignment, transfer, lien, pledge, mortgage, security interest or other encumbrance or alienation (or any agreement to do any of the foregoing) of all or any portion of the premises or any interest therein, other than permitted encumbrances, without mortgagee's prior written consent. Insofar as the foregoing sentence shall be deemed to refer to a change in the Managing Partner or the addition of other general partners to Mortgagee, such change or addition shall not occur without mortgagee's prior written consent, which consent shall not be unreasonably withheld. The first sentence of this Section shall not apply to the withdrawal, replacement of and/or addition of any general partners of the limited partner of Mortgagee. If Mortgagee shall do any of the foregoing without

(7) Condemnation/Eminent Domain. Mortgagee shall give Mortgagee prompt notice of any proceedings, pending or threatened, seeking condemnation or taking by eminent domain or any (like process ("Taking")), of all or any portion of the premises or affecting any easement thereon or appurtenance thereon and shall deliver to Mortgagee copies of any and all papers received in connection with any such proceedings, and Mortgagee hereby assigns and transfers to Mortgagee, subject to any rights granted to Senior Lender under the Senior Mortgage, the entire proceeds of all awards resulting from any Taking. Mortgagee is hereby authorized to collect and receive from the condemnation authorities said awards and is further authorized to give appropriate receipts therefor. In the event of any such Taking, Mortgagee may, in its sole discretion, (1) apply the proceeds of all awards resulting from such Taking to the indebtedness secured hereby in such order or manner as Mortgagee may elect, or (2) apply such proceeds to reimburse Mortgagee for the cost of restoring, repairing, replacing or rebuilding the premises. In the event that such proceeds, if any, shall be made available to Mortgagee for the restoration, repair, replacement or rebuilding of the premises, Mortgagee hereby covenants to restore, repair, replace or rebuild the same, to at least equal value and substantially the same character as prior to such Taking, all to be effected in accordance with plans and specifications submitted to and approved by Mortgagee.

(8) To the extent that any amount of proceeds of insurance remain unexpended after completion of the restoration, repair, replacement or rebuilding of the premises, such amount shall be applied to the indebtedness secured hereby.

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default by Mortgagor in the performance or observance of any condition, warranty, representation, covenant, provision or term (other than as referred to in the other paragraphs of this section) contained herein or in the Loan Documents, which remains unremedied for 30 days after notice thereof from Mortgagor to Mortgagee, provided, however, that if such default cannot reasonably be remedied within said 30-day period and if Mortgagee shall have commenced to remedy such default within said 30-day period and shall thereafter continue

(11)

Mortgagor's failure to pay, when due, any installment of principal or interest on the Note, or to pay when due (including any applicable cure periods) any other sum required to be paid by Mortgagee under the Loan Documents;

(1)

"Event of Default" under this Mortgage. The following shall constitute an Event of Default:

(9) Mortgagee's Option. In case of an Event of Default hereunder by Mortgagee, Mortgagee may (but is not obligated to) make any payment or perform any act herein required of Mortgagee in any form and manner deemed expedient, and may (but is not obligated to) make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or foreclosure affecting the premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the premises and the lien hereof, shall be deemed additional indebtedness secured hereby, and shall become immediately due and payable, with interest thereon at a rate of 15% per annum (or the maximum amount permitted by law). Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagee.

Mortgagee's prior written consent, Mortgagee at its option has the right to accelerate the maturity of the Note causing the full principal balance thereof and accrued interest thereon to be immediately due and payable without notice to Mortgagee. Any waiver by Mortgagee of the provisions of this paragraph shall not be deemed to be a waiver of the right of Mortgagee to insist upon strict compliance with the provisions of this paragraph in the future.

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(viii) the occurrence of any event of default with

(vii) the abandonment by Mortgagor of all or any portion of the Premises;

(vi) prepayment of principal of the Senior Loan without matching concurrent prepayment of principal of the Note;

(v) any warranty, representation or statement made or furnished to Mortgagor by or on behalf of Mortgagor proving to have been false in any material respect when made or furnished;

(iv) a writ of execution, attachment or any similar process shall be issued or levied against all or any portion of the Premises or interest therein, or any judgment involving monetary damages shall be entered against Mortgagor which shall become a lien on all or any portion of the Premises or interest therein and such execution, attachment or similar process or judgment is not released, bonded, satisfied, vacated or stayed within 30 days after its entry or levy, provided, however, that if any such default cannot reasonably be remedied within said 30 days and if Mortgagor shall have commenced to remedy such default within said 30-day period and shall thereafter continue diligently to effect such remedy, then said 30-day period shall be extended to 60 days upon written request from Mortgagor to Mortgagee, and thereafter to 90 days upon a further written request from Mortgagor to Mortgagee.)

(iii) the occurrence of a default or an event of default under any of the Senior Loan Documents or the Junior Loan Documents, which cured pursuant to any applicable cure period as set forth in the Senior Loan Documents or the Junior Loan Documents;

(ii) 30-day period shall be extended to 60 days upon written request from Mortgagor to Mortgagee, and thereafter to 90 days upon a further written request from Mortgagor to Mortgagee.)

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the commencement by Mortgagee of a voluntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or the taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of Mortgagee or of any substantial part of the premises or of any substantial part of the property of Mortgagee or of any royalties, revenues, rents, issues or profits therefrom, or the making by Mortgagee of any assignment for the benefit of creditors or the failure of Mortgagee generally to pay its

(x1)

the dissolution of Mortgagee or the entry of a decree or order for relief by a court having jurisdiction with respect to Mortgagee in an involuntary case under the federal bankruptcy laws, as now or hereafter constituted, or any other applicable federal or state bankruptcy, insolvency or other similar law, or appointing a receiver, liquidator, assignee, trustee or sequestrator (or similar official) of Mortgagee or for any substantial part of the property of Mortgagee or ordering the winding-up or liquidation of the affairs of Mortgagee and the continuance of any such decree or order unstayed and in effect for a period of 30 consecutive days;

(x)

Mortgagee's failure to discharge any charge in accordance with the terms hereof; beyond any applicable cure periods; such case the continuation of such default declare the same due and payable, and in each indebtedness outstanding thereunder may instrument upon which any holder of of default under any such agreement or a party, or the occurrence of any other event loan, to which Mortgagee is now or hereafter with the loan, the senior loan or the junior other instrument other than in connection condition by Mortgagee under any agreement or observance of any obligation, provision or occurrence of a default in the performance or in connection with the loan, or the payable to Mortgagee by Mortgagee other than respect to the payment of any monies due and

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(11) Acceleration, Etc. Upon the occurrence of an event of default hereunder, Mortgages may elect to accelerate the maturity of the Note causing the full principal balance of and accrued interest on the Note, together with all other amounts then due and owing by Mortgagor to Mortgages under any of the Loan Documents, to become immediately due and payable at the place of payment as aforesaid, and Mortgages may proceed to foreclose this

(11) Mortgagor's sale, partial sale, transfer, relinquishing, conveyance, mortgage, pledge, grant of security interest, assignment, syndication or other disposition of all or any portion of the premises or interest therein without the prior written consent of Mortgages, whether pursuant to the Option Agreement described on Exhibit C attached hereto, by operation of law, voluntarily or otherwise or if Mortgagor shall enter into a contract to do any of the foregoing without the prior written consent of Mortgages (except as provided in Section 8 hereof) which shall not be deemed to include the exercise of any right or option under the aforesaid Option Agreement without the prior written consent of Mortgages, a prior written consent, or except a contract for financing to pay in full the Note and all other amounts when due and owing by Mortgagor to Mortgages under the Loan Documents).

(11) a final judgment for the payment of money in excess of \$100,000 shall be rendered by a court of record against Mortgagor and Mortgagor shall not discharge the same or provide for its discharge in accordance with its terms, or procure a stay of execution thereof, within 60 days from the date of entry thereof, (provided such 60-day period shall be extended to 90 days upon written request from Mortgagor to Mortgages if (1) such judgment cannot reasonably be discharged or stayed within said 60-day period, (2) Mortgagor shall have commenced to effect such discharge or stay within said 60-day period, and (3) Mortgagor shall thereafter continue diligently to effect such discharge or stay, or such longer period during which execution of such judgment shall have been stayed) or

debts as such debts become due or the taking of action by Mortgagor in furtherance of any of the foregoing;

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(11) Additional Indebtedness. In the event that: (a) the Note is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding; or (b) if any attorney is retained to represent Mortgages in any bankruptcy, reorganization, receivership or

(12) Remedy. Mortgages' remedies as provided in this Mortgage or the Loan Documents, shall be cumulative and concurrent and may be pursued singularly, successively or together, at the sole discretion of Mortgages and may be exercised as often as occasion therefor shall arise, and shall not be exclusive but shall be in addition to every other remedy now or hereafter existing at law, in equity or by statute. Failure of Mortgages, for any period of time or on more than one occasion, to exercise any such remedy shall not constitute a waiver of the right to exercise the same at any time thereafter or in the event of any subsequent Event of Default. No act or omission or commission of Mortgages, including specifically any failure to exercise any right, remedy or recourse, shall be deemed to be a waiver or release of the same, and such waiver or release is to be effected only through a written document executed by Mortgages and then only to the extent specifically recited therein. A waiver or release with reference to any one event shall not be construed as a waiver or release of any subsequent event or as a bar to any subsequent exercise of Mortgages' rights or remedies hereunder. Except as otherwise specifically required herein, notice of the exercise of any right or remedy granted to Mortgages by the Loan Documents is not required to be given.

Mortgage and to exercise any rights and remedies available to Mortgages under this Mortgage, the Assignment of Rents or any of the other Loan Documents and to exercise any other rights and remedies against Mortgages, or with respect to the Note, which Mortgages may have at law, in equity or otherwise, provided, however, that upon the occurrence of an Event of Default under Section 10(x) or (xi) hereof, the entire unpaid principal of and interest on the Note shall, without any declaration, notice or other action on the part of Mortgages, be immediately due and payable, anything herein or the other Loan Documents to the contrary notwithstanding. Mortgages may also elect to commence an action to enforce specifically any of the provisions contained in any of the Loan Documents.

Upon the occurrence of an event of default under any of the Senior Loan Documents or the Junior Loan Documents, Mortgages may at its option proceed to cure, if possible, such event of default; all amounts so expended by Mortgages in the course of such action shall be reimbursed by Mortgages to Mortgages upon demand and shall be additional indebtedness of Mortgages secured by this Mortgage, the Assignment of Rents and the other Loan Documents.

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(16) Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose the lien of this Mortgage, the court may, upon application, appoint a receiver of the premises. Such appointment may be made either before or after foreclosure sale, without notice, without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the indebtedness hereby secured, without regard to the value of the premises at such time and whether or not the same is

therefrom. management thereof, and may receive all rents, issues and profits all risks incidental to Mortgagee's possession, operation and judicious to insure, protect and maintain the premises against improvements in connection with the premises as it may deem replacements, alterations, additions, betterments and all necessary or proper repairs, decoration, renewals, Upon taking possession of the premises, Mortgagee may make

(15) Right of Possession. To the extent permitted by law, Mortgagee has a right to institute foreclosure proceedings or whether before or after the institution of such proceedings or before or after sale thereunder, Mortgagee shall, at the option of Mortgagee, surrender to Mortgagee, and Mortgagee shall be entitled to take actual possession of all or any portion of the premises personally or by its agent or attorneys, and Mortgagee in its sole discretion, may enter upon, take and maintain possession of all or any portion of the premises.

(14) Waiver. Mortgagee's failure to require strict performance by Mortgagee of any provision of this Mortgage shall not waive, affect or diminish any right of Mortgagee thereafter to demand strict compliance and performance thereof, nor shall any waiver by Mortgagee of an event of default waive, suspend or affect any other event of default under this Mortgage, whether the same is prior or subsequent thereto, or of the same or a different type. Mortgagee's delay in instituting or prosecuting any action or proceeding or otherwise asserting its rights hereunder or under any of the Loan Documents, shall not operate as a waiver of such rights or limit them in any way so long as an Event of Default shall be continuing.

other proceedings affecting creditors' rights and involving a claim under any of the Loan Documents; or (c) if an attorney is retained to protect or enforce the lien of this Mortgage, or the liens or security interests of any of the other Loan Documents; or (d) if an attorney is retained to represent Mortgagee in any other proceedings whatsoever in connection with the Loan Documents, or any property subject thereto, then Mortgagee shall pay to Mortgagee all reasonable attorneys' fees, and all costs and expenses incurred in connection therewith.

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(20) Waiver of Statutory Rights. Mortgagor shall not apply for or avail itself of any appraisal, valuation, redemption, stay, extension or exemption laws or any so-called "Moratorium Laws" now existing or hereafter enacted, in order to prevent or hinder the enforcement of this Mortgage and 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 Premises marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the Premises sold as an entirety. Mortgagor hereby expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on its own behalf and on behalf of each and every person having a beneficial interest in Mortgagor, it being the intent hereof that any and all such rights of

(19) Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policy or policies, if not applied in restoring the Premises, shall be used to pay the amount due in accordance with any foreclosure decree that may be entered in any such proceedings, and the balance, if any, shall be paid as the court may direct.

(18) Application of Proceeds from Foreclosure Sale. Proceeds of any foreclosure sale of the Premises shall be distributed and applied in the following order of priority: (1) on account of all costs and expenses incident to the foreclosure proceedings, (2) all other items which, under the terms hereof, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon, (3) all principal and interest remaining unpaid on the Note and (4) any surplus or remaining funds to Mortgagor, its successors or assigns, as their rights may appear.

(17) Foreclosure Sale. The Premises or any interest or estate therein sold pursuant to any court order or decree obtained under this Mortgage shall be sold in one parcel, as an entirety, or in such parcels and in such manner or order as Mortgagee, in its sole discretion, may elect, to the maximum extent permitted by Illinois law. At any such sale, Mortgagee may bid for and acquire, as purchaser, all or any portion of the Premises and, in lieu of paying cash therefor, may make settlement for the purchase price by crediting upon the indebtedness due the amount of Mortgagee's bid.

(16) Power of Sale. The Mortgagor shall have the power to collect all rents and profits thereof during the pendency of such foreclosure suit, and such other powers as the court may direct.

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redemption of Mortgage and of all other persons are and shall be deemed to be hereby waived.

(21) Partial Payments. Acceptance by Mortgagee of any payment which is less than payment in full of all amounts due and payable at the time of such payment shall not constitute a waiver of Mortgagee's right to exercise its option to declare the whole of the principal sum then remaining unpaid, together with all accrued interest thereon, immediately due and payable without notice, or any other rights of Mortgagee at that time or any subsequent time, without its express written consent, except and to the extent otherwise provided by law.

(22) Rescission of Election. Acceleration of maturity, once made by Mortgagee, may at the option of Mortgagee be rescinded, and any proceedings brought to enforce any rights or remedies hereunder may, at Mortgagee's option, be discontinued or dismissed. In either of such events, Mortgagee and Mortgagee shall be restored to their former positions, and the rights, remedies and power of Mortgagee shall continue as if such acceleration had not been made or such proceedings had not been commenced, as the case may be.

(23) Notice. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the address set forth below, by the any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or teletype; (c) overnight courier, receipt requested; or (d) registered or certified, first class mail, return receipt requested.

IF TO MORTGAGEE:

Department of Housing  
City of Chicago  
318 South Michigan Avenue  
Chicago, Illinois 60604  
Attention: Commissioner

WITH COPIES TO:

Office of the Corporation Counsel  
City of Chicago  
City Hall  
121 North LaSalle Street, Room 511  
Chicago, Illinois 60602  
Attention: Finance & Economic  
Development Division

Department of Finance  
City of Chicago  
121 North LaSalle Street, Room 501  
Chicago, Illinois 60602  
Attention: Comptroller

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Hopkins & Suter  
Three First National Plaza  
Chicago, Illinois 60602  
Attention: Elvin E. Charly, Esq.  
Illinois Housing Development  
Authority

IF TO JUNIOR LENDER:

The First National Bank of Chicago  
One First National Plaza  
Construction Loan Administration  
Mail Suite 0151  
Chicago, Illinois 60670-0151  
Attention: Ray Best

and

Hollib & Cott  
55 East Monroe Street, Suite 4100  
Chicago, Illinois 60603  
Attention: Jeffrey Kura, Esq.  
The First National Bank of Chicago  
One First National Plaza  
Neighborhood Banking Division  
Mail Suite 0289  
Chicago, Illinois 60670-0289  
Attention: Doris K. Wilson

IF TO SENIOR LENDER:

Chicago Equity Fund 1990 Partnership  
c/o Chicago Equity Fund, Inc.  
24 West Erie Street  
Chicago, Illinois 60610  
Attention: Nicholas Shapiro

and

Keck Mahin & Cate  
233 South Wacker  
8300 Sears Tower  
Chicago, Illinois 60606  
Attention: Thomas Thorne-Thomson, Esq.

WITH COPIES TO:

Austin Mutual Limited Partnership  
c/o TMI Development Corporation  
1750 East 71st Street  
Chicago, Illinois 60649  
Attention: Doris J. Pickens

IF TO MORTGAGOR:

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(30) Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns (including, without limitation, each and every record owner of the Premises or any other person having an interest therein), and shall inure to the benefit of Mortgagee and its successors and assigns. Whenever Mortgagee is referred to herein, such reference shall also include the Holder of the Note, whether so expressed or not.

(29) Grammar. As used in this Mortgage, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires.

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

(27) Construction of Mortgage. This Mortgage shall be construed and enforced according to Illinois law.

(26) Headings. The headings of articles, sections, paragraphs and subparagraphs in this Mortgage are for convenience of reference only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

(25) Modifications. This Mortgage may not be altered, amended, modified, cancelled, changed or discharged except by written instrument signed by the parties hereto or their respective successors and assigns.

(24) Time. Time is of the essence with respect to the Loan Documents.

Such address may be changed by notice to the other parties given in the same manner as above provided. Any notice, demand or request sent pursuant to either clause (a) or (b) hereof shall be deemed received upon such personal service or upon dispatch by electronic means with confirmation of receipt. Any notice, demand or request sent pursuant to clause (c) shall be deemed received on the day immediately following deposit with the overnight courier and, if sent pursuant to clause (d), shall be deemed received 48 hours following deposit in the mail.

401 North Michigan Avenue  
Suite 900  
Chicago, Illinois 60611  
Attention: Legal Department

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(34) 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

So long as the Senior Mortgage is in effect, in the event of any conflict between the provisions of this Mortgage and the Senior Mortgage, the provisions of the Senior Mortgage shall control. Any waiver or forbearance by the Senior Lender under the Senior Loan Documents shall not impair the priority of its lien under the Senior Loan Documents.

That certain Construction Mortgage, Personal Property, Security Agreement and Assignment of Leases and Rentals dated August 15, 1991 from the Mortgage to Senior Lender and recorded as Document No. 91417930 in the Office of the Cook County Recorder of Deeds on August 15, 1991, and filed with the Registrar of Titles of Cook County as Document No. 3788234 on August 15, 1991, securing a note of even date therewith in the amount of \$727,260 in favor of The First National Bank of Chicago.

(33) Junior Mortgage. This is a junior mortgage on the Premises and is subject and subordinate in each and every respect to any and all rights of any kind created by:

(32) Indemnification. In addition to all other indemnities in favor of Mortgagee specifically provided in this Mortgage, Mortgagee shall indemnify Mortgagee and save Mortgagee harmless from and against any and all losses, liabilities, suits, obligations, fines, damages, penalties, claims, costs, charges, and expenses, including, without limitation, reasonable architect's, engineer's, and attorney's fees and all disbursements which may be imposed upon, incurred or asserted against Mortgagee arising from or related to the project, the Premises or the Loan except to the extent that the foregoing arise out of the gross negligence or willful misconduct of Mortgagee.

(31) Further Assurances. Mortgagee will perform, execute, acknowledge and deliver every act, deed, conveyance, transfer and assurance necessary or proper, in the sole judgment of Mortgagee, for assuring, conveying, mortgaging, assigning and confining to Mortgagee all property mortgaged hereby or property intended so to be, whether now owned or hereafter acquired by Mortgagee, and for creating, maintaining and preserving the lien and security interest created hereby on the Premises. Upon any failure by Mortgagee to do so, Mortgagee may make, execute and record any and all such documents for and in the name of Mortgagee, and Mortgagee hereby irrevocably appoints Mortgagee, and its agents as attorney-in-fact for that purpose. Mortgagee will reimburse Mortgagee for any sums expended by Mortgagee in making, executing and recording such documents including attorneys' fees and court costs.

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(b) Without limiting any other provision hereof, Mortgagor agrees to indemnify and hold Mortgagor harmless from and against any and all losses, liabilities, damages, injuries, costs, expenses or claims of any kind whatsoever, including, without limitation, any losses, liabilities, damages, injuries, costs, expenses or claims asserted or arising under any of the following (collectively, "Environmental Laws"): the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, any so-called "Superfund" or "Superstien" law, or any other federal, state or local statute, law, ordinance, code, rule, regulation, order or decree now or hereinafter in force or relating to or imposing liability or standards of regulating, relating to or imposing liability or standards of

(a) Mortgagor hereby represents and warrants to Mortgagor that except as disclosed in the Hazardous Materials listed on Exhibit B attached hereto and hereby incorporated herein by reference, neither Mortgagor nor general partners nor, to the best of Mortgagor's knowledge after due inquiry, any other person or entity has ever caused or permitted any Hazardous Materials to be placed, held, located or disposed of, on, under or at (1) the premises or any part thereof or (2) any other real property in which Mortgagor has any estate or interest whatsoever (including, without limitation, any property owned by a land trust, the beneficial interest in which is owned, in whole or in part, by Mortgagor), and that neither the premises nor the property described in (a) (1) above has ever been used by Mortgagor or any other person or entity as a temporary or permanent dump or storage site for any Hazardous Material.

(37) Environmental Matters and Hazardous Materials.

(36) Maximum Amount of Indebtedness. The maximum amount of indebtedness secured by this mortgage is two million dollars (\$2,000,000).

(35) No Merger. It being the desire and intention of the parties hereto that this mortgage and the lien thereof do not merge in fee simple title, it is hereby understood and agreed that should mortgagor acquire any additional or other interests in or to said property or the ownership thereof, then, unless a contrary interest is manifested by mortgagor, as evidenced by an appropriate document duly recorded, this mortgage and 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.

by the State of Illinois with respect to any part of the premises which constitutes fixtures or personal property. Mortgages shall have all the rights with respect to such fixtures or personal property afforded to it by said Uniform Commercial Code in addition to, but not in limitation of, the other rights afforded mortgages by this mortgage or any other agreement.

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conduct concerning any Hazardous Material, and incurred, suffered by or asserted against Mortgagee as a direct or indirect result of any of the following, regardless of whether or not caused by or within the control of Mortgagee: (1) the presence of any Hazardous Material on or under, or the escape, seepage, leakage, spillage, discharge, emission or release of any Hazardous Material from (A) all or any portion of the Premises or (B) any other real property in which Mortgagee holds any estate or interest whatsoever (including, without limitation, any property owned by a land trust in which the beneficial interest is owned, in whole or in part, by Mortgagee), or (11) any liens against the Premises permitted or imposed by any Environmental Laws, or any actual or asserted liability or obligations of Mortgagee, or under any Environmental Laws, or (111) any actual or asserted liability or obligations of Mortgagee or any of its agents under any Environmental Laws relating to the Premises.

(38) Non-Recourse Loan. (a) The indebtedness secured hereunder shall be non-recourse. In the event of default

hereunder, Mortgagee's sole source of satisfaction of repayment of the amounts due to Mortgagee hereunder or under any of the Loan Documents (not including the Environmental Agreements), shall be limited to Mortgagee's rights with respect to the collateral pledged and assigned hereunder or under the Assignment of Rents.

(b) Notwithstanding paragraph (a) of this section and

except as provided in paragraph (c) of this section, nothing herein or in any of the Loan Documents shall limit the rights of Mortgagee to take any action as may be necessary or desirable to pursue Mortgagee and the General Partners for any and all losses, costs or damages incurred by Mortgagee due to (1) a material misrepresentation, fraud made in writing or misappropriation of funds by Mortgagee and the General Partners; (11) intentional or material waste to the Premises by Mortgagee; or (111) use of proceeds of the Loan for costs other than eligible costs.

(c) Mortgagee waives any and all right to sue for, seek or demand any personal deficiency judgment against Mortgagee under or by reason of any of the non-recourse monetary obligations of Mortgagee.

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EXHIBIT A

Legal Description

PARCEL 1:

LOT 25 AND LOT 26 (EXCEPT THE WEST 11 FEET THEREOF) IN BRITIGAN'S HARRISON STREET AND CENTRAL AVENUE SUBDIVISION OF LOTS 141, 142, 143, AND 144 (EXCEPT STREET) IN SCHOOL TRUSTEE'S SUBDIVISION OF THE NORTHWEST 1/4 OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

LOT 1 IN JOHN J. LYON'S SUBDIVISION OF LOT 122 (EXCEPT THE NORTH 33 FEET) IN SCHOOL TRUSTEES SUBDIVISION OF THE NORTH PART OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 3:

THE WEST 50 FEET OF THE EAST 445 FEET (EXCEPT THE NORTH 8 FEET THEREOF DEDICATED FOR A PUBLIC ALLEY) OF LOT 38 (EXCEPT PART TAKEN FOR STREET) IN SCHOOL TRUSTEES' SUBDIVISION OF THE NORTH PART OF SECTION 16, TOWNSHIP 39 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COMMON ADDRESSES:

5501-5503 WEST CONGRESS PARKWAY  
5447-5453 WEST QUINCY STREET  
5040-5044 WEST QUINCY STREET

PERMANENT INDEX NUMBERS:

16-16-120-023 VOL. 564  
16-16-110-001 VOL. 564  
16-16-207-021 VOL. 565

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Exhibit B

1. Visual inspection of below-grade areas and a representative apartment unit in each building for evidence of asbestos-containing materials (ACMs), excluding floor coverings. Samples of materials suspected of containing asbestos were sent to a qualified laboratory for analysis;

The scope of work for this project includes the following activities:

## SCOPE OF WORK

|   |                                  |
|---|----------------------------------|
| Prepared for<br>5040 West Quincy<br>5445 West Quincy<br>5501 West Congress<br>Chicago, Illinois   | Report date<br>July 9, 1991      |
| TNT Development Corporation<br>1750 East 71st Street<br>Chicago, Illinois 60649<br>Attn: Mr. Joe Williams   | Inspection Date<br>June 26, 1991 |
| First Chicago<br>Neighborhood Banking Division<br>Mail Suite 0289<br>Chicago, Illinois 60670-0289<br>Attn: Ms. Doris Wilson<br>Assistant Vice President |                                  |

## MULTIFAMILY ABBREVIATED ENVIRONMENTAL ASSESSMENT

Environmental Risk  
Consultants, Inc.  
1011 Michigan Avenue  
Suite 900  
Evanston, Illinois 60201  
708/497-1222 Fax: 708/497-7517

Environmental Risk Consultants, Inc.

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1. Asbestos Discovery Survey (Basement and Below-Grade Areas Only)

ERC performed an inspection of the below-grade or basement areas and a representative apartment unit of the subject property in an effort to discover visual signs of asbestos-containing materials (ACM). This inspection was based on the guidelines set forth by the U.S. Environmental Protection Agency's (USEPA's) *Guidance for Controlling and Asbestos-Containing Materials in Buildings* and ERC's interpretation of standard industry practices.

Bulk samples of suspected ACM were sent to a qualified lab for analysis utilizing polarized light microscopy and dispersion staining.

While this scope may provide insight into certain specific environmental problems at the subject property, this scope is not intended to represent industry standard, "Phase I" due diligence.

2. Visual inspection to identify any underground storage tanks (USTs) which may be or have been present at the subject property. ERC also contacted local officials and reviewed the Illinois Fire Marshal's UST list in an effort to determine if USTs have been registered at the subject properties;
3. A search of ERC's Sanborn Map collection for indications of the prior use of the subject properties;
4. A review of information from the U.S. Environmental Protection Agency for the purpose of identifying any National Priority List or CERCLIS sites within a quarter mile of the subject properties;
5. Sampling of paint from each building and analysis for lead content by a qualified laboratory; and,
6. Photographs of the buildings and any subject of suspected environmental concern.

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\*Sample numbers 002, 005, 010, and 014 were paint samples.

| Sample Number | Material Sampled                 | Sampling Location                       | ACM Y/N/No | Material Condition |
|---------------|----------------------------------|---|------------|--------------------|
| 001           | Ceiling tile                     | 5040 W. Quincy, basement apartment      | No         | Poor               |
| 003           | Pipe insulation (outer covering) | 5040 W. Quincy, gangway                 | No         | Fair               |
| 004           | Pipe insulation                  | 5040 W. Quincy, gangway                 | Yes        | Fair               |
| 006           | Boiler insulation                | 5501 W. Congress, boiler room           | No         | Poor               |
| 007           | Pipe insulation                  | 5501 W. Congress, boiler room           | Yes        | Poor               |
| 008           | Pipe elbow and joint insulation  | 5501 W. Congress, boiler room           | Yes        | Poor               |
| 009           | Texturized ceiling paint         | 5501 W. Congress, basement or apartment | No         | Good               |
| 011           | Boiler insulation                | 5445 W. Quincy, boiler room             | No         | Poor               |
| 012           | Pipe insulation                  | 5445 W. Quincy, boiler room             | Yes        | Poor               |
| 013           | Pipe elbow and joint insulation  | 5445 W. Quincy, boiler room             | Yes        | Poor               |

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## Asbestos Discovery Survey Results

### SAMPLE RESULTS

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**Asbestos Recommendations**

| Sample Number | Material Sampled                | Square Feet/Linear Feet   | Recommendations                         |
|---------------|---------------------------------|---------------------------|---|
| 004           | Pipe insulation                 | 8 linear feet             | Remove (estimated cost: \$500)          |
| 007           | Pipe insulation                 | 200 linear feet           | Remove (estimated cost: \$3,000-4,500)  |
| 008           | Pipe elbow and joint insulation | Included with sample #007 | Remove                                  |
| 012           | Pipe insulation                 | 600 linear feet           | Remove (estimated cost: \$9,000-13,500) |
| 013           | Pipe elbow and joint insulation | Included with sample #012 | Remove                                  |

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While there was no evidence of USTs, two above-ground storage tanks were observed in 5445 West Quincy. No evidence of leaks was observed.

ERC contacted the City of Chicago Department of Inspectional Services and reviewed the Illinois Fire Marshal UST log as of July 20, 1989. Neither resource indicated the presence of any USTs at the subject properties.

The ERC inspector observed no fill pipes, vent pipes, pumps, or other equipment which might suggest that USTs existed on the subject properties at the time of the inspection.

## 2. Underground Storage Tanks

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1950 - each of the subject sites is occupied by an apartment building

1908 - each of the subject sites is undeveloped

indicated the following:

These maps are included as Appendix I of this report. Careful study of these maps

1908 and 1950

Sandborn Maps are detailed scale drawings which show the location and use of buildings and structures occupying a given area over a certain historical period. From a review of these maps, information regarding the past uses of a given property can often be acquired. ERIC searched its collection of Sandborn Maps dating back to 1867 for the subject properties. The following maps were found:

### 3. Sandborn Map Search

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The Chicago Park District Columbus Park CERCLIS site is located at 500 South Central Avenue which is approximately one-eighth and one-quarter mile away from 5501 West Congress and 5445 West Quincy, respectively. According to information provided by the U.S. Environmental Protection Agency, no further action is required at the site. Therefore, ERC is of the opinion that the site is not likely to pose an environmental threat to the subject property.

| Database   | Database Date   | ERC's Search | Result of           |
|--|-----------------|--------------|---------------------|
| Federal National Priorities List (NPL)   | August, 1990    |              | No sites identified |
| Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLIS) | September, 1990 |              | 1 site found        |

ERC reviewed the following databases for the subject property and a one-quarter mile radius around the subject property.

4. Federal Database Search (See Appendix II for an explanation of these databases.)

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### 5. Lead-Based Paint

The results of the laboratory analysis indicated that the paint sampled in each apartment building was well below the U.S. Housing and Urban Development lead-based paint standard of one mg lead/cm<sup>2</sup> paint.

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1991    
Timothy J. O'Hagan  
Vice President, Operations

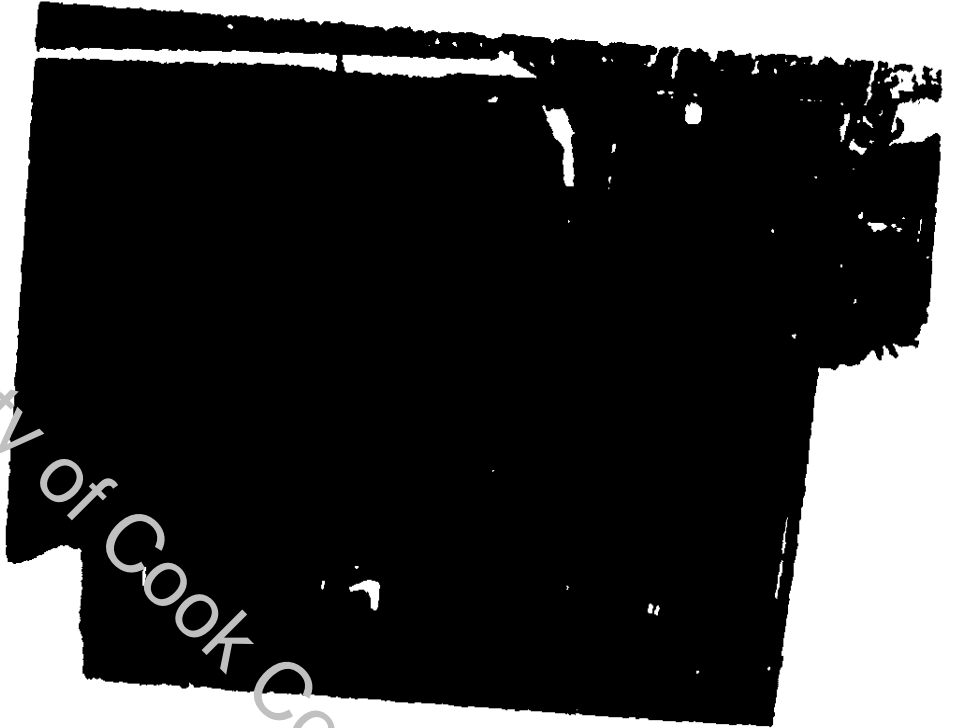
ENVIRONMENTAL RISK CONSULTANTS, INC.

This report is exclusively for the use and benefit of the addressee(s) identified on the first page of this report and is not for the use or benefit of, nor may it be relied upon by, any other person or entity. The contents of this report may not be quoted in whole or in part or distributed to any person or entity other than the addressee(s) hereof, without in each case, the advance written consent of the undersigned.



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Description: Front view of 5501 West Congress



092-001

Description: Front view of 5010 West Quincy



6. Photographs

ERC File #: 092-001

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Property of Cook County Clerk's Office

View: Front view of 5445 West Quincy



# UNOFFICIAL COPY

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Caption: Pipe insulation in garage at 5040 West Quincy





Property of Cook County Clerk's Office

View: Above-ground tanks at 5445 West Quincy

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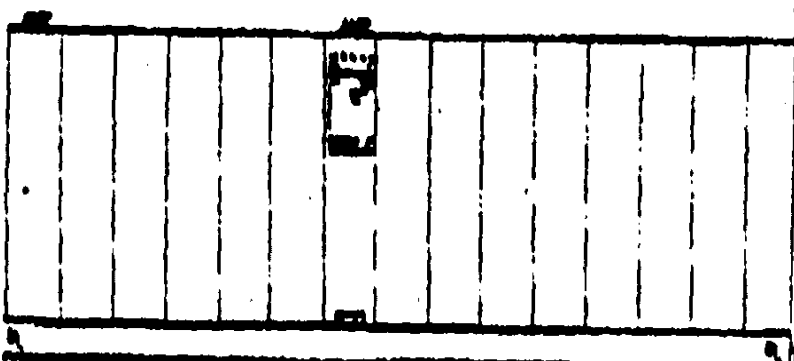
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W VAN BUREN

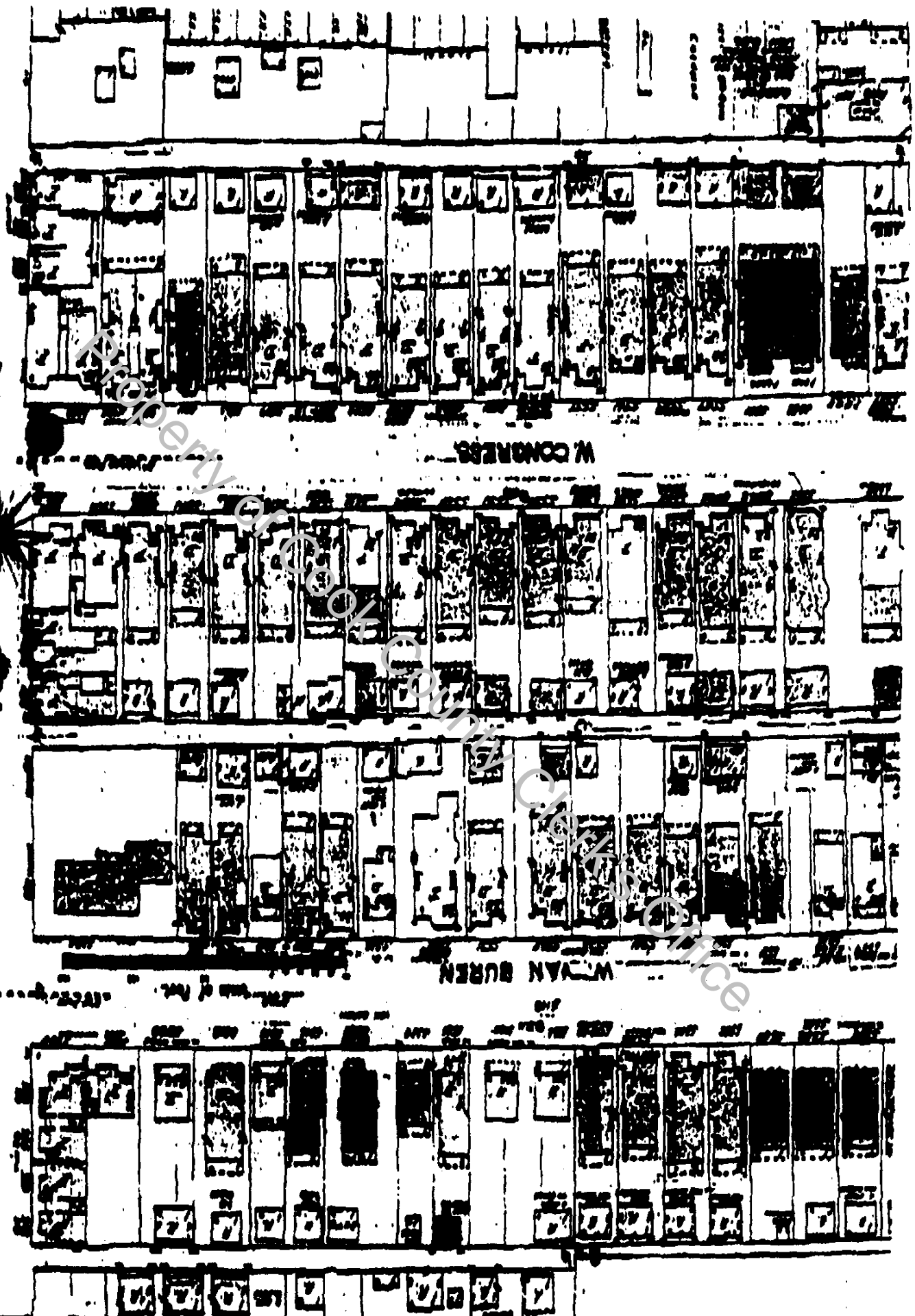


ENVIRONMENTAL RISK CONSULTANTS, INC.  
1809 ORNDORF AVE., EVANSTON, IL 60121

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W CONGRESS

5 LOTUS  
(S. WALKER)

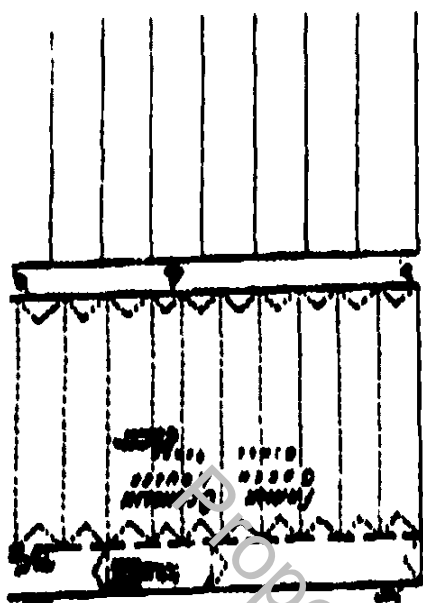
W VAN BUREN

ENVIRONMENTAL RES CONSULTANTS, INC.  
1608 CEDINGTON AVE, EVANSTON, IL 60011

P. 17/22

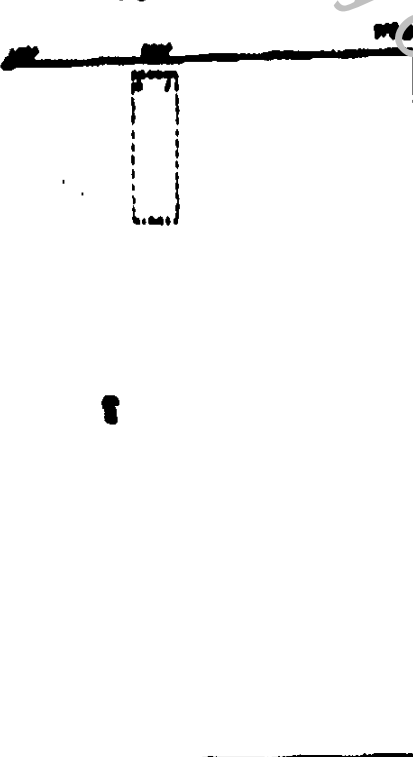
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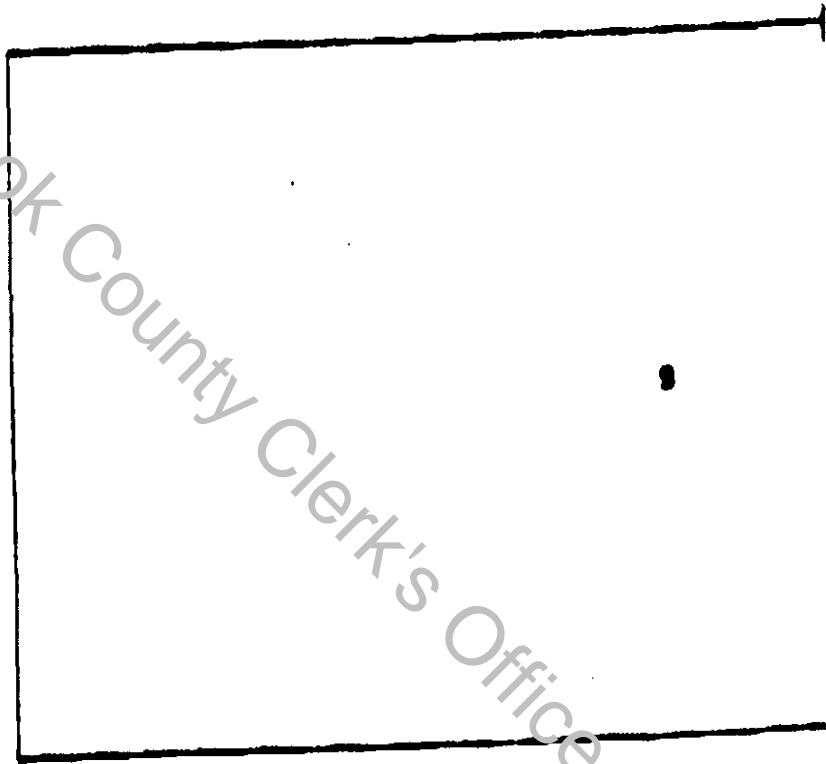
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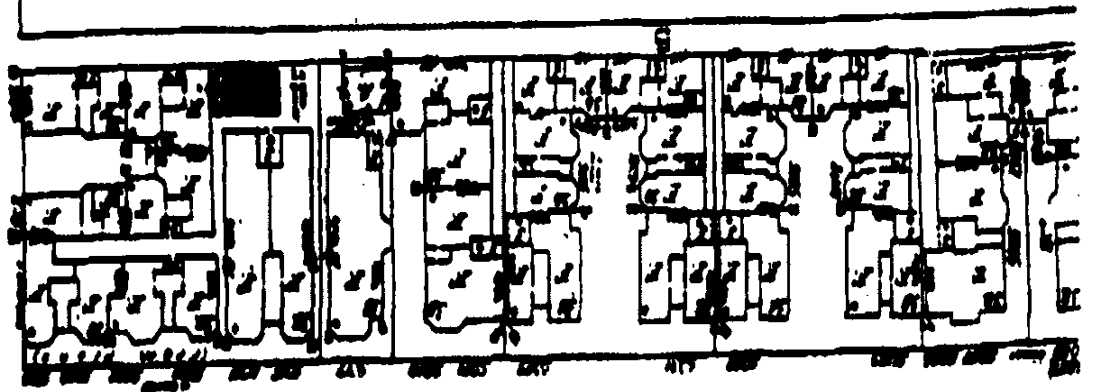
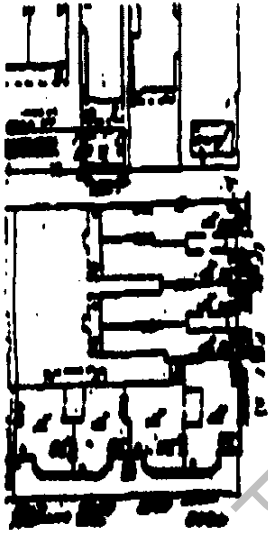


S. 50TH AV.

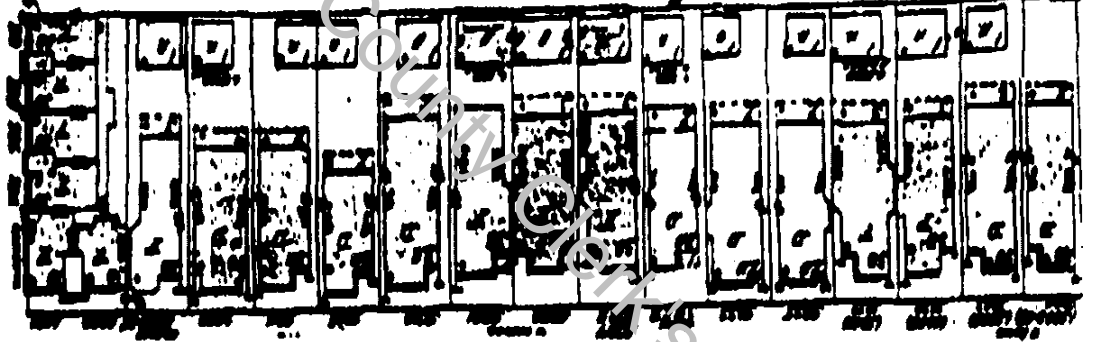
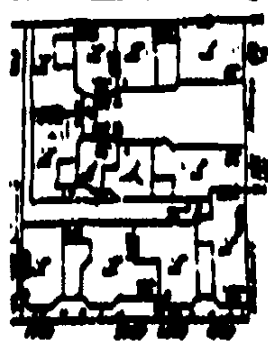
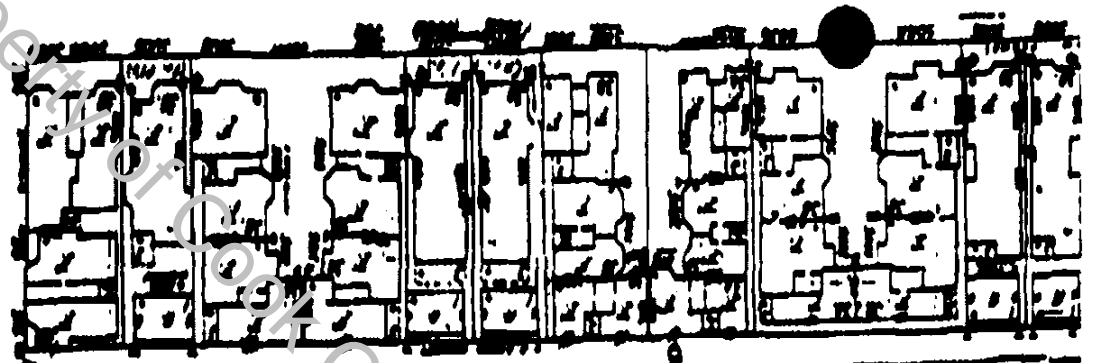
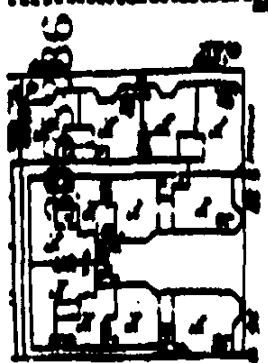
W. QUINCY



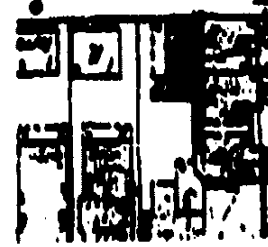
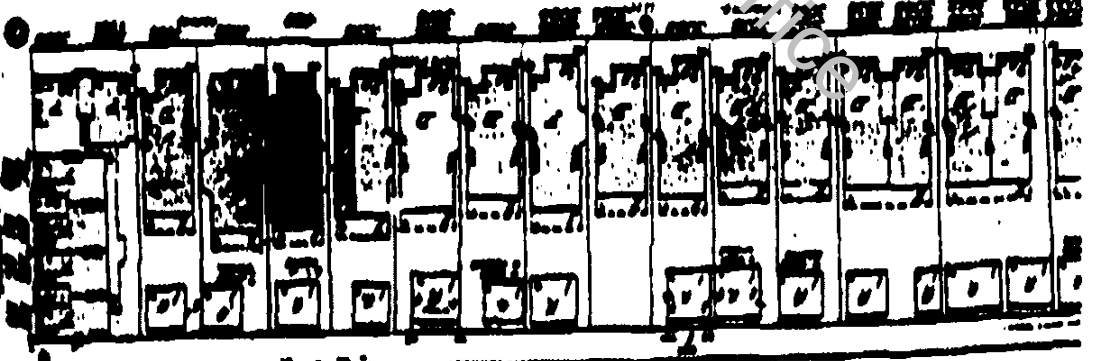
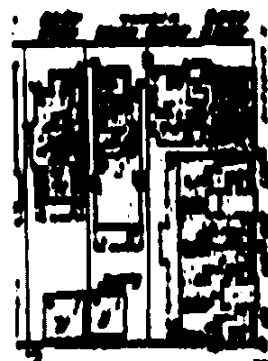
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W. QUINCY



W. ADAMS



(2. NORTH WING)  
S. LAVERGNE AVE.



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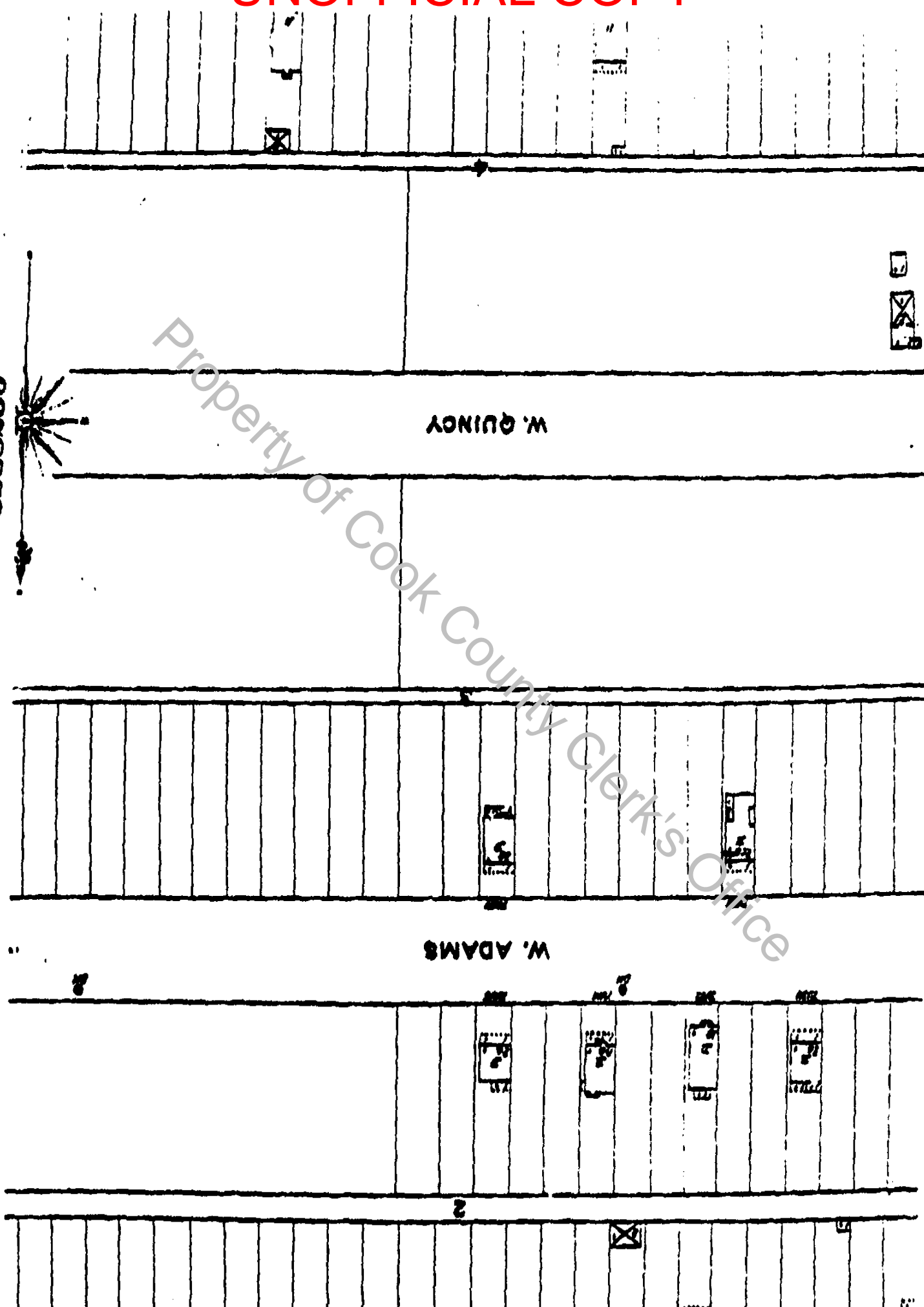
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W. QUINCY

W. ADAMS

1803 ORLEANS AVE, EVANSTON, IL 60001

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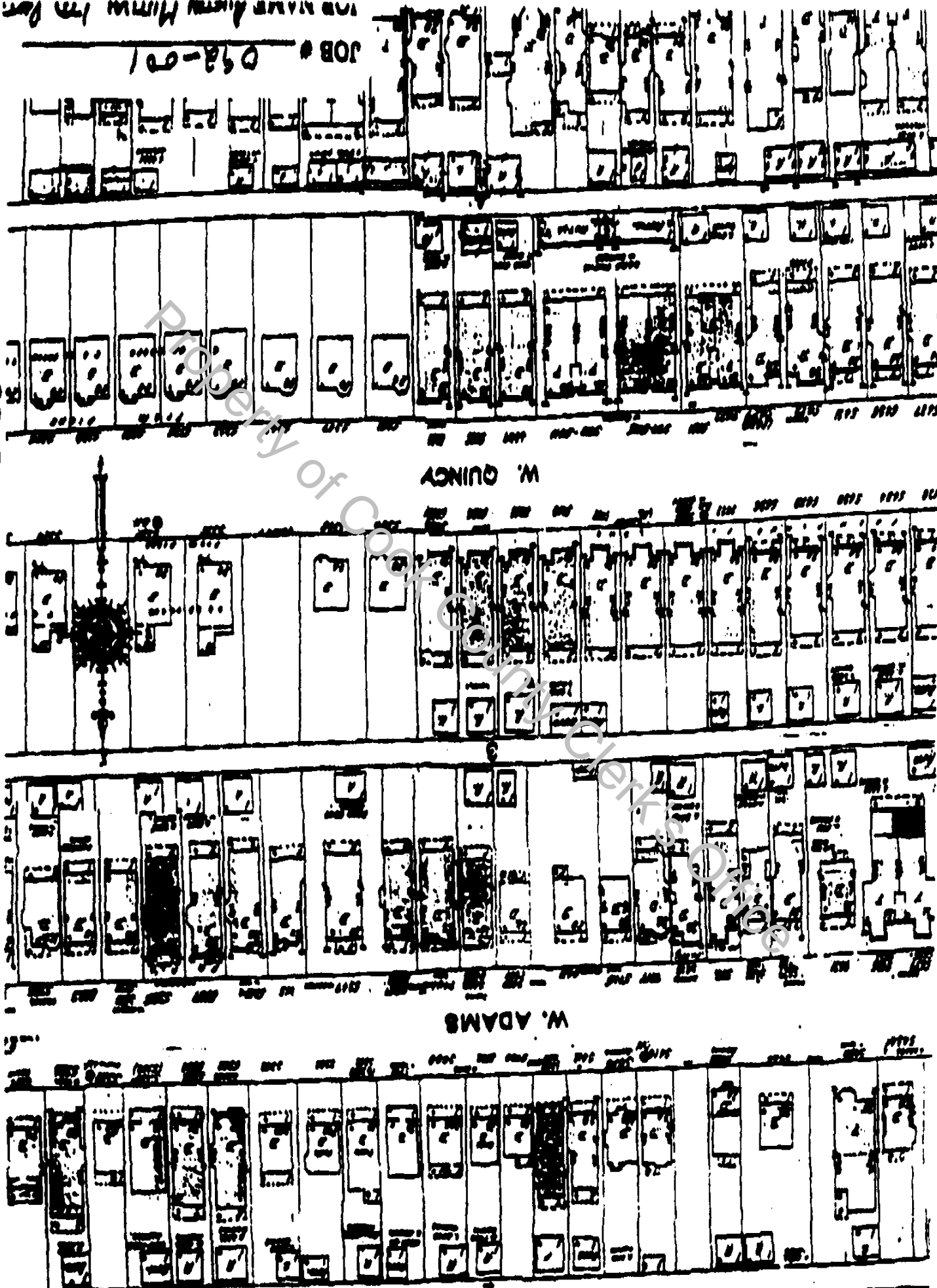
THE NATION'S CAPITAL

JOB # 098-001

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W. QUINCY

W. ADAMS



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CERCLA commonly known as Superfund, gives the USEPA authority to clean up, or require potentially responsible parties to clean up, property contaminated by hazardous waste. CERCLIS is a nationwide list assembled by the USEPA of known or suspected uncontrolled or abandoned hazardous waste sites. These sites may warrant potential Superfund action, or the USEPA may determine that they require no further action. And, due to the amount of public attention focused on CERCLIS sites, they could pose a risk of litigation surrounding properties, thus impacting property value.

2. Federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) Database List

The Federal NPL lists the uncontrolled or abandoned hazardous waste sites that the USEPA has identified and prioritized for remedial action. Due to the amount of public attention focused on NPL sites, they pose a significant risk of litigation surrounding properties and potentially impacting property values. Sites on NPL are also listed on the CERCLIS list explained below.

1. Federal National Priorities List (NPL)

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## EXHIBIT C

### PERMITTED ENCUMBRANCES

1. All exceptions and matters shown on Commonwealth Title Insurance Company Specimen Policy No. 411-860295
2. Option Agreement among Austin Mutual Limited Partnership (the "Partnership"), Austin Mutual Residential Association and TNI Development Corporation, dated as of the date of that certain Junior Mortgage and Security Agreement by the Partnership to the City of Chicago, Illinois ("Option Agreement")
3. Memorandum of Option to be recorded regarding Option Agreement

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Prepared by:  
Monica M. Monroe, Esq.  
Assistant Corporation Counsel  
City of Chicago  
Office of Corporation Counsel  
121 North LaSalle Street  
Room 511  
Chicago, Illinois 60602

By: Jana K. Moore  
Its: Vice President

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

By: TMI Development Corporation, an Illinois corporation and Managing Partner of Mortgagor

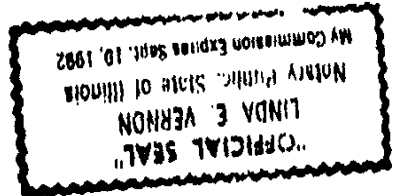
AUSTIN MUTUAL LIMITED PARTNERSHIP

ATTEST:

IN WITNESS WHEREOF, Mortgagor has caused these presents to be signed and attested to on the day and year first above written.

9325836

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\_\_\_\_\_  
Notary Public  
My commission expires: \_\_\_\_\_



I, the undersigned, a Notary Public in and for the County  
and State aforesaid, DO HEREBY CERTIFY that \_\_\_\_\_  
personally known to me to be the \_\_\_\_\_  
development corporation, an Illinois corporation and managing  
general partner of Austin Mutual Limited Partnership, an Illinois  
limited partnership, and \_\_\_\_\_  
known to me to be the \_\_\_\_\_ of TNI Development  
corporation, and personally known to me to the same persons whose  
names are subscribed to the foregoing instrument, appeared before  
me this \_\_\_\_\_ day in person and severally acknowledged that as such  
and \_\_\_\_\_ they signed, sealed  
and delivered the said instrument and caused the corporate seal  
of TNI Development Corporation to be affixed thereto, pursuant to  
authority given by the Board of Directors of TNI Development  
Corporation as their own free and voluntary act, and the free and  
voluntary act and deed of said corporation and partnership for  
the uses and purposes therein set forth.  
GIVEN under my hand and Notarial Seal this \_\_\_\_\_ day of \_\_\_\_\_, 1991.

STATE OF ILLINOIS )  
COUNTY OF COOK )  
58.

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3988236  
AUG 15 PM 3:26  
CAMILLE MOSLEY BRAUN  
CLERK OF TITLES

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803965

Submitted by \_\_\_\_\_  
Address \_\_\_\_\_  
Promised \_\_\_\_\_  
Deliver certif. to \_\_\_\_\_  
Address \_\_\_\_\_  
Deed to \_\_\_\_\_  
Address \_\_\_\_\_  
Notified \_\_\_\_\_

Deed to \_\_\_\_\_  
Title Services  
Box 430  
Wheaton, IL 60189