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Cook County Recorder

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Property of Cook County Clerk's Office

This instrument prepared by
and when recorded return to:

Adam R. Walker
Assistant Corporation Counsel
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

FIRST AMENDMENT TO FINANCING DOCUMENTS

This First Amendment to Financing Documents (this "Amendment") is made in Chicago, Illinois as of January 31, 2002, by and among the City of Chicago, an Illinois municipal corporation (the "City"), by and through its Department of Housing ("DOH"); Washington Court Limited Partnership, an Illinois limited partnership (the "Borrower"); and Investment Management Corporation, an Illinois not for profit corporation ("IMC") and the general partner of the Borrower. The City, the Borrower and IMC are sometimes referred to herein as the "Parties."



Box 430

RECITALS

WHEREAS, the City Council of the City, pursuant to an ordinance enacted on February 6, 1991, and published at pages 29548 through 29551 of the Journal of the Proceedings of the City Council (the "Journal of Proceedings") of that date, and amended by an ordinance enacted on April 12, 1991, and published at pages 32200 through 32203 of the Journal of Proceedings of that date, authorized DOH to make a loan of MULTI-Program funds in the amount of \$675,000 with a term of approximately 30 years and an interest rate of one percent per annum for the first five years of the term and of three percent per annum for the remainder of the term (the "Loan") to the Borrower for the rehabilitation of a building located at 5032-5040 West Washington Boulevard, in Chicago, Illinois (the "Property"); and

WHEREAS, the City made the Loan to the Borrower on April 30, 1991, which was evidenced by, among other things, that certain Housing Loan Agreement dated April 30, 1991, made by and among the Borrower and the City (the "Loan Agreement"), and that certain Note dated April 30, 1991, made by the Borrower in favor of the City in the original principal amount of the Loan (the "Note"); and secured by that certain Junior Mortgage and Security Agreement dated April 30, 1991, made by the Borrower in favor of the City (the "Mortgage") and recorded in the office of the Cook County Recorder of Deeds on April 30, 1991 as Document No. 91201222; and further secured by that certain Assignment of Rents and Leases dated April 30, 1991, made by the Borrower in favor of the City (the "Assignment of Rents and Leases") and recorded in the office of the Cook County Recorder of Deeds on April 30, 1991 as Document No. 91201223; and further secured by that certain Declaration of Restrictive Covenants and Regulatory Agreement dated April 30, 1991, made by and among the Borrower and the City (the "Regulatory Agreement") and recorded in the office of the Cook County Recorder of Deeds on April 30, 1991 as Document No. 91201220. The Loan Agreement, the Note, the Mortgage, the Assignment of Rents and Leases and the Regulatory Agreement are collectively referred to as the "City Financing." All City Financing documents, and all other documents executed by the City, the Borrower and IMC in connection with the City Financing are sometimes collectively referred to herein as the "Financing Documents;" and

WHEREAS, IMC is the current general partner of the Borrower, having replaced the Borrower's original general partner which was Rezmar Corporation, an Illinois corporation; and

WHEREAS, the operating income from the Property has been insufficient to make the annual payments of principal required under the terms of the Loan and the Borrower and IMC have requested that DOH approve a proposed restructuring of the Financing Documents; and

WHEREAS, as of January 31, 2002, the Borrower procured a loan ("New Senior Loan") in an amount not to exceed \$539,735 from the Illinois Housing Development Authority (the "New Senior Lender") and, combined with Borrower equity in an amount not to exceed \$125,000, paid off a loan made to Borrower by Continental Community Development Corporation on April 30, 1991 in connection with the Property; and

WHEREAS, the City Council, pursuant to an ordinance enacted on November 28, 2001,

and published at pages 72241 through 72243 of the Journal of Proceedings, has approved a restructuring of the Loan in a manner which (1) will not alter the principal amount of the Loan or alter the priority of the Mortgage, (2) will not alter the interest rate on the principal balance of the Loan, (3) will extend the maturity date of the Loan, (4) will alter the repayment terms of the Loan by deferring all principal and interest payments due but unpaid under the Loan as of the closing of the restructuring until the maturity of the Loan, (5) will forgive all default interest which has accrued on the due but unpaid principal and interest payments under the Loan as of the closing of the restructuring, and (6) will ratify IMC as the replacement general partner;

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the Recitals which are made a contractual part of this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

AGREEMENTS

Section 1. The parties hereby agree that the amount of due but unpaid principal and interest under the Loan Agreement as of December 31, 2001 was \$123,160, and the aggregate amount of default interest accrued on such payments as of December 31, 2001 was \$18,474 (the "Penalty Amount").

Section 2. The City, the Borrower, and IMC hereby agree that the Financing Documents are modified as follows:

2.1. This Amendment shall be included in the definition of the term "Loan Documents" as set forth in the Loan Agreement.

2.2. Commencing on the date hereof, the repayment terms of the Loan Agreement and the Note shall be and are hereby amended to require that the Borrower repay the Loan as follows:

The entire remaining principal balance, together with interest and unpaid interest thereon, and any other sums due under any of the Loan Documents, shall be due and payable in full on the earliest to occur (the "Maturity Date") of: (i) the date, if any, on which all outstanding principal of and accrued and unpaid interest on the New Senior Loan to the Borrower, which is evidenced, among other things, by that certain Mortgage Note between the New Senior Lender and the Borrower executed on January 31, 2002, shall be due and payable in full; (ii) January 1, 2032; or (iii) the date as of which the principal of and interest on the Loan may become due and payable because of acceleration or prepayment as provided in any of the Loan Documents.

Section 3. Audited financial statements shall provided by the Borrower to the City annually from the date hereof through and including the year of the Maturity Date, and shall be based upon an examination of the books and records of the Property, shall be conducted by an Illinois-licensed independent certified public accountant at the Borrower's expense, shall be

prepared in accordance with the requirements of DOH, and shall be provided to DOH no later than April 1 of the following year.

Section 4. The City waives the Penalty Amount and the aggregate amount, if any, of default interest accrued from January 1, 2002 to the date hereof.

Section 5. IMC is hereby ratified as the replacement general partner of the Borrower.

Section 6. Pursuant to Paragraph 9.4 of that certain Articles of Limited Partnership of Washington Court Limited Partnership dated as of April 25, 1991 (the "Partnership Agreement") and as further specified in Exhibit D thereto, IMC may receive, for services rendered, a partnership management base fee and an annual incentive fee (together, the "Partnership Management Fee"). IMC agrees that it will waive any future Partnership Management Fee to which it may otherwise be entitled under the Partnership Agreement for the remainder of the term of the Loan or until the Loan is paid in full.

Section 7. Except as specifically modified by this Amendment, the Borrower and IMC each hereby represents, warrants and confirms to the City that:

7.1. All the Financing Documents and the obligations of the Borrower thereunder remain in full force and effect, are hereby ratified and confirmed, and may be enforced against the Borrower in accordance with their terms by the City against the Borrower or the Property;

7.2. All representations, warranties, certifications, statements, affidavits and other items heretofore made or furnished to the City by or on behalf of the Borrower in connection with the Financing Documents were true, accurate and complete as of the date made or furnished to the City, and continue to be true, accurate and complete as if furnished or made by or with respect to the Borrower as of the date hereof;

7.3. The Borrower and IMC acknowledge and warrant to the City that they claim no defense, right of offset or counterclaim against enforcement of the Financing Documents (as modified by this Amendment) and have no other claim against the City;

7.4. Any Event of Default under any of the Financing Documents will be or has been cured to the satisfaction of the City as of the date hereof; and

7.5. The execution, delivery and performance of this Amendment and the consummation of the transactions hereby contemplated will not conflict with any law, statute or regulation to which the Borrower, IMC or the Property is subject.

Section 8. The parties hereto acknowledge and agree that this Amendment does not constitute a novation of the existing indebtedness under the Loan, but is intended to be an amendment and modification of the Financing Documents. Except as amended hereby, the provisions of the Financing Documents remain in full force and effect and are hereby ratified and confirmed. The Mortgage shall continue to secure repayment of all amounts due under the Note

as modified by this Amendment without loss of priority.

Section 9. The Borrower and IMC: (i) are represented by independent legal counsel of their respective choice in the transactions contemplated by this Amendment; (ii) are fully aware and clearly understand all the terms contained in this Amendment; (iii) have voluntarily, with full knowledge and without coercion or duress of any kind, entered into this Amendment; (iv) are not relying on any representation, either written or oral, express or implied, made by the City other than as set forth in this Amendment; (v) on their own initiative have made proposals to the City, the terms of which are reflected by this Amendment; and (vi) have received actual and adequate consideration to enter into this Amendment.

Section 10. In the event of a conflict or inconsistency between the provisions of the Loan Agreement, the Note or any of the other Financing Documents and the provisions of this Amendment, the provisions of this Amendment shall govern and control.

Section 11. This Amendment shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns; provided, however, that the Borrower and IMC may not assign this Amendment or its rights and obligations under the Financing Documents without the prior written consent of the City.

Section 12. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute a single agreement.

Section 13. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to its conflict of laws principles.

Section 14. If any provision of this Amendment is determined by a court having jurisdiction to be illegal, invalid or unenforceable under any present or future law, the remainder of this Amendment will not be affected thereby. It is the intention of the parties that if any provision is so held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible that is legal, valid and enforceable.

Section 15. Neither this Amendment nor any of the provisions hereof can be changed, waived, discharged or terminated, except by an instrument in writing signed by all parties to this Amendment.

Section 16. No waiver of any action or default will be implied from the failure or delay by the City to take any action in respect of such action or default. No express waiver of any condition precedent or default will affect any other default or extend any period of time for performance other than as specified in such express waiver. One or more waivers of any default in the performance of any provision of this Amendment or of the Financing Documents will not be deemed a waiver of any subsequent default in the performance of the same provision or any other provision. The consent to or approval of any act or request by any party will not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar act or request.

Section 17. The Borrower and IMC expressly agree that no member, official, employee or agent of the City shall be individually or personally liable to the Borrower or IMC or any of their successors or assigns, in the event of any default or breach by the City under this Amendment.

Section 18. This Amendment shall be recorded against the Property in the Office of the Cook County Recorder of Deeds at the expense of the Borrower.

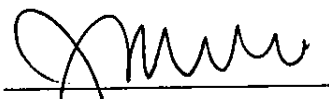
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IN WITNESS WHEREOF, the undersigned have executed this First Amendment to Financing Documents as of the date first written above.

CITY OF CHICAGO, acting by and through its
Department of Housing

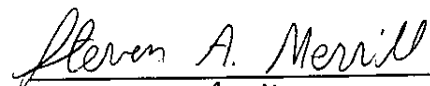
By:

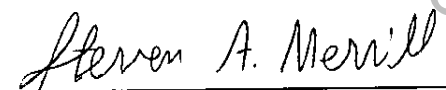

JOHN G. MARKOWSKI
Commissioner

WASHINGTON COURT LIMITED
PARTNERSHIP, an Illinois limited
partnership,

INVESTMENT MANAGEMENT
CORPORATION, an Illinois not for profit
corporation

By: Investment Management Corporation, an
Illinois not for profit corporation and its sole
general partner

By: 
Name: Steven A. Merrill
Its: Treasurer

By: 
Name: Steven A. Merrill
Its: Treasurer

The New Senior Lender hereby consents to the execution, delivery and performance by the Borrower of this Amendment to the Loan Documents.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY,
a body politic and corporate of the State of Illinois

By: _____
Name: _____
Its: _____

Dated: _____, 2002

IN WITNESS WHEREOF, the undersigned have executed this First Amendment to Financing Documents as of the date first written above.

CITY OF CHICAGO, acting by and through its
Department of Housing

By: _____

Commissioner

WASHINGTON COURT LIMITED
PARTNERSHIP, an Illinois limited
partnership,

INVESTMENT MANAGEMENT
CORPORATION, an Illinois not for profit
corporation

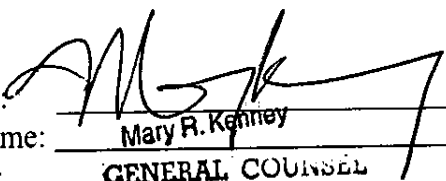
By: Investment Management Corporation, an
Illinois not for profit corporation and its sole
general partner

By: _____
Name: _____
Its: _____

By: _____
Name: _____
Its: _____

The New Senior Lender hereby consents to the execution, delivery and performance by the Borrower of this Amendment to the Loan Documents.

ILLINOIS HOUSING DEVELOPMENT AUTHORITY,
a body politic and corporate of the State of Illinois

By: 
Name: Mary R. Kenney
Its: GENERAL COUNSEL

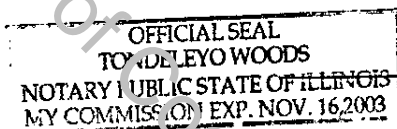
Dated: January 31st, 2002

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 John G. Markowski, personally known to me to be the _____ Commissioner of the Department of Housing of the City of Chicago, Illinois (the "City") and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such _____ Commissioner, he/she signed and delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the free and voluntary act and deed of said City, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 31st day of JANUARY, 2002.

(SEAL)



Tondeleyo Woods
Notary Public

Property of Cook County Clerk's Office

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 STEVEN A. MERRILL, personally known to me to be the TREASURER of Investment Management Corporation (the "General Partner"), an Illinois not for profit corporation and sole general partner of Washington Court Limited Partnership (the "Borrower"), an Illinois limited partnership, and known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that as such TREASURER, he/she signed and delivered the said instrument pursuant to authority given by the Board of Directors of the General Partner, and as his/her free and voluntary act and deed and as the free and voluntary act and deed of the General Partner and the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 31ST day of JANUARY, 2002.



Notary Public

(SEAL)



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 Mary R. Kenney, personally known to me to be the GENERAL COUNSEL of _____
the Illinois Housing Development Authority (the "New Senior Lender") and personally known to
me to be the same person whose name is subscribed to the foregoing instrument, appeared before
me this day in person and acknowledged that as such GENERAL COUNSEL, (s)he signed and
delivered the said instrument pursuant to authority, as his/her free and voluntary act, and as the
free and voluntary act and deed of said New Senior Lender, for the uses and purposes therein set
forth.

GIVEN under my hand and notarial seal this 31st day of January, 2002.

(SEAL)

Carolyn L. Lewis
Notary Public



EXHIBIT ALegal Description

THE EAST 5 FEET 8 INCHES OF LOT 31 AND ALL OF LOTS 32, 33, 34 AND 35, ALSO THE WEST 13 FEET 7 ¾ INCHES OF LOT 36 ALL IN BLOCK 8 IN DERBY'S ADDITION TO CHICAGO, A SUBDIVISION OF PART OF THE WEST HALF OF THE SOUTHEAST QUARTER OF SECTION 9, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS. ✓

Address Commonly Known as:

5032-40 West Washington Boulevard, Chicago, Illinois

PIN:

16-09-422-021 ✓

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