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Cook County Recorder

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THIS INSTRUMENT PREPARED
BY AND WHEN RECORDED
RETURN TO:

Miluska Novota
Assistant Corporation Counsel
City of Chicago Department of Law
121 North LaSalle Street, Room 600
Chicago, Illinois 60602

A:\Jackson Restructuring Agreement 2.wpd

FIRST AMENDMENT TO LOAN DOCUMENTS

This First Amendment to Loan Documents (this "**Amendment**") is made in Chicago, Illinois as of May 16, 2002 (the "**Closing Date**"), by and among the City of Chicago, an Illinois municipal corporation (the "**City**"), by and through its Department of Housing ("**DOH**"); Jackson Terrace 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.**"

RECITALS

A. The City Council, pursuant to an ordinance enacted on June 28, 1991, and published at pages 2618 to 2622 of the Journal of the Proceedings of the City Council (the "**Journal of Proceedings**") of that date, authorized the DOH to make a loan of MULTI-Program funds in the amount of \$407,877 with an interest rate of one percent per annum and with a term of approximately 15 years (the "**City Loan**") to the Borrower for the rehabilitation of a building located at 4900-4910 West Jackson Boulevard, in Chicago, Illinois (the "**Property**") as more fully described in Exhibit A attached hereto and hereby made a part hereof.

B. LaSalle Bank National Association, a national banking association (the "**Trustee**"), as successor trustee to American National Bank and Trust Company of Chicago, a national banking association, not personally but solely as trustee under that certain Trust Agreement dated March 13, 1989 and known as Trust Number 107852-02 (the "**Trust**") owned title to the Property from March 13, 1989 until May 14, 2002. The Borrower was the sole beneficiary of the Trust. Title to the Building was conveyed to the Borrower on May 14, 2002.

C. The City made the City Loan to the Borrower on November 1, 1991. The City Loan is evidenced by that certain Housing Loan Agreement (the "**City Loan Agreement**"),

Box 430

dated as of November 1, 1991, secured by, among other things, that certain Junior Mortgage and Security Agreement, dated as of November 1, 1991, executed by the Trustee and the Borrower in favor of the City (the "**City Mortgage**"), and recorded in the Office of the Cook County Recorder of Deeds on November 26, 1991 as Document No. 91622519, and further evidenced by that certain Note dated November 1, 1991, made by the Trustee and the Borrower in favor of the City in the original principal amount of the City Loan (the "**City Note**"). The City Loan Agreement, the City Mortgage, the City Note, and any other documents executed in connection with the Loan are collectively referred to herein as the "**Financing Documents**."

D. The City Mortgage is (i) subordinate to that certain Construction Loan Mortgage, and Security Agreement with Collateral Assignment of Leases and Rents (the "**CIC Mortgage**"), dated as of November 1, 1991, securing a loan in the amount of \$442,500 (the "**CIC Loan**"), made by the Trustee in favor of Community Investment Corporation, an Illinois not for profit corporation ("**CIC**"); and (ii) senior to that certain Junior Mortgage dated as of November 1, 1991, securing a loan in the amount of \$457,771 (the "**IHDA Third Loan**"), made by the Trustee in favor of the Illinois Housing Development Authority ("**IHDA**"), as modified by that certain Modification Agreement dated January 25, 1996 (the "**IHDA Third Mortgage**"). The IHDA Third Mortgagee, and any other documents evidencing or securing the IHDA Third Loan are collectively referred to herein as the "**IHDA Third Loan Documents**."

E. IMC is the current general partner of the Borrower, having replaced the Borrower's original managing general partner which was City Lands Corp., a Delaware corporation, also known as City Lands Corporation, Shorebank Development Corporation, and Shorebank Development Corporation, Chicago.

F. As of the Closing Date, the Borrower procured an Illinois Affordable Housing Trust Fund loan from IHDA in an amount not to exceed \$336,457 (the "**IHDA Senior Loan**") to retire the CIC Loan. The Borrower has agreed to mortgage the Property in favor of IHDA to secure the IHDA Senior Loan (the "**IHDA Senior Mortgage**").

G. CIC has agreed to release the CIC Mortgage upon payment to CIC of \$354,198.72 by the Borrower on the Closing Date stipulated by CIC and the Borrower to be in full satisfaction of the CIC Loan pursuant to that certain Payoff Statement issued by CIC on May 8, 2002.

H. The Borrower has met with certain financial difficulties in the operation of the Property and has requested that DOH approve a proposed restructuring of the City Loan.

I. The City Council, pursuant to an ordinance enacted on May 1, 2002, has approved the transfer of title to the Property from the Trustee to the Borrower and a restructuring of the City Loan in a manner which: (1) will not alter the principal amount of the City Loan, (2) will not alter the interest rate on the principal balance of the City Loan, (3) will extend the maturity date of the City Loan (the "**New Maturity Date**"), (4) will alter the repayment terms of the City

Loan by deferring certain payments due under the City Loan until the New Maturity Date, (5) will waive certain late charges, (6) will ratify IMC as the replacement general partner, and (7) will subordinate the Mortgage to the IHDA Senior Mortgage (collectively, the “Restructuring”).

J. The aggregate amount of the due but unpaid principal and interest under the City Loan as of May 1, 2002, was \$14,615.7 and the late charges accrued on such payments as of May 1, 2002, were \$2,192.35.

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 aggregate amount of the due but unpaid principal and interest under the City Loan as of May 1, 2002, was \$14,615.7 and the late charges accrued on such payments as of May 1, 2002, were \$2,192.35 (the “Penalty Amount”).

Section 2. The City hereby ratifies IMC as general partner of the Borrower.

Section 3. The City, IMC and the Borrower agree that the Financing Documents are modified as follows:

3.1. This Amendment shall be included in the definition of the term “**Loan Documents**” as set forth in the City Loan Agreement.

3.2. Commencing on the date hereof, the repayment terms of the City Loan Agreement and the Note shall be and are hereby amended to require that the Borrower repay the City 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 (the “**Maturity Date**”) of: (i) the date, if any, on which all outstanding principal of and accrued and unpaid interest on that certain loan in an amount not to exceed \$336,457 from IHDA to the Borrower evidenced, among other things, by that certain Mortgage Note between IHDA and the Borrower executed as of May 16, 2002, shall be due and payable in full; (ii) May 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.”

3.3. Commencing on the date hereof, the term “General Partner” shall mean:

“Investment Management Corporation, an Illinois not for profit organization.”

3.4. Commencing on the date hereof, the term “Borrower” shall mean: “Jackson Terrace Limited Partnership, an Illinois limited partnership.”

Section 4. Audited financial statements shall provided by the Borrower to the City, 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 5. The City agrees to waive the Penalty Amount as of the date hereof.

Section 6. Borrower agrees to fund a segregated replacement reserve account for the purpose of funding project replacements and improvements in connection with the Property (the “**Replacement Reserve**”) to the satisfaction of the City. Commencing on the first day of the month following the Closing Date, or such other earlier date as IHDA designates in writing to the Borrower, and on the first day of each month thereafter, the Borrower shall make deposits into the Replacement Reserve in the amount of one-twelfth (1/12th) of \$8,700 per calendar year, or such other sum as IHDA shall, from time to time, specify. The Replacement Reserve shall be under the control of IHDA or its designee.

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 and IMC thereunder remain in full force and effect, are hereby ratified and confirmed, and may be enforced against the Borrower and IMC in accordance with their terms by the City against the Borrower, the Property and IMC;

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 or IMC respectively, 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 and IMC 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

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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 City 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. The City Mortgage, the Financing Documents and any and all renewals, modifications, extensions or advances thereunder or secured thereby (including interest thereon), unconditionally do and will remain at all times a lien, claim or charge on the Property prior and superior to the IHDA Third Mortgage and the IHDA Third Loan Documents.

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 City 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, 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.

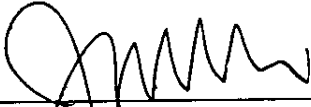
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and the signature page follows.]*

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

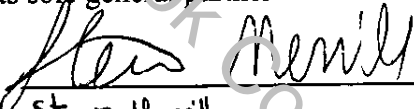
CITY OF CHICAGO, acting by and through its
Department of Housing

By: 

John G. Markowski
Commissioner

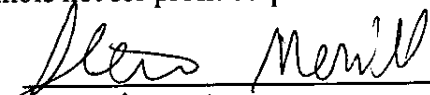
JACKSON TERRACE LIMITED PARTNERSHIP,
an Illinois limited partnership,

By: **INVESTMENT MANAGEMENT CORPORATION**,
an Illinois not for profit corporation and
its sole general partner

By: 

Name: Steve Merrill
Its: Treasurer

INVESTMENT MANAGEMENT CORPORATION,
an Illinois not for profit corporation

By: 

Name: Steve Merrill
Its: Treasurer

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IHDA hereby consents to the execution, delivery and performance by the Borrower of this Amendment to Loan Documents.

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

By: *[Signature]*
Its: Assistant Executive Director

Dated: May 16, 2002

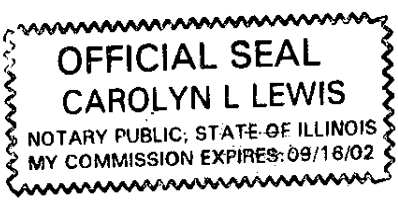
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Peter K. Lennon, personally known to me to be the Assistant Executive Director of the Illinois Housing Development Authority ("IHDA") 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 Assistant Executive Director(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 IHDA, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16th day of May, 2002.

Carolyn L. Lewis
Notary Public

(SEAL)



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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, do hereby certify that ^{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 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 16th day of May, 2002.

(SEAL)

Tondeley Woods
Notary Public

OFFICIAL SEAL
TONDELEYO WOODS
NOTARY PUBLIC STATE OF ILLINOIS
MY COMMISSION EXP. NOV. 16, 2003

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Steve Merrill, personally known to me to be the Treasurer of Investment Management Corporation (the "General Partner"), an Illinois corporation and sole general partner of Jackson Terrace 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 16th day of May, 2002.



Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Steve Merrill, personally known to me to be the Treasurer of Investment Management Corporation (the "Corporation"), 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 Corporation, and as his/her free and voluntary act and deed and as the free and voluntary act and deed of the Corporation and the Borrower for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16th day of May, 2002.



Notary Public

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EXHIBIT A

Legal Description

THE WEST 20 FEET OF LOT 23, ALL OF LOTS 24, 25, 26 AND 27 (EXCEPT THE WEST 10 FEET THEREOF) IN S.E. GROSS' SUBDIVISION OF LOTS 8, 9, 24 AND 25 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.

Addresses Commonly Known as:

4900-4910 West Jackson Boulevard, Chicago, Illinois.

PIN:

16-16-211-031

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