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Eugene "Gene" Moore Fee: \$44.00
Cook County Recorder of Deeds
Date: 05/21/2003 02:00 PM Pg: 1 of 11

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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 May 20, 2003, by and among the City of Chicago, an Illinois municipal corporation (the "City"), by and through its Department of Housing ("DOH"); LPSS 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

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RECITALS

WHEREAS, the City Council of the City, pursuant to an amending ordinance enacted on July 24, 1991, and published at pages 3593 through 3597 of the Journal of the Proceedings of the City Council ("Journal of Proceedings") of that date, authorized the City's Department of Housing ("DOH") to make a loan of MULTI-Program funds in the amount of \$1,200,000 and of Rental Rehabilitation Program funds in the amount of \$370,000, for a total of \$1,570,000, with a term of approximately 15 years and an interest rate of one percent per annum (the "Loan") to the Borrower for the rehabilitation of a 65-unit building located at 4631-4637 South Lake Park Avenue, in Chicago, Illinois, more particularly described in Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, the City made the Loan to the Borrower on September 20, 1991, which was evidenced by, among other things, that certain Housing Loan Agreement dated September 20, 1991, made by and among the Borrower and the City (the "Loan Agreement"), and that certain Note dated September 20, 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 September 20, 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 September 20, 1991 as Document No. 91490716; and further secured by that certain Assignment of Rents and Leases dated September 20, 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 September 20, 1991 as Document No. 91490717; and further secured by that certain Declaration of Restrictive Covenants and Regulatory Agreement dated September 20, 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 September 20, 1991 as Document No. 91490713. 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 Mortgage is subordinate to that certain Mortgage and Security Agreement ("Original Senior Mortgage") and that certain Assignment of Rents and Leases, both dated as of September 20, 1991, securing a loan in the amount of \$1,262,790 (the "Original Senior Loan"), made by the Borrower in favor of The Northern Trust Company ("Original Senior Lender"); and

WHEREAS, the Borrower defaulted on the Original Senior Loan and the Original Senior Lender commenced a foreclosure action on the Original Senior Mortgage, but in light of the restructuring efforts has dismissed the foreclosure action and provided proof of dismissal to the

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satisfaction of the City; and

WHEREAS, the Illinois Housing Development Authority ("New Senior Lender") has agreed to provide financing to the Borrower in an amount not to exceed \$1,083,000 (the "New Senior Loan") to retire the Original Senior Loan, and the Borrower has agreed to mortgage the Building in favor of the New Senior Lender to secure the New Senior Loan (the "New Senior Mortgage"); 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, the City Council, pursuant to an ordinance enacted on May 7, 2003, has approved a restructuring of the Loan in a manner that (1) will not alter the outstanding principal amount of the Loan, (2) will not alter the interest rate on the outstanding principal balance of the Loan, (3) will extend the maturity date of the Loan to approximately 15 years after the closing date of the restructured Loan, (4) will alter the repayment terms of the Loan, (5) will waive late charges accrued as of the closing date of the restructured Loan, (6) will forgive the aggregate amount of the due but unpaid interest under the Loan as of the closing date of the restructured Loan, (7) will ratify IMC as the replacement general partner of the Borrower, and (8) will subordinate the Mortgage to the New Senior Mortgage;

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 amount of due but unpaid interest under the Loan Agreement as of March 31, 2003 ("Unpaid Interest") was approximately \$56,700, the aggregate amount of default interest accrued on such payments as of March 31, 2003 (the "Penalty Amount") was approximately \$29,800, and the outstanding principal amount due under the Loan Agreement as of March 31, 2003 was approximately \$1,361,249.

Section 2. 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:

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On the first day of July, 2003 ("Amended Initial Payment Date"), and on the first day of each of the next 179 months thereafter, an installment of principal and interest in the amount of \$4,378.31 shall be due and the same amount paid to the City, and on the first day of the 180th month after the Amended Initial Payment Date (the "Maturity Date"), the entire unpaid principal balance and accrued but unpaid interest thereon shall be due and the same amount paid to the City.

2.3. The definitions of "Senior Lender," "Senior Loan" and "Senior Mortgage" in the Regulatory Agreement are deleted and replaced with:

"Senior Lender" shall mean the Illinois Housing Development Authority, a body politic and corporate of the State of Illinois, with a mailing address of 401 North Michigan Avenue, Suite 900, Chicago, Illinois 60611, its successors and assigns.

"Senior Loan" shall mean a loan by the Senior Lender to the Borrower in the principal amount of \$1,083,000 for financing a portion of the cost of the Project.

"Senior Mortgage" shall mean that certain Mortgage, Security Agreement and Assignment of Rents and Leases granted by the Borrower to the Senior Lender securing repayment of the Senior Loan, as supplemented and amended.

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 Unpaid Interest and the Penalty Amount accrued from February 1, 1999 to the date hereof.

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

Section 6. Except as specifically modified by this Amendment, the Borrower and IMC each hereby represents, warrants and confirms to the City that:

6.1. 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;

6.2. 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

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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;

6.3. 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;

6.4. 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

6.5. 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 7. 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 8. 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 9. 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 10. 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 11. 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 12. This Amendment shall be governed by and construed in accordance with

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the internal laws of the State of Illinois without regard to its conflict of laws principles.

Section 13. 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 14. 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 15. 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 16. 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 17. This Amendment shall be recorded against the Property in the Office of the Cook County Recorder of Deeds at the expense of the Borrower.

Section 18. Unless otherwise specified, any notice, demand or request required hereunder shall be given in writing at the addresses set forth below, by any of the following means: (a) personal service; (b) electronic communications, whether by telex, telegram or telecopy; (c) overnight courier, receipt requested; or (d) registered or certified mail, return receipt requested.

IF TO CITY:

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

WITH COPIES TO:

Department of Finance

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City of Chicago
33 North LaSalle Street, Room 600
Chicago, Illinois 60602
Attention: Comptroller

and

Office of the Corporation Counsel
City Hall, Room 600
121 North LaSalle Street
Chicago, Illinois 60602
Attention: Finance and Economic Development Division

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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: [Signature]
Commissioner

LPSS LIMITED PARTNERSHIP, an Illinois
limited partnership,

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

By: [Signature: Steve Merrill]
Name: Steve Merrill
Its: Treasurer

**INVESTMENT MANAGEMENT
CORPORATION**, an Illinois not for profit
corporation

By: [Signature: Steve Merrill]
Name: Steve 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: _____, 2003

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STATE OF ILLINOIS)

) SS.

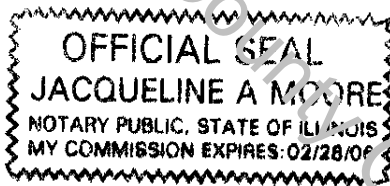
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that Steven A. Moore, 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 LPSS 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 20th day of May, 2003.

(SEAL)

Jacqueline A Moore
Notary Public



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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/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 14th day of May, 2003.

(SEAL)

Tondeleyo Woods
Notary Public

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

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EXHIBIT A

LEGAL DESCRIPTION OF REAL ESTATE

LOT 1 AND LOT 2 IN SHERMAN'S RESUBDIVISION OF LOTS 5 AND 6 IN LYMAN'S SUBDIVISION OF THAT PART LYING WEST OF THE ILLINOIS CENTRAL RAILROAD OF THE SOUTHEAST FRACTIONAL QUARTER OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS ✓

PIN - 20-02-405-049

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