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Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 09/25/2007 10:48 AM Pg: 1 of 10

This document prepared by and after recording return to:
Judith A. El-Amin, Esq.
Assistant Corporation Counsel
Department of Law
121 North LaSalle Street, Room 600
Chicago, IL 60602

434920BA
(4/4) TC

AMENDMENT TO SUBORDINATION AGREEMENT

THIS AMENDMENT (the "Amendment") is made and entered into as of the 21st day of September, 2007 between the City of Chicago by and through its Department of Planning and Development (the "City") and The PrivateBank and Trust Company, an Illinois banking corporation (the "Lender").

RECITALS

A. New West Kedzie LLC, an Illinois limited liability company (the "Developer" or "Borrower"), on the April 11, 2006 (the "Closing Date"), purchased certain property within the Redevelopment Area and generally located between 706 -817 South Kedzie Avenue, 905-925 South Kedzie Avenue, and 3207 W. Flournoy Street, Chicago, Illinois (the "Initial Property") as required to complete construction of the Project.

B. The Developer, as part of obtaining financing for the Project, has entered into a certain Construction Loan Agreement dated as of April 11, 2006 with the Lender pursuant to which the Lender has agreed to: i) make a loan to the Borrower in an amount not to exceed Seven Hundred Thousand Dollars (\$700,000) (the "Loan 1") which is evidenced by a Mortgage

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Note and executed by the Borrower in favor of the Lender (the "Note 1"); ii) make a revolving loan to the Borrower in an amount not to exceed Four Million Dollars (\$4,000,000) (the "Loan 2") which is evidenced by a Mortgage Note and executed by the Borrower in favor of the Lender (the "Note 2"); and iii) issue an Irrevocable Standby Letter of Credit in an amount not to exceed One Million One Hundred Sixty-Six Thousand Six Hundred Sixty-Seven Dollars (\$1,166,667) (the "LOC") which is evidenced by a Promissory Note and executed by the Borrower in favor of the Lender (the "Note 3"). The repayment of the Loans and the LOC are secured by, among other things, certain liens and encumbrances on the Property and other property of the Borrower pursuant to the Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing, dated April 11, 2006, and recorded on April 12, 2006 in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder") as Document No.610218030 (the "Mortgage") made by the Borrower to the Lender (all such agreements referred to above and otherwise relating to the Loans referred to herein collectively as the "Original Loan Documents").

C. The Developer has entered into a certain Redevelopment Agreement dated April 11, 2006 and recorded on April 12, 2006 in the Office of the Recorder as Document No.610218029 with the City in order to obtain additional financing for the Project (the "Original Redevelopment Agreement").

D. Pursuant to the Original Redevelopment Agreement, the Developer has agreed to be bound by certain covenants expressly running with the Property, as set forth in Sections 8.02 and 8.20 of the Redevelopment Agreement (the "Original City Encumbrances").

E. The City and the Lender entered into a Subordination Agreement (the "Subordination Agreement"), dated April 11, 2006 and recorded on April 12, 2006 in the Office of the Recorder as Document No.610218031 to subordinate the Lender liens under the Original Loan Documents to the Original City Encumbrances.

G. On May 1, 2007 the Lender and the Borrower entered into the Loan Modification Agreement (the "Modification"), pursuant to which the Borrower added a certain parcel identified as Parcel 8 on Exhibit A, attached hereto, to the lien of the Mortgage ("Parcel 8"), extended the maturity date of Note 1 until May 1, 2008, increased the amount of Note 2 by \$583,333 in order to increase the amount of the issued and outstanding LOC, and increased the amount of Note No. 3 by \$2,000,000 in order to allow for the construction of more pre-sold units and allow the Borrower to use loan proceeds to construct units on Additional Real Estate, as defined in the Modification. The Modification was recorded in the Office of the Recorder on July 13, 2007 as Document No. 0719415027.

H. The City and the Developer in the Original Redevelopment Agreement contemplated that the property located at 901 South Kedzie, Chicago, Illinois and legally described on Exhibit A hereto ("Parcel 9") would be conveyed to the Developer by the City after the Closing Date in connection with the development of the Project.

I. The Lender and the Borrower have agreed to enter into a certain Second Loan Modification Agreement dated as of September 21, 2007 (the "Second Loan Modification" together with the Original Loan Documents and the Modification are collectively referred to

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herein as the "Loan Documents") to modify and amend the Mortgage and the Modification to add Parcel 9.

J. The City has agreed with the Developer to amend the Original Redevelopment Agreement as of the date hereof (the "RDA Amendment") to make Parcel 8 and Parcel 9, collectively referred to herein as the "Additional Property", subject to the Original Redevelopment Agreement and the agreement by the Lender to subordinate its liens under the Loan Documents to the Original City Encumbrances as amended by the RDA Amendment, the "City Encumbrances".

I. The Lender and the City agree to amend the Subordination Agreement to make the Additional Property, subject to the Original Redevelopment Agreement, as amended by the RDA Amendment (the "Redevelopment Agreement" and along with various other agreements and documents related thereto as the "City Agreements"), the City Encumbrances, and the Loan Documents.

NOW, THEREFORE, for good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the Lender and the City agree as hereinafter set forth:

AGREEMENTS

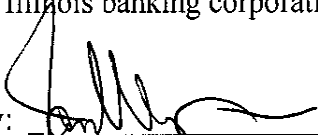
1. The City and the Lender agree that the Subordination be amended as follows:
 - A. In addition to words and terms defined in the recitals, capitalized words and phrases shall have the meanings assigned to them in the Subordination Agreement.
 - B. "Exhibit B" in the first paragraph of the recitals of the Subordination Agreement should be deleted and replaced with "Exhibit A".
 - C. The legal description for the Initial Property, as originally attached to the Subordination Agreement as Exhibit A, is hereby amended to include the legal description for the Additional Property, which is attached hereto as Exhibit A.
2. The City and the Lender agree that the Additional Property shall be subject to the terms and conditions of the Redevelopment Agreement, the City Encumbrances, the City Agreements, and the Loan Documents. The defined term "Property," as used in the Redevelopment Agreement, the City Encumbrances, the City Agreements and any Loan Documents, shall be deemed to include both the Initial Property and the Additional Property.
3. Except as amended hereby, the Subordination Agreement shall remain in full force and effect.

[REMAINDER OF THIS PAGE INTENTIONALLY LEFT BLANK]

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IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

THE PRIVATEBANK AND TRUST COMPANY,
an Illinois banking corporation

By: 
Name: JAMES WAGNER
Its: MANAGING DIRECTOR

CITY OF CHICAGO, acting by and through its
Department of Planning and Development

By: _____
Arnold L. Randall
Its: Commissioner

ACKNOWLEDGED AND AGREED TO THIS
___ DAY OF _____, 2007

NEW WEST KEDZIE LLC,
an Illinois limited liability company

By: _____
Theodore Mazola
Its: Managing Member

By: _____
August Mazola
Its: Managing Member

Property of Cook County Clerk's Office

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IN WITNESS WHEREOF, this Subordination Agreement has been signed as of the date first written above.

THE PRIVATEBANK AND TRUST COMPANY,
an Illinois banking corporation

By: _____
Name: _____
Its: _____

CITY OF CHICAGO, acting by and through its
Department of Planning and Development

By: Arnold L. Randall
Arnold L. Randall
Its: Commissioner

ACKNOWLEDGED AND AGREED TO THIS
__ DAY OF ____, 2007

NEW WEST KEDZIE LLC,
an Illinois limited liability company

By: _____
Theodore Mazola
Its: Managing Member

By: _____
August Mazola
Its: Managing Member

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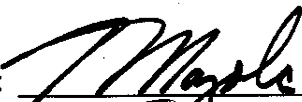
By: _____
Name: _____
Its: _____

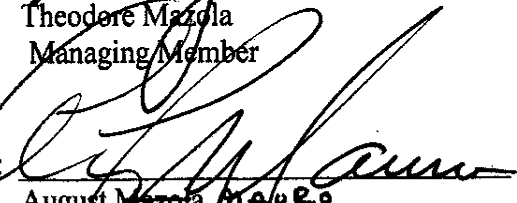
CITY OF CHICAGO, acting by and through its
Department of Planning and Development

By: _____
Arnold L. Randall
Its: Commissioner

ACKNOWLEDGED AND AGREED TO THIS
21st DAY OF *September* 2007

NEW WEST KEDZIE LLC,
an Illinois limited liability company

By: 
Theodore Mazza
Its: Managing Member

By: 
August Mazza MAJRO
Its: Managing Member

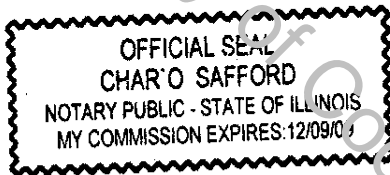
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a notary public in and for the County and State aforesaid, DO HEREBY CERTIFY THAT Theodore Mazola and August Mazola, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that in their capacity as Managing Members of New West Kedzie, LLC, each individual signed and delivered the said instrument pursuant to authority, as his 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 21 day of September 2007.



Char'O Safford
Notary Public

My Commission Expires 12.9.09

(SEAL)

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EXHIBIT A

Legal Description of Additional Property

Parcel 8

THE EAST 63 FEET OF LOT 1 IN BLOCK 3 IN GEORGE K. SCHOENBERGER'S SUBDIVISION OF THE EAST 1/4 OF THE NORTH 40 RODS OF THE SOUTH EAST 1/4 OF SECTION 14 AND THE NORTHWEST 1/4 OF THE NORTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 700 South Kedzie, Chicago, Illinois 60612
P.I.N.: 16-14-407-042-0000

Parcel 9

LOT 19 IN SUBDIVISION OF BLOCK 3 IN PIPERS SUBDIVISION OF THE SOUTH 45 ACRES OF THE WEST ONE HALF OF THE SOUTH ONE QUARTER OF SECTION 13, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 901 S. Kedzie, Chicago, Illinois 60612
PERMANENT INDEX NUMBER: 16-13-316-001-0000