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This document was prepared
By and after recording return
to:

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Chicago, Illinois 60602
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Doc#: 0921631083 Fee: \$60.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
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SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT

This **SECOND AMENDMENT TO REDEVELOPMENT AGREEMENT** (the "**Second Amended Agreement**") is made on this 29th day of July, 2009, by and between the **CITY OF CHICAGO**, an Illinois municipal corporation (the "**City**"), having its principal offices at 121 North LaSalle Street, Chicago, Illinois 60602, **BARIC LAWNDALE, LLC**, an Illinois limited liability company ("**Grantee**") and **1319 S. SPAULDING, LLC**, an Illinois limited liability company (the "**Subsequent Redevelopment Grantee**"), having its office at 141 S. Central Avenue, Chicago, Illinois 60626.

RECITALS

WHEREAS, the City and Grantee have previously entered into that certain Redevelopment Agreement (the "**Agreement**") dated as of January 17, 2006, and recorded with the Office of Cook County Recorder as document number 0601734114, as amended by that Amendment to Redevelopment Agreement ("**First Amended Agreement**") dated June 30, 2006, and recorded with the Office of Cook County Recorder as document number 0618126053, which the Agreement and First Amended Agreement set forth the terms and conditions between and among the parties relating to (i) the City acquiring from the United States Department of Housing and Urban Development ("**HUD**") the real property in the North Lawndale neighborhood, described on **Exhibit A** attached hereto (the "**Property**") pursuant to that certain Contract of Sale – Cash Sale dated January 11, 2006, by and between the City and HUD (the "**HUD Contract**"); (ii) the HUD Contract and the deed restrictions imposed pursuant thereto in HUD's deed to the City (the "**HUD Deed Restrictions**"), HUD imposed upon the City, as initial grantee, and its successors in title to the Property, certain rehabilitation (or new construction, as applicable), affordability, and tenancy requirements with respect to the Property which run with the land for the periods specified in the HUD Contract (collectively, the "**HUD Contract and Deed Obligations**"); (iii) upon acquiring the Property from HUD, the City immediately reconveyed the Property to Community Initiatives, Inc., an Illinois not-for-profit corporation ("**CII**"), pursuant to that certain Contract of Sale – Cash Sale dated January 17, 2006 by and between the City and CII, for Ten Dollars (\$10.00); (iv) upon acquiring the Property from the City, CII immediately reconveyed the Property conveyed to it to Grantee pursuant to that certain Contract of Sale – Cash Sale dated January 17, 2006 by and between CII and the Grantee, for

Box 334

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One Dollar (\$1.00); (v) but for the City's exercise of its federally-permitted right of first refusal to acquire the Property, and the City's agreement to convey the property to CII, and to require CII's conveyance of the Property to the Grantee, the Grantee will not be able to acquire the Property for One Dollar (\$1.00); (vi) HUD will also make available to the City certain federal grant funds (the "**Grant Funds**") for the rehabilitation (or new construction, as applicable) of the Lawndale Restoration Project, of which the Property is a part, pursuant to that certain Up-Front Grant Agreement ("**UGA**") dated January 11, 2006 by and between the City and HUD; (vii) pursuant to the UGA, the City assumed certain rehabilitation (or new construction, as applicable), affordability, and tenancy requirements with respect to the Property, which shall apply to the Property if the Grantee utilizes Grant Funds for the Required Work pursuant to Section 30 of the Agreement (the "**HUD UGA Obligations**," and together with the HUD Contract and Deed Obligations, the "**HUD Obligations**"). If Grantee does not utilize such Grant Funds, "HUD Obligations," as used in the Agreement, shall only refer to the HUD Contract and Deed Obligations; (viii) upon the Grantee's written election, and subject to the terms and conditions of the UGA and the Agreement, the City will make available to the Grantee a portion of the Grant Funds, in an amount determined by the City and HUD, but in no event in excess of Forty Thousand Dollars (\$40,000) per residential unit located on (or to be constructed on) the Property, for use in the rehabilitation (or new construction, as applicable) of residential units on the Property; (ix) the City's willingness to act as an intermediary in arranging for the ultimate conveyance of the Property to the Grantee, and to accept such Grant Funds, is conditioned upon the Grantee's agreement to assume full responsibility for the HUD Obligations, to the extent applicable to the Property, and to assume Grantee's additional obligations under the Agreement; (x) pursuant to the HUD Contract, occupied existing units on the Property will be supported by a short-term Housing Assistance Payments Contract (the "**Short-Term HAP Contract**"), and, in the discretion of the City and as allowable by HUD, in lieu of Grant Funds, Grantee may be offered support for its units under a continuing Housing Assistance Payment Contract (the "**Continuing HAP Contract**"); and (xi) the City and the Grantee entered into the Agreement to confirm the City's consent to the Grantee's acquisition of the Property, Grantee's assumption of the HUD Obligations, and the City's agreement to provide Grant Funds to the Grantee, all subject to the terms and conditions of the HUD Contract and Deed Obligations, the UGA, and this Agreement.

WHEREAS, pursuant to Section 11 of the Agreement, as amended, the Grantee is prohibited, without the prior written consent of the City's Department of Community Development, formerly the Department of Housing ("**DCD**"), from selling, transferring, assigning or conveying any of its interests in the Property prior to the issuance of the Certificate of Completion (as defined in the Agreement).

WHEREAS, the Grantee is seeking DCD's approval to transfer all of its interests in the Property and all of its obligations set forth in the Agreement, as amended by the First Amended Agreement, and this Second Amended Agreement, the HUD Contract, including without limitation all Riders to the HUD Contract, the HUD Deed Restrictions, and the UGA, to the extent applicable to the Property (the "**Transfer**") to the Subsequent Redevelopment Grantee.

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WHEREAS, capitalized words not otherwise defined herein have the meaning ascribed to them in the Agreement, as amended.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged and agreed to, the City, the Grantee, and the Subsequent Redevelopment Grantee agree as follows:

1. The Recitals are incorporated herein by reference.
2. The City, by and through its Department of Community Development, and as authorized by HUD, consents to the Grantee's transfer of the Property to Subsequent Redevelopment Grantee, subject to Subsequent Redevelopment Grantee's compliance with all of the Grantee's obligations of the Agreement, as amended by the First Amended Agreement and this Second Amended Agreement, and the obligations of the HUD Contract, including without limitation all Riders to the HUD Contract, the HUD Deed Restrictions, and the UGA, to the extent applicable to the Grantee and/or the Property as of the date of this Second Amended Agreement (the "**Effective Second Amended Agreement Date**").
3. All references to Grantee are hereby amended to be defined as 1319 S. SPAULDING, LLC, the Subsequent Redevelopment Grantee;
4. As a condition of the Transfer, and to secure the Subsequent Redevelopment Grantee's obligations the Subsequent Redevelopment Grantee shall: (i) accept, assume and comply with all of the Grantee's obligations of the Agreement, as amended by the First Amended Agreement and this Second Amended Agreement, and the obligations of the HUD Contract, including without limitation all Riders to the HUD Contract, the HUD Deed Restrictions, Equity Participation requirements, and the UGA, to the extent applicable to the Property as of the Second Effective Amended Agreement Date, and (ii) be obligated to take all steps necessary and required to be named as a defendant in any/all building code violation matters pending against the Property and acquire a final order of dismissal of all such building code violations.
5. As a condition of the Transfer, the Grantee shall transfer to the Subsequent Redevelopment Grantee any/all of its rights, liabilities and obligations in the Agreement, as amended by the First Amended Agreement, and this Second Amended Agreement, including but not limited to, its rights, liabilities and obligations in the HUD Contract, including without limitation all Riders to the HUD Contract, the HUD Deed Restrictions, Equity Participation requirements, and the UGA, to the extent applicable to the Grantee and/or the Property.
6. Subsequent Redevelopment Grantee shall have one hundred twenty (120) days from the Effective Second Amended Agreement Date to cure any and all Grantee defaults, including but limited to, any Event of Default, as defined in the Agreement, as amended.

If the default(s) associated with any pending building code violation, as set forth in Section 4(ii) herein, is not capable of being cured within the one hundred twenty (120) day period, then provided the Subsequent Redevelopment Grantee has substituted itself as the

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defendant in any/all building code violation matters pending against the Grantee and/or the Property, and has commenced to cure such default(s) and is diligently proceeding to cure such default(s) within the one hundred twenty (120) day period, and thereafter diligently prosecutes such cure through to completion and acquires a final order(s) of dismissal of all such building code violations, then the one hundred twenty (120) day period shall be extended, with DCD approval, for the length of time that is reasonably necessary to cure such default(s). If the default is not cured in the time period provided for herein, the City may institute such proceedings at law or in equity as may be necessary or desirable to cure and remedy the default(s), including but not limited to, recording its Subsequent Reconveyance Deed, as defined herein.

7. Subsequent Redevelopment Grantee shall commence and complete the Required Work as set forth in Section 8 of the Agreement. The Subsequent Redevelopment Grantee shall complete the Required Work (as evidenced by the issuance of a Certificate of Completion) no later than **September 30, 2010**.

8. Section 5 is hereby amended in its entirety to read as follows:

“SECTION 1. CONDITIONS TO THE CITY’S OBLIGATIONS

The obligations of the City to cause the ultimate conveyance of the Property to Subsequent Redevelopment Grantee are contingent upon Subsequent Redevelopment Grantee’s delivery to DCD, and DCD’s approval prior to the July 29, 2009 Transfer closing date (“Transfer Closing Date”), each of the following:

- A. Insurance. Evidence of insurance reasonably acceptable to DCD. The City shall be named as an additional insured on all liability insurance policies and as a loss payee (subject to the prior rights of any first mortgagee) on all property insurance policies.
- B. On January 17, 2006 the Grantee executed three separate reconveyance deeds reconveying the Property to HUD, the City, and CII (the “Reconveyance Deeds” which are held in trust by each entity as security for the Grantee’s performance of the HUD Obligations and its other obligations under the Agreement, as amended, and which HUD, the City and CII, at their election, may record. The Subsequent Redevelopment Grantee shall execute three separate reconveyance deeds (the “Subsequent Reconveyance Deeds”) reconveying the Property to each HUD, the City, and CII which shall be held in trust by each entity as security for the Subsequent Redevelopment Grantee’s performance of the HUD Obligations and its other obligations under the Agreement, as amended by the First Amended Agreement, and this Second Amended Agreement. HUD, the City and CII, at their election, may record their respective Subsequent Reconveyance Deed.
- C. Other Documents. Such other documents as may be required under the the Agreement, as amended by the First Amended Agreement, and this Second

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Amended Agreement, the HUD Contract or the UGA, or other documents that the City may reasonably require.

If any conditions in this Section 5 have not been satisfied to the City's reasonable satisfaction within the time period provided for herein, the City may, at its option, terminate this Agreement, as amended, in which event this Agreement, as amended, shall be null and void and, except as otherwise specifically provided, neither party shall have any further right, duty or obligation hereunder, or delay the Transfer Closing Date until such time as the Subsequent Redevelopment Grantee complies with this Section 5."

9. Schedule 1 attached to the Agreement shall be amended to correspond with and reflect the Subsequent Redevelopment Grantee information.

10. The Agreement, First Amended Agreement, and this Second Amended Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

11. A copy of any notice provided under the Agreement, First Amended Agreement, and this Second Amended Agreement shall also be delivered to the Subsequent Redevelopment Grantee at the following address:

1319 S. SPAULDING, LLC
141 S. Central Avenue
Chicago, Illinois 60626

12. This Second Amended Agreement may be executed in counterparts, and each counterpart shall, for all purposes for which an original of this Second Amended Agreement must be produced or exhibited, be the Second Amended Agreement, but all such counterparts shall constitute one and the same instrument.

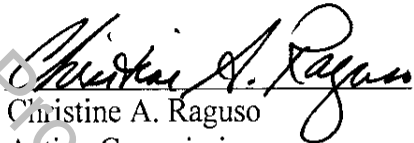
13. Except as otherwise provided in this Second Amended Agreement, the terms of the Agreement, as amended by the First Amended Agreement, remain in full force and effect obligating the Subsequent Redevelopment Grantee to all such terms.

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IN WITNESS WHEREOF, the CITY OF CHICAGO, BARIC LAWNDAL, LLC, and 1319 SOUTH SPAULDING, LLC have executed this Second Amended Agreement as of the first date written above.

CITY OF CHICAGO,
an Illinois municipal corporation

By: 
Christine A. Raguso
Acting Commissioner
Department of Community Development

GRANTEE:

BARIC LAWNDAL, LLC,
an Illinois limited liability company

By: _____
Barry Chernawsky
Its: Managing Member

SUBSEQUENT REDEVELOPMENT GRANTEE:

1319 S. SPAULDING, LLC,
an Illinois limited liability company

BY: HERRON PROPERTIES II, LLC,
an Illinois limited liability company

Its: Sole Member

By: _____
Johnnie B. Herron
ITS: MANAGER

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IN WITNESS WHEREOF, the CITY OF CHICAGO, BARIC LAWNSDALE, LLC, and 1319 S. SPALDING, LLC have executed this Second Amended Agreement as of the first date written above.

CITY OF CHICAGO,
an Illinois municipal corporation

By: _____
Christine A. Raguso
Acting Commissioner
Department of Community Development

GRANTEE:

BARIC LAWNSDALE, LLC,
an Illinois limited liability company

By: Barry Chernawsky
Barry Chernawsky
Its: Managing Member

SUBSEQUENT REDEVELOPMENT GRANTEE:

1319 S. SPALDING, LLC,
an Illinois limited liability company

BY: HERRON PROPERTIES II, LLC,
an Illinois limited liability company

Its: Sole Member

By: _____
Johnnie B. Herron
ITS: MANAGER

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IN WITNESS WHEREOF, the **CITY OF CHICAGO, BARIC LAWNSDALE, LLC,**
and **1319 SOUTH SPAULDING, LLC** have executed this Second Amended Agreement as of
the first date written above.

CITY OF CHICAGO,
an Illinois municipal corporation

By: _____
Cristine A. Raguso
Acting Commissioner
Department of Community Development

GRANTEE:

BARIC LAWNSDALE, LLC,
an Illinois limited liability company

By: _____
Barry Chernawsky
Its: Managing Member

SUBSEQUENT REDEVELOPMENT GRANTEE:

1319 S. SPAULDING, LLC,
an Illinois limited liability company

BY: HERRON PROPERTIES II, LLC,
an Illinois limited liability company

Its: Sole Member

By: Johnnie B. Herron
Johnnie B. Herron
ITS: MEMBER

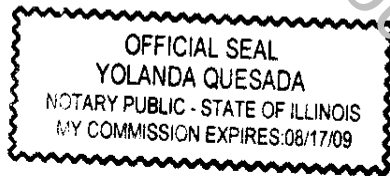
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Yolanda Quesada a Notary Public in and for said County, in the State aforesaid, do hereby certify that Christine A. Raguso, personally known to me to be the Acting Commissioner of Community Development of the City of Chicago, an Illinois municipal corporation, 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, being first duly sworn by me, acknowledged that, as the Acting Commissioner, she signed and delivered the foregoing instrument pursuant to authority given by the City of Chicago as her free and voluntary act and as the free and voluntary act and deed of the City of Chicago, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 28 day of July 2009.

Yolanda Quesada
NOTARY PUBLIC



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Sherry A. Hojnacki, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Barry Chernawsky, managing member of Baric Lawndale, LLC, 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, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument pursuant to authority given by Baric Lawndale LLC as his free and voluntary act, and the free and voluntary act of Baric Lawndale, LLC, for the uses and purposes therein set forth.

GIVEN under my notarial seal this 29 day of July, 2009.



Sherry A. Hojnacki
NOTARY PUBLIC

State of Illinois, County of Cook, SS. I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Johnnie Herron personally known to me the Manager of Herron Properties II, LLC, the Sole Member of 1319 S. SPALDING I, LLC, is the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the instrument as her free and voluntary act, and the free and voluntary act of Herron Properties II, LLC, the Sole Member of, 1319 S. SPALDING, LLC, for the uses and purposes therein set forth.

Given under my hand and official seal, this ___ day of _____, 2009.

Notary Public

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

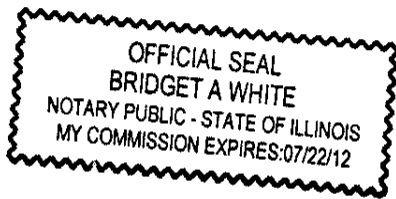
I, _____, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Barry Chernawsky, managing member of Baric Lawndale, LLC, and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and, being first duly sworn by me, acknowledged that he signed and delivered the foregoing instrument pursuant to authority given by Baric Lawndale LLC as his free and voluntary act, and the free and voluntary act of Baric Lawndale LLC, for the uses and purposes therein set forth.

GIVEN under my notarial seal this _____ day of _____, 2009.

NOTARY PUBLIC

State of Illinois, County of Cook, SS. I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Johnnie Herron personally known to me the Member of Herron Properties II, LLC, the Sole Member of 1319 S. Spaulding, LLC, is the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the instrument as her free and voluntary act, and the free and voluntary act of Herron Properties II, LLC, the Sole Member of 1319 S. Spaulding, LLC, for the uses and purposes therein set forth.

Given under my hand and official seal, this 21st day of July, 2009.



Bridget A. White

Notary Public

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EXHIBIT A LEGAL DESCRIPTION

LOT 29 IN SUB-BLOCK 2 OF BLOCK 2 IN PRESCOTT'S DOUGLAS PARK ADDITION TO CHICAGO BEING A SUBDIVISION OF BLOCKS 1, 2, 5 AND 10 IN CIRCUIT COURT PARTITION OF THE EAST ½ OF THE NORTHEAST ¼ AND THAT PART OF THE EAST ½ OF THE SOUTHEAST ¼ LYING NORTH OF THE CENTER LINE OF OGDEN AVENUE, IN SECTION 23, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as: 1319 S. Spaulding, Chicago, Illinois 60623

Permanent Index Number: 16-23-212-008-0000

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Schedule 1

- 1.A Subsequent Grantee: 1319 S. Spaulding, LLC
- 1.B Subsequent Grantee's Address: 141 S. Central Avenue, Chicago, Illinois 60626
- 1. C Number of Residential Units: Six (6)

The undersigned Subsequent Grantee has executed the foregoing Second Amended Redevelopment Agreement as of this 29th day of July, 2009.

Property of Cook County Clerk's Office