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Illinois Anti-Predatory Lending Database Program

Certificate of Exemption



Doc#: 1010510047 Fee: \$114.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/15/2010 03:30 PM Pg: 1 of 40

Report Mortgage Fraud
800-532-8785

The property identified as: **PIN:** 13-17-412-004-0000

Address:

Street: 5700 W. Berteau Ave.

Street line 2:

City: Chicago

State: IL

ZIP Code: 60634

Lender: Lutheran Church Extension Fund

Borrower: Luther North High School Association, Inc.

Loan / Mortgage Amount: \$1,851,000.00

This property is located within Cook County and is exempt from the requirements of 765 ILCS 77/70 et seq. because it is commercial property.

Certificate number: 172FC2DD-AEFB-43AA-B446-F4A606BEE424

Execution date: 04/13/2010

153414A 1071
First American Title Order #

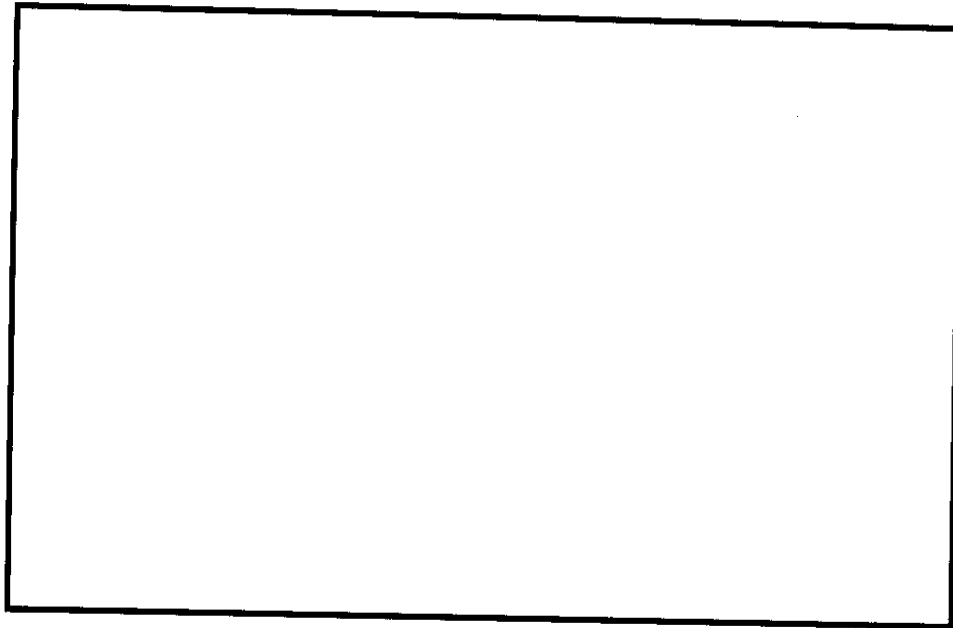
Property of Cook County Clerk's Office

40

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Address:
5700 W. Berteau Ave.
Chicago, IL 60634

Tax # 13-17-412-004-0000

**This Indenture Witnesseth, that the Mortgagor,**

North Star Trust Company, successor in interest to Banco Popular, successor in interest to American Midwest Bank and Trust and formerly known as Melrose Park Bank and Trust, of the City of Melrose Park, County of Cook, and State of Illinois, not personally but as Trustee of that certain Trust Agreement dated the twenty-third day of June, 1989 (Trust Number 6169), and Luther North School Association, Inc. an Illinois not for profit corporation, in its own behalf and as the organization named as the Beneficiary in the land trust in which, as of the date hereof, the real property described in Exhibit A, attached hereto is held.

MORTGAGES AND WARRANTS TO

Lutheran Church Extension Fund-Missouri Synod, a Missouri non-profit corporation
10733 Sunset Office Drive, Suite 300, St. Louis, MO 63127-1020

TO SECURE PAYMENT OF A CERTAIN PROMISSORY NOTE OF EVEN DATE AND LOAN AGREEMENT DATED AS OF APRIL 1, 2010, HEREWITH MORE FULLY SET FORTH ON THE ATTACHED EXHIBITS "B" "C" & "D"

THE FOLLOWING DESCRIBED REAL ESTATE, to-wit:

SEE ATTACHED EXHIBIT "A"

situated in the County of Cook in the State of Illinois hereby releasing and waiving all rights under and by virtue of the Homestead Exemption Laws of the State of Illinois, and all right to retain possession of said premises after any default in payment or breach of any of the covenants or agreements herein contained.

But It Is Expressly Provided and Agreed, That if default be made in the payment of the said promissory note, or of any part thereof, or the interest thereon, or any part thereof, at the time and in the manner above specified for the payment thereof, or in case of waste or non-payment of taxes or assessments on said premises, or of a breach of any of the covenants or agreements herein contained, then and in such case, the whole of said principal sum and interest, secured by the said promissory note in this mortgage mentioned, shall thereupon, at the option of the said Mortgagee, its successors, attorneys or assigns, become immediately due and payable; And this Mortgage may be immediately foreclosed to pay the same by said Mortgagee, its successors, attorneys, or assigns; And it shall be lawful for the Mortgagee, its successors, attorneys or assigns to enter into and upon the premises hereby granted, or any part thereof, and to receive and collect all rents, issues and profits thereof.

Upon the filing of any bill to foreclose this Mortgage in any Court having jurisdiction thereof, such Court may appoint any attorney or any proper person receiver, with power to collect the rents, issues and profits arising out of said premises during the pendency of such foreclosure suit, and until the time to

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redeem the same from any sale that may be made under any decree foreclosing this mortgage shall expire, and such rents, issues and profits, when collected, may be applied toward the payment of the indebtedness and costs herein mentioned and described: Upon filing a bill to foreclose this mortgage in any court of competent jurisdiction, there shall immediately become due any payable, an attorney's or solicitor's fee of any reasonable fee, to be taxed as costs in such suit. And upon the foreclosure and sale of said premises, there shall be first paid out of the proceeds of such sale all expenses of advertisement, selling and conveying said premises, said attorney's or solicitor's fees, and all other costs of such suit, and all moneys advanced for taxes, assessments and other liens, then there shall be paid the principal of said note whether due and payable by the terms thereof or not, and the interests thereon.

The Said Mortgagor covenant and agree that it will keep all buildings that may at any time be upon said premises insured in such companies as the holders of said note shall direct, for their full insurable value, and make the loss, if any, payable to, and deposit the policies of insurance with the party of the second part, or its assigns as a further security for the indebtedness aforesaid.

Dated as of the 15th day of April A.D. 2010.

North Star Trust Company, successor in interest to Banco Popular, successor in interest to American Midwest Bank and formerly known as Melrose Park Bank and Trust, of the City of Melrose Park, County of Cook, and State of Illinois not personally but as Trustee of that certain Trust Agreement dated the twenty-third day of June, 1989 (Trust Number 6169)

Silvia Medina

Silvia Medina

Printed Name, Title

SEAL

~~Trust Officer~~

Juanita Chandler

Juanita Chandler

Printed Name, Title

SEAL

~~Trust Officer~~

Trustee's Exoneration Rider Attached Hereto And Made A Part Hereof

Luther North School Association, Inc.

David R. Zielke

David Zielke, President

SEAL

Carolyn S. Fischer

Carolyn S. Fischer, Vice President

SEAL

Prepared by & return to:
Cynthia Y. Revelle
Lutheran Church Extension Fund-Missouri Synod
P.O. Box 229009
St. Louis, Missouri 63122-9009



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STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, Therese M. Lohse, a Notary Public, in and for, and residing in said County, in the State aforesaid, DO HEREBY CERTIFY, that Silvia Medina and Juanita Chandler personally known to me to be the same persons whose names subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead. *Trust Officer of NORTH STAR TRUST COMPANY

GIVEN under my hand and seal, this 15th day of APRIL A.D. 2010

Therese M. Lohse
Notary Public

My Commission Expires:



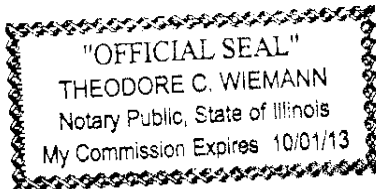
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, THEODORE C. WIEMANN, a Notary Public, in and for, and residing in said County, in the State aforesaid, DO HEREBY CERTIFY, that David Zielke and Carolyn Fisch... personally known to me to be the same persons whose names subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

GIVEN under my hand and seal, this 13th day of APRIL A.D. 2010

Theodore C. Wiemann
Notary Public

My Commission Expires:



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ATTACHED MORTGAGE EXONERATION RIDER

Land Trust no. 6169, dated 6/23/89

This MORTGAGE is executed by North Star Trust Company, not personally but as successor Trustee as aforesaid in the exercise of the power and authority conferred upon vested in it as such Trustee (and said Land Trustee, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein or in said Note contained shall be construed as creating any liability on the said Trustee or on said Land Trustee personally to pay the said Note or any interest that may accrue thereon, or any indebtedness accruing hereunder, or to perform any covenant either expressed or implied herein contained, or on account of any warranty or indemnification made hereunder, all such liability, if any, being expressly waived by Mortgagee and by every person now or hereafter claiming any right or security hereunder, and that so far as the trustee and its successors and said Land Trustee personally are concerned, the legal holder or holders of said Note and the owner or owners of any indebtedness accruing hereunder shall look solely to the premises hereby conveyed for the payment thereof, by the enforcement of the lien hereby created, in the manner herein and in said Note provided or by action to enforce the personal liability of the guarantor, if any.

County Clerk's Office

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Exhibit A

Legal Description

THAT PART OF THE NORTH THIRTY ACRES OF THE SOUTH SIXTY ACRES OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE NORTH LINE OF WEST BERTEAU AVENUE, AS OPENED BY ORDINANCE, (SAID NORTH LINE OF WEST BERTEAU AVENUE BEING 365.75 FEET NORTH OF THE NORTH LINE OF THE SOUTH THIRTY ACRES) AND LYING WEST OF THE WEST LINE OF THE EAST HALF OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SAID SECTION 17, IN COOK COUNTY, ILLINOIS

Property of Cook County Clerk's Office

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VARIABLE INTEREST ACCRUES
MONTHLY CHANGE DATE
PERMANENT SINGLE PAYMENT BALLOON NOTE

LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD
Sunset Corporate Center, 10733 Sunset Office Drive, Suite 300
St. Louis, Missouri 63127-1020
PROMISSORY NOTE FOR PERMANENT BALLOON LOAN

Date: April 15, 2010
Chicago, Illinois

\$2,187,022.24

1. FOR VALUE RECEIVED, the undersigned LUTHER NORTH SCHOOL ASSOCIATION, INC (the "Borrower"), a corporation organized under the laws of the State of Illinois, promises to pay to the order of LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD (the "Lender"), a Missouri nonprofit corporation, the principal sum of Two Million One Hundred Eighty-Seven Thousand Twenty-Two and 24/100 Dollars (\$2,187,022.24), together with interest thereon, as follows:

1.1 Interest. The rates of interest payable by Borrower to Lender hereunder are as follows:

1.1.1 Initial Interest Rate. From and including the date hereof until the first Change Date (as defined in 14.1), interest shall accrue and be payable on the principal balance from time to time outstanding at the rate of FIVE and ONE QUARTER percent (5.25%) per annum.

1.1.2 Variable Interest Rate. From and including each Change Date, interest shall accrue and be payable on the principal balance from time to time outstanding at the Variable Interest Rate established in accordance with 14.4 for the period beginning with such Change Date and ending with and including the date immediately preceding the next Change Date.

1.2 Payment of Principal and Interest. The amount and due date of the payment of principal and interest due and payable hereunder shall be determined as below set forth:

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1.2.1 Accrual of Interest. From and including the date hereof, interest shall accrue on the principal balance hereof at the rate of interest stated in 1.1. However, no payment of interest shall be due hereunder until required to be paid in accordance with 1.2.2.

1.2.2 Single Payment. Borrower shall pay to Lender, on the Maturity Date (as defined in 14.2), all amounts then owing and unpaid under this Promissory Note, including (i) the full balance of the principal sum, (ii) all accrued and unpaid interest, (iii) any penalties payable under the terms of this Promissory Note, and (iv) all legal and other expenses incurred by Lender in conjunction with the negotiation, documentation and administration of the loan evidenced by this Promissory Note.

2. Disbursement of Principal. Borrower acknowledges that Lender may disburse, prior to the Maturity Date, the principal in the amount stated in 1 in one disbursement or in increments, as Lender determines.

3. Application of Payments. All payments on account of the indebtedness evidenced by this Promissory Note shall be first applied to the payment of accrued but unpaid interest, then to principal and the excess remaining thereafter shall be applied to the payment of late charges, if any, due and payable.

4. Place of Payment. All payments hereunder shall be made to Lender at such place and in such manner as Lender may from time to time require.

5. Prepayment. Borrower reserves the right to prepay this Promissory Note in whole, or subject to the conditions hereinafter stated, or in part, on any date prior to the Maturity Date without premiums or penalty and without prior notice to the Lender. Any such prepayment shall be first applied against accrued but unpaid interest, and the excess, if any, shall be applied against principal. No such partial prepayment shall relieve Borrower of its obligation to pay the payment due hereunder.

6. Dissolution, Merger, Use of Security, Recognized Service Organization Status. In the event that Borrower shall be dissolved, merge with any other corporation or entity, cease to be recognized by The Lutheran Church-Missouri Synod as a Recognized Service Organization,

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or cease to use the real estate subject to the aforementioned deed of trust or mortgage for the religious, charitable, or educational purposes of the Borrower, the entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of Lender.

7. Further Borrowing. In the event that Borrower shall, subsequent to the date hereof, engage in further borrowing, or become voluntarily indebted to any other lender, without the written consent of the Lender, the entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of the Lender.

8. Default in Payment or Performance. The entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of the Lender in the event of any of the following: (i) default in the payment of any payment when due in accordance with the terms hereof, (ii) default in the performance of any agreement contained in the mortgage or deed of trust securing payment of this Promissory Note, (iii) default in the performance of any agreement or obligation of Borrower under that certain Promissory Note given by Borrower to Lender in the original principal amount of Two Million One Hundred Eighty-Seven Thousand Twenty-Two and 24/100 Dollars (\$2,187,022.24) dated April 21, 2005, as well as any other agreement given by Borrower in favor of Lender including, but not limited to, any agreement contained in any other promissory note, mortgage, deed of trust, assignment, pledge, security agreement, or guaranty.

9. Late Charge. If the payment due hereunder is not paid when due, whether at stated maturity or by declaration, a late charge penalty of two percent (2%) of such past due amount shall be added to the amounts due hereunder, except that such late charge penalty shall not exceed the maximum amount permitted by law. Should interest not be paid when due, it shall thereafter bear like interest as the principal, but such unpaid interest so compounded shall not exceed an amount equal to simple interest on the unpaid principal at the maximum rate permitted by law.

10. No Waiver. No delay, omission or indulgence by Lender in exercising or enforcing any rights or remedies shall impair or affect the same or be construed to be a waiver of or acquiescence in any default. Any single or partial exercise of any rights or remedies shall not preclude any other or further exercise thereof. No waiver by the Lender shall be valid unless in writing signed by said Lender, and then only to the extent specifically set forth in said writing.

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11. Time is of the Essence. Time for the payment and performance of each and all of the obligations of the Borrower shall be of the essence hereof.
12. Assignment. The terms and provisions of this Promissory Note shall inure to the benefit of any assignee, transferee, or holder or holders hereof, and, in the event of any transfer or assignment of this note, each and all of the rights, remedies, powers, privileges and benefits herein granted the Lender shall automatically be vested in the assignee, transferee, holder or holders. Lender may, at any time, sell, transfer, assign or grant participations in this Promissory Note, any mortgage(s) or deed(s) of trust or other security instrument(s) securing this Promissory Note, and any other related loan documents.
13. Waiver of Presentment, Protest, Notice. Borrower and all endorsers hereof severally waive presentment for payment, protest, notice of non-payment and of protest, and agree to pay all costs of loan documentation, administration, collection, restructuring, work out and enforcement, including all related attorneys' fees.
14. Definitions. For purposes of this Promissory Note, the following words and phrases shall have the following meanings:
- 14.1 "Change Date" shall mean every Monthly Due Date after the date hereof.
- 14.2 "Maturity Date" shall mean July 31, 2010.
- 14.3 "Monthly Due Date" shall mean the fifteenth day in each month, beginning with the first calendar month following the date hereof.
- 14.4 "Variable Interest Rate" shall mean that rate of interest, per annum, determined for each Change Date by Lender, adding up to (as it determines) two percentage points to Lender's Cost of Funds. Lender's Cost of Funds is the weighted average annual rate of interest, determined by Lender on a date selected by it, based upon the interest and other costs payable on or with respect to such of its outstanding investment and other obligations as shall be determined by Lender pursuant to Lender's lending procedures as in effect from time to time.
15. Security; Right of Setoff; Attorneys and Other Expenses; Disclosure of Information.

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15.1 Security. This Promissory Note is secured by a deed of trust or mortgage executed as of the same date this Promissory Note has been signed, on real estate situated in the County of Cook, State of Illinois.

15.2 Right of Setoff. Upon the occurrence of any default in the payment of any payment when due in accordance with the terms hereof or any default in the performance of any other agreement contained in this Promissory Note or in any mortgage or deed of trust securing payment of this Promissory Note, Lender is hereby authorized without notice to the Borrower (any such notice being expressly waived by Borrower) to set off and apply any and all deposits or other investments at any time held by Lender for Borrower's account against any and all of Borrower's obligations hereunder, under any mortgage or deed of trust securing payment hereunder, and/or under any other agreement or obligation, whether now or hereafter owing, irrespective of whether or not Lender shall have made any demand hereunder or thereunder. The rights of Lender under this paragraph are in addition to any other rights and remedies Lender may have. Nothing contained in this Promissory Note or in any mortgage or deed of trust securing payment of this Promissory Note shall impair the right of Lender to exercise any right of setoff it may have against the Borrower.

15.3 Attorneys and Other Expenses. If, as a result of the occurrence of any default in the payment of any payment when due in accordance with the terms hereof or any default in the performance of any other agreement contained in this Promissory Note or in any mortgage or deed of trust securing payment of this Promissory Note, Lender employs attorneys or incurs other expenses for the collection of payments due hereunder or thereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Borrower hereunder or thereunder, the Borrower shall be liable to and shall, on demand, reimburse Lender for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

15.4 Disclosure of Information. Borrower shall provide to Lender such information (including nonfinancial information) as Lender may request from time to time in its sole discretion including, but not limited to, the following: (i) annual, quarterly or monthly financial statements including statements of financial position, statements of activities and changes in unrestricted net assets and statements of cash flows, (ii) year-to-date statements of operations as compared to budget, and (iii) cash flow projections.

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IN WITNESS WHEREOF, the Borrower has executed this Promissory Note as of the date first above stated.

LUTHER NORTH SCHOOL ASSOCIATION, INC.

BY: _____
David Zielke, President

BY: _____
Carolyn S. Fischer, Vice President

500.900104, 09081057

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Exhibit C

Loan Agreement

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LOAN AGREEMENT

THIS LOAN AGREEMENT (the "Agreement") is made and entered into as of the 1st day of April, 2010, by and between LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD ("LCEF"), a Missouri nonprofit corporation, having its principal office at Sunset Corporate Center, 10733 Sunset Office Drive, Sunset Hills, Missouri 63127-1219 and LUTHER NORTH SCHOOL ASSOCIATION, INC. ("LNSA"), an Illinois non-profit corporation, having its principal office at 5700 West Berteau Avenue, Chicago, Illinois 60634.

Recitals

1. LNSA is indebted to LCEF pursuant to a Promissory Note (the "Note") dated April 21, 2005, in the original principal amount of Two Million One Hundred Eighty-Seven Thousand Twenty-Two and 24/100 Dollars (\$2,187,022.24) (the loan evidenced by the Note being referred to as the "Current Loan"). The Current Loan and the repayment of the obligations related thereto is secured by a mortgage encumbering the School Property (hereinafter defined) dated April 20, 2005, executed by North Star Trust Company and LNSA for the benefit of LCEF (the "Current Loan Mortgage").
2. LNSA has been in continuous default under the Note for more than seven (7) months and remains in default as of the date of this Agreement.
3. In addition to the delinquent amounts owed by LNSA to LCEF with respect to the Current Loan, LNSA is also significantly delinquent in its payments to Concordia Plan Services and to many of its vendors and trade creditors (the "Creditor Obligations"), and LNSA has determined that by June 30, 2010, the amount of those Creditor Obligations will be approximately One Million Three Hundred Thousand and 00/100 Dollars (\$1,300,000.00).
4. In order to permit LNSA to satisfy its Creditor Obligations and to provide a source of funding to make severance payments to its employees in the event it is unable to continue its current operations (the "Severance Payments"), LNSA has requested that LCEF make a loan to it (the "Additional Loan") in the maximum principal amount of One Million Eight Hundred Fifty-One Thousand and 00/100 Dollars (\$1,851,000.00) to be advanced in two stages: the first stage (the "Stage One Advance") being the advance of up to One Million Three Hundred Thousand and 00/100 Dollars to pay, at such times as LCEF may determine to be appropriate, all or a portion (as determined by LCEF) of the Creditor Obligations initially identified under the heading "Disbursements" on Exhibit A hereto, and the second stage (the "Stage Two Advance") being the advance of up to Five Hundred Fifty-One Thousand and 00/100 Dollars (\$551,000.00) to be disbursed to make such Severance Payments, if any, and in such amounts and on such terms as LCEF may approve.
5. LNSA currently operates a high school (the "School") on real property located at 5700 West Berteau Avenue, Chicago, Illinois 60634 (the "School Property").

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6. LNSA has agreed that unless (a) by May 1, 2010 it has obtained, in cash, contributions in the minimum amount of One Million Three Hundred Thousand and 00/100 Dollars (\$1,300,000.00) and has repaid in full the then outstanding balance of the Additional Loan (the "Loan Fund Campaign Precondition") or has entered into a binding contract for sale of the School Property on terms satisfactory to LCEF (the "Sale Contract Precondition" and together with the Loan Fund Campaign Precondition, the "May 1 Precondition"), and (b) by June 1, 2010 it has obtained, in cash, additional contributions in the minimum amount of Five Hundred Thousand and 00/100 Dollars (\$500,000.00) and with such funds established an account (the "Account") with LCEF to be available to LNSA with approval of LCEF to make payment of future obligations of LNSA in the event of extraordinary circumstances (the "Capital Campaign Goal Precondition") or it has consummated the sale of the School Property and repaid, in full, the Current Loan, the Additional Loan and all other amounts owed or otherwise due to LCEF, including, but not limited to, legal and other expenses incurred by LCEF in conjunction with the documentation and administration of the Additional Loan (the "Property Sale Precondition" and together with the Capital Campaign Goal Precondition, the "June 1 Precondition") (the "June 1 Precondition" and the May 1 Precondition will be referred to collectively as the "Preconditions").
7. LNSA has further agreed that in the event that either the May 1 Precondition or the June 1 Precondition is not met it will (a) close the School at its present location at the end of the 2009/2010 school year and vacate the School Property by July 1, 2010, and (b) immediately authorize LCEF, on behalf of LNSA, to list the School Property for sale or otherwise solicit interested buyers, select a buyer, negotiate the sale price and other terms and conditions of the sale and consummate the sale of the School Property. The proceeds from the sale will be used first to repay, in full, the Current Loan, the Additional Loan, legal and other expenses incurred by LCEF in conjunction with the documentation and administration of the Additional Loan, and all other amounts owed or otherwise due to LCEF or incurred by LCEF in conjunction with the maintenance and sale of the School Property and then to pay any other debts or obligations of LNSA then outstanding (collectively, the amounts due LCEF and third parties being referred to as the "Outstanding Obligations" and the amount of sale proceeds remaining after payment of the Outstanding Obligations being referred to as the "Excess Sale Proceeds").
8. LNSA has further agreed that any Excess Sale Proceeds will be distributed in the same manner as provided in the governing documents of LNSA for distribution of the funds of LNSA upon a dissolution or liquidation of LNSA.
9. The School Property is held in a land trust under Trust Agreement dated June 23, 1989, and known as Trust Number 6169 (the "Trust") with North Star Trust Company serving as successor trustee (the "Trustee").
10. As security for the payment of all current or thereafter existing obligations of LNSA to LCEF, LNSA assigned its beneficial interest in the Trust to LCEF pursuant to that certain Collateral Assignment of Beneficial Interest dated as of October 1, 1991 (the "Assignment") which Assignment was accepted by LCEF and the Trustee. The Current Loan is secured by the Assignment and LNSA has agreed that (a) the Current Loan will remain so

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secured and (b) the Additional Loan and the obligations of LNSA with respect thereto will also be secured by the Assignment.

11. The Additional Loan and the obligations of LNSA with respect thereto will be further secured by a mortgage on the School Property executed by the Trustee at the direction of LNSA in favor of LCEF (the "Additional Loan Mortgage") and junior only to the Current Loan Mortgage.

12. As additional security for the Current Loan LNSA executed and delivered to LCEF a Direction to Convey, which is held in escrow by LCEF pursuant to the terms of an Escrow Agreement between LNSA and LCEF dated April 21, 2005 (as amended and supplemented from time to time, the "Escrow Agreement") and which contemplates that upon default by LNSA with respect to the Current Loan, LCEF has the right to deliver the Direction to Convey to the Trustee whereupon the Trustee will convey the School Property to LCEF without foreclosure or other legal proceeding. It is the intention of LNSA that the Current Loan remain secured by such Direction to Convey and that the Additional Loan and the obligations of LNSA with respect thereto also be secured by such Direction to Convey and that the Escrow Agreement be amended to accomplish this purpose. In addition LNSA has agreed to deliver and to direct the Trustee to deliver such additional deeds or other documents as LCEF may determine to be necessary to give it the right to take title to the School Property without foreclosure or other judicial proceedings (the Direction to Convey, Escrow Agreement and all other documents executed and/or delivered to LCEF by or on behalf of LNSA at any time pursuant to this paragraph being collectively referred to as the "Re-Conveyance Documents"). If both the Sale Contract Precondition and the Property Sale Precondition are met, LCEF will immediately return the Re-Conveyance Documents to LNSA. Otherwise, LCEF will have no obligation to release the Re-Conveyance Documents to LNSA until the Outstanding Obligations and any other amounts due to LCEF by LNSA have been paid in full.

NOW THEREFORE, in consideration of the agreements, covenants, conditions, representations and warranties contained herein and other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

ARTICLE I The Additional Loan

1.1 The Loan. LCEF will make the Additional Loan to LNSA in the amount of One Million Eight Hundred Fifty-One Thousand and 00/100 Dollars (\$1,851,000.00) on the terms and conditions set out in this Agreement. The Additional Loan will bear interest at a variable rate of interest adjustable monthly, be due and payable on July 31, 2010 and be evidenced by a Promissory Note in the form attached hereto as Exhibit B (the "Additional Note").

1.2 Security for Loan. LNSA agrees that the Additional Loan is secured by the Additional Loan Mortgage, the Assignment and the Re-Conveyance Documents as well as the furniture, fixtures, equipment and other supplies of LNSA. The form of all documents evidencing the security for the Additional Loan must be in such form as is acceptable to LCEF in its sole discretion.

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1.3 Advance of Loan Proceeds. On or after the date that the conditions precedent set forth in Article IV are satisfied, LCEF will disburse the Stage One Advance in such amounts and at such times as needed by LNSA to satisfy any past due Creditor Obligations and any postclosing Creditor Obligations as they may become due and payable, including the payment to LCEF of the sum of One Hundred Twenty-Six Thousand Two Hundred Four and 83/100 Dollars (\$126,204.83) to satisfy certain obligations of LNSA with respect to the Current Loan. If the Loan Fund Campaign Precondition and the Capital Campaign Goal Precondition have not been met then on or after July 1, 2010, and before July 31, 2010, LCEF may, in its sole discretion, disburse the Stage Two Advance to make such Severance Payments, if any, and in such amounts and on such terms and conditions as LCEF may approve.

1.4 Expenses. LNSA will reimburse LCEF for all out of pocket costs and expenses incurred by LCEF in conjunction with the documentation and administration of the Additional Loan.

ARTICLE II Current Loan

2.1 Default.

(a) LNSA agrees that a default under this Agreement or the Additional Note will be a default under the Note. In order to evidence this Agreement LNSA further agrees to amend and restate paragraph 8 of the Note as set out below and such Paragraph 8, is hereby so amended and restated:

“8. Default in Payment or Performance. The entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of the Lender in the event of any of the following: (i) default in the payment of any installment of principal or interest when due in accordance with the terms hereof, (ii) default in the performance of any agreement contained in the mortgage or deed of trust securing payment of this Promissory Note, (iii) default in the performance of any agreement or obligation of Borrower under that certain Loan Agreement between Lender and Borrower dated as of April 1, 2010, that certain Promissory Note given by Borrower to Lender in the principal amount of One Million Eight Hundred Fifty-One Thousand and 00/100 Dollars (\$1,851,000.00) dated as of April 1, 2010 as well as any other agreement given by Borrower in favor of Lender including, but not limited to, any agreement contained in any other promissory note, mortgage, deed of trust, assignment, pledge, security agreement, or guaranty.”

(b) LCEF agrees that it will not, as a result of the failure by LNSA to make any regular monthly payment of principal or interest, declare a default with respect to or accelerate the payment of the Current Loan before July 31, 2010. Such forbearance by LCEF will in no way limit its right or ability to declare a default with respect to or accelerate the

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payment of the Current Loan for any other reason before July 31, 2010, or to declare a default with respect to or accelerate the payment of the Current Loan with respect to any principal or interest delinquency that may exist on or after July 31, 2010.

2.2 Security. The Note, as amended by Section 2.1, above, and as otherwise amended by this Agreement is and continues to be secured by the Current Loan Mortgage, the Assignment and the Re-Conveyance Documents.

ARTICLE III Loan Fund Campaign and Capital Campaign

3.1 Loan Fund Campaign. All funds received by LNSA with respect to the Loan Fund Campaign will be held by LNSA in a segregated account until May 1, 2010. In the event that on May 1, 2010 the funds in such account are sufficient to repay, in full, the then outstanding balance of the Additional Loan, LNSA will repay the Additional Loan on or before May 4, 2010. If the funds in such account are insufficient for such purpose LNSA will, unless otherwise instructed by the donors, immediately return all such funds to the donors.

3.2 Capital Campaign. All funds received by LNSA with respect to the Capital Campaign will be held by LNSA in a separate segregated account until June 1, 2010. In the event that on May 1, 2010, the funds in such account equal or exceed the sum of Five Hundred Thousand and 00/100 Dollars (\$500,000.00), LNSA will fund the Account with LCEF on or before June 3, 2010. If the funds in such account are less than Five Hundred Thousand and 00/100 Dollars (\$500,000.00) LNSA will, unless otherwise instructed by the donors, immediately return all such funds to the donors.

3.3 If established, the Account will be held by LCEF in an interest bearing account. As long as LNSA has any outstanding obligation to LCEF, LNSA will be able to access the funds in the Account, at the discretion of and approval of LCEF, only to make payment of future obligations of LNSA in the event of extraordinary circumstances.

ARTICLE IV Operation of the School and Sale of the School Property

4.1 Cessation of Operation. In the event that the Preconditions are not timely met LNSA will cease operation of the School at the end of 2009/2010 school year and vacate the School Property by July 1, 2010. Until the School Property is vacated LNSA will continue to maintain all appropriate property and casualty, general liability, workers compensation and other insurance in place and to appropriately maintain the School Property. Prior to vacating the School Property LNSA will remove and retain all of its records, all property of historic value and all personal property of faculty and staff and will leave the School Property in a clean condition, free of all trash and other items not having a significant monetary value or of any reasonable use to a new owner and in a condition appropriate to be offered for sale. Except as otherwise provided in this Section 4.1, LNSA will leave all furniture, fixtures and other personal property, supplies and equipment on the School Property.

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4.2 Sale of Property. If the May 1 Precondition has not been timely met, or if timely met then the June 1 Precondition has not been timely met then, immediately upon the failure to meet either such Precondition, LNSA authorizes LCEF, on behalf of LNSA, to take such steps as it may deem necessary to list the School Property for sale and otherwise solicit interested buyers, select a buyer for the School Property, negotiate, in its sole discretion, the purchase price and other terms and conditions of the sale of the School Property and consummate the sale of the School Property. In order to vest LCEF with the power to carry out the foregoing, LNSA hereby designates and appoints LCEF as its attorney in fact with the power and authority to offer the School Property for sale, negotiate, in its sole discretion, the purchase price and terms of the sale of the School Property and to consummate such sale. LNSA further agrees to authorize and execute any such other or additional documents as LCEF may, at any time, reasonably request to evidence or otherwise support its authority to carry out such sale functions.

4.3 Use of Proceeds. In the event that the School Property is sold either in fulfillment of the Property Sale Precondition or by LCEF as provided Section 4.2 above the parties agree that the net sale proceeds will be first used to repay, in full, the Current Loan, the Additional Loan, legal and other expenses incurred by LCEF in conjunction with the documentation and administration of the Additional Loan and all other amounts owed or otherwise due to LCEF or incurred by LCEF in conjunction with the maintenance and sale of the School Property and then to pay any other debts and obligations of LNSA then outstanding and the Excess Sale Proceeds will then be distributed by LNSA, or if at the time of sale, LCEF should have acquired title to the School Property, by LCEF in the manner provided in the governing documents of LNSA for distribution of funds of LNSA upon the dissolution or liquidation of LNSA.

ARTICLE V Re-Conveyance Documents

5.1 Intent of LNSA. LNSA hereby declares its intention that, upon default of any obligation related to either the Current Loan or the Additional Loan (including but not limited to the Note, the Additional Note and this Agreement) (a "Loan Default"), LCEF has the right to immediately acquire title to the School Property without foreclosure or other judicial proceedings. In order to accomplish this with respect to the Current Loan, LNSA has delivered the Direction to Convey to LCEF to be held pursuant to the terms of the Escrow Agreement. In order to extend this right to LCEF in the event of a default under the Additional Loan, LNSA agrees to execute a First Amendment to Escrow Agreement in the form attached hereto as Exhibit C.

5.2 Additional Documents. In order to assure that LCEF has the right to obtain title to the property upon any Loan Default without need for foreclosure or judicial proceedings, LNSA further agrees to deliver and to direct the Trustee to deliver such additional deeds or other documents as LCEF may at any time request to assure that LCEF has the right in the event of a Loan Default, to cause title to the School Property to be vested in its name without the need for foreclosure or other judicial proceedings.

5.3 Return of Re-Conveyance Documents. If both the Sale Contract Precondition and the Property Sale Precondition are met, LCEF agrees to immediately return the Re-Conveyance

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Documents to LNSA. Otherwise, LCEF will have no obligation to release or return the Re-Conveyance Documents to LNSA until the Outstanding Obligations and all other amounts due to LCEF from LNSA have been paid in full.

ARTICLE VI

Conditions Precedent to Closing and Funding of Additional Loan

6.1 LCEF will be under no obligation to close and/or fund the Additional Loan until all documents contemplated by this Agreement have been executed and all conditions established by this Agreement have been fulfilled. Further, LCEF will have no obligation to fund the Stage Two Advance unless it, in its sole discretion, determines that the Severance Payments to be so funded are appropriate.

ARTICLE VII

Defaults and Remedies

7.1 Events of Default. The occurrence of any of the following events shall constitute an Event of Default hereunder.

- (a) Subject to the other provisions of this Agreement, any failure by LNSA to make timely payment of any amounts due with respect to the Current Loan or the Additional Loan or any other indebtedness owing to LCEF.
- (b) Any failure by LNSA to perform any covenant, condition or other requirement of this Agreement which breach is not cured to LCEF's satisfaction on or before the expiration of ten (10) days after receipt from LCEF of written notice of such failure to pay or perform.
- (c) The filing of any claim or lien against the School Property or any part thereof.
- (d) Any judgment in excess of Ten Thousand and 00/100 Dollars (\$10,000.00) is entered in any court against LNSA and is not satisfied in full within thirty (30) days after all rights to appeal from the same have expired, or any writ of execution or attachment or similar process is issued against the School Property or any interest therein.
- (e) LNSA sells, transfers or hypothecates, encumbers or assigns its interest in the School Property or any portion thereof whether voluntarily or involuntarily, or by operation or law.
- (f) Any merger of LNSA with or into another entity or the disposition by LNSA of all or substantially all of its assets or the dissolution of LNSA.
- (g) The occurrence of any of the following:

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(i) admission by LNSA of insolvency or bankruptcy or its inability or failure to pay its debts as they become due, or the making by LNSA of an assignment for the benefit of creditors or the application for or consent to the appointment of a trustee, custodian or receiver for LNSA or for the substantial part of its property or LNSA is generally not paying its debts as such debts become due; or

(ii) appointment of a trustee, custodian or receiver for LNSA or for the substantial part of its property and the failure to obtain a discharge of such appointment within sixty (60) days after such appointment; or

(iii) institution of bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings, proceedings under Title XI of the United States Code, as amended, or other proceeding for relief under any bankruptcy law or similar law for the relief of debtors by or against LNSA and the failure of LNSA to dismiss, stay or otherwise nullify the same within sixty (60) days after the institution thereof.

(h) The documents evidencing the Current Loan and the Additional Loan shall at any time for any reason cease to be in full force and effect or should be declared to be null and void or the validity or enforceability thereof shall be contested by LNSA or the transactions contemplated hereunder shall be contested by LNSA or if LNSA should deny in writing that it has any further liability or obligation hereunder or under the documents evidencing the Current Loan and the Additional Loan.

7.2 Remedies. Upon the occurrence of Event of Default, LCEF may, in addition to any other remedies which LCEF may have hereunder or any of the other documents contemplated hereby or evidencing the Current Loan or Additional Loan or by law, at its option and without prior demand or notice, take any or all of the following actions:

(a) Immediately terminate any further advance of the proceeds of the Additional Loan.

(b) Declare the Note and Additional Note immediately due and payable and record a notice of default under the Current Loan Mortgage and the Additional Loan Mortgage and take such action as LCEF may determine to be necessary to exercise its rights under any and all documents securing the Current Loan and/or the Additional Loan and/or the Re-Conveyance Documents.

ARTICLE VIII

Ratification

8.1 Except as extended and modified herein all terms and conditions of the Note, the Current Loan Mortgage, the Assignment and the Re-Conveyance Documents are hereby ratified and confirmed in all respects.

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IN WITNESS WHEREOF, LNSA and LCEF have executed this Agreement as of the day first written above by and through their duly authorized representatives.

“LNSA”

LUTHER NORTH SCHOOL ASSOCIATION,
INC., an Illinois nonprofit corporation

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On _____, 2010, before me, _____, personally appeared _____ and _____ personally known to me (or proved to me on the basis of satisfactory evidence) to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

Witness my hand and official seal.

Notary Public

My commission expires:

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IN WITNESS WHEREOF, LNSA and LCEF have executed this Agreement as of the day first written above by and through their duly authorized representatives.

“LCEF”

LUTHERAN CHURCH EXTENSION FUND-
MISSOURI SYNOD, a Missouri nonprofit
corporation

By: _____
Name: Larry D. Crume
Title: Senior Vice President for Loans
and Real Estate

STATE OF MISSOURI)
) ss.
COUNTY OF ST. LOUIS)

On _____, 2010, before me, _____, personally appeared Larry D. Crume, personally known to me (or proved to me on the basis of satisfactory evidence) to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person or the entity upon behalf of which the person acted, executed the instrument.

Witness my hand and official seal.

Notary Public

My commission expires:

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EXHIBIT A

Creditor Obligation to be paid with Stage One Advance

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LUTHER HIGH SCHOOL NORTH
 Estimated Cash Flow (Receipts and Disbursements)
 March 1, 2010 through June 30, 2010

	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
RECEIPTS				
Tuition	\$ 80,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Rental of Facilities	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,500.00
TS Receipts	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Gift Revenue	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00	\$ 1,000.00
Student Fines	\$ 1,000.00	\$ 1,000.00	\$ 500.00	\$ -
EI Band	-	-	\$8,000	-
Total Receipts	86,500.00	66,500.00	74,000.00	5,500.00
DISBURSEMENTS				
Accrued A/P 3/1/2010	599,029.33	0.00	0.00	0.00
Wages and Salaries/Social Security	108,000.00	108,000.00	108,000.00	108,000.00
Benefits-Concordia Health Plans	26,000.00	26,000.00	26,000.00	26,000.00
LCEF Loan	13,759.00	13,759.00	13,759.00	13,759.00
Xerox	4,100.00	4,100.00	4,100.00	4,100.00
Bus Lease	655.00	655.00	655.00	655.00
Yearbook	0.00	0.00	5,000.00	0.00
ADP Payroll	600.00	600.00	600.00	600.00
Postage	3,000.00	7,000.00	3,000.00	3,000.00
Telephone	1,660.00	1,660.00	1,660.00	1,660.00
Postage Meter Rental	0.00	0.00	980.00	0.00
Pest Service	70.00	70.00	70.00	70.00
Landscaping	1,265.00	1,265.00	1,265.00	1,265.00
Building Repairs	2,000.00	1,600.00	1,900.00	2,500.00
Cleaning/Operating	3,500.00	2,500.00	2,500.00	2,500.00
Gas	25,000.00	15,000.00	12,000.00	10,000.00
Light	5,000.00	5,000.00	5,000.00	5,000.00
Sewer	0.00	0.00	0.00	1,500.00
Maint/Other	300.00	300.00	300.00	300.00
Gasoline	900.00	600.00	1,000.00	800.00
Cleaning Service	4,600.00	4,600.00	4,600.00	4,600.00

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	0.00	0.00	2,500.00	2,500.00
Graduation	0.00	0.00	300.00	300.00
Bank Fees	300.00	300.00	50.00	50.00
Bookstore Sales Tax	50.00	50.00	150.00	150.00
Drug Testing	150.00	150.00	3,900.00	3,900.00
Vending Machines/Food Service	3,900.00	3,900.00	600.00	600.00
TS Sales Tax	600.00	600.00	1,150.00	1,150.00
TS Rent	1,150.00	1,150.00	75.00	75.00
TS Supplies	75.00	75.00	30.00	30.00
TS Phone	30.00	30.00	25.00	25.00
TS Services	25.00	25.00	0.00	0.00
Insurance	5,600.00	5,600.00	0.00	3,900.00
Valpo Leaps	0.00	0.00	4,860.00	0.00
Lutheran Special Services	0.00	4,860.00	100.00	100.00
Office Supplies	100.00	100.00	1,500.00	1,500.00
Spring Sports	2,575.00	2,575.00	2,575.00	2,575.00
Computer Maint	750.00	750.00	0.00	750.00
Department Expenses	0.00	5,000.00	0.00	0.00
Printing Costs	0.00	0.00	0.00	28,000.00
Auditing Expense	0.00	0.00	2,500.00	21,000.00
Demand Note	2,500.00	2,500.00	0.00	2,500.00
Misc	0.00	0.00	0.00	0.00
Capital Campaign Feasibility Study	0.00	0.00	0.00	0.00
Total Disbursements	817,243.33	222,374.00	213,454.00	255,414.00
Deficit (Total receipts less total disbursements)	-730,743.33	-155,874.00	-139,454.00	-249,914.00

NOTES

1. Payable for June are booked, but will have to be paid in July

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EXHIBIT B

Form of Promissory Note



Property of Cook County Clerk's Office

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VARIABLE INTEREST ACCRUES
MONTHLY CHANGE DATE
PERMANENT SINGLE PAYMENT BALLOON NOTE

LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD
Sunset Corporate Center, 10733 Sunset Office Drive, Suite 300
St. Louis, Missouri 63127-1020
PROMISSORY NOTE FOR PERMANENT BALLOON LOAN

Date: April 15, 2010
Chicago, Illinois

\$2,187,022.24

1. FOR VALUE RECEIVED, the undersigned LUTHER NORTH SCHOOL ASSOCIATION, INC. (the "Borrower"), a corporation organized under the laws of the State of Illinois, promises to pay to the order of LUTHERAN CHURCH EXTENSION FUND-MISSOURI SYNOD (the "Lender"), a Missouri nonprofit corporation, the principal sum of Two Million One Hundred Eighty-Seven Thousand Twenty-Two and 24/100 Dollars (\$2,187,022.24), together with interest thereon, as follows:

1.1 Interest. The rates of interest payable by Borrower to Lender hereunder are as follows:

1.1.1 Initial Interest Rate. From and including the date hereof until the first Change Date (as defined in 14.1), interest shall accrue and be payable on the principal balance from time to time outstanding at the rate of FIVE and ONE QUARTER percent (5.25%) per annum.

1.1.2 Variable Interest Rate. From and including each Change Date, interest shall accrue and be payable on the principal balance from time to time outstanding at the Variable Interest Rate established in accordance with 14.4 for the period beginning with such Change Date and ending with and including the date immediately preceding the next Change Date.

1.2 Payment of Principal and Interest. The amount and due date of the payment of principal and interest due and payable hereunder shall be determined as below set forth:

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1.2.1 Accrual of Interest. From and including the date hereof, interest shall accrue on the principal balance hereof at the rate of interest stated in 1.1. However, no payment of interest shall be due hereunder until required to be paid in accordance with 1.2.2.

1.2.2 Single Payment. Borrower shall pay to Lender, on the Maturity Date (as defined in 14.2), all amounts then owing and unpaid under this Promissory Note, including (i) the full balance of the principal sum, (ii) all accrued and unpaid interest, (iii) any penalties payable under the terms of this Promissory Note, and (iv) all legal and other expenses incurred by Lender in conjunction with the negotiation, documentation and administration of the loan evidenced by this Promissory Note.

2. Disbursement of Principal. Borrower acknowledges that Lender may disburse, prior to the Maturity Date, the principal in the amount stated in 1 in one disbursement or in increments, as Lender determines.

3. Application of Payments. All payments on account of the indebtedness evidenced by this Promissory Note shall be first applied to the payment of accrued but unpaid interest, then to principal and the excess remaining thereafter shall be applied to the payment of late charges, if any, due and payable.

4. Place of Payment. All payments hereunder shall be made to Lender at such place and in such manner as Lender may from time to time require.

5. Prepayment. Borrower reserves the right to prepay this Promissory Note in whole, or subject to the conditions hereinafter stated, or in part, on any date prior to the Maturity Date without premiums or penalty and without prior notice to the Lender. Any such prepayment shall be first applied against accrued but unpaid interest, and the excess, if any, shall be applied against principal. No such partial prepayment shall relieve Borrower of its obligation to pay the payment due hereunder.

6. Dissolution, Merger, Use of Security, Recognized Service Organization Status. In the event that Borrower shall be dissolved, merge with any other corporation or entity, cease to be recognized by The Lutheran Church-Missouri Synod as a Recognized Service Organization,

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or cease to use the real estate subject to the aforementioned deed of trust or mortgage for the religious, charitable, or educational purposes of the Borrower, the entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of Lender.

7. Further Borrowing. In the event that Borrower shall, subsequent to the date hereof, engage in further borrowing, or become voluntarily indebted to any other lender, without the written consent of the Lender, the entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of the Lender.

8. Default in Payment or Performance. The entire principal sum remaining unpaid hereunder, together with accrued interest, may be declared immediately due and payable at the option of the Lender in the event of any of the following: (i) default in the payment of any payment when due in accordance with the terms hereof, (ii) default in the performance of any agreement contained in the mortgage or deed of trust securing payment of this Promissory Note, (iii) default in the performance of any agreement or obligation of Borrower under that certain Promissory Note given by Borrower to Lender in the original principal amount of Two Million One Hundred Eighty-Seven Thousand Twenty-Two and 24/100 Dollars (\$2,187,022.24) dated April 21, 2005, as well as any other agreement given by Borrower in favor of Lender including, but not limited to, any agreement contained in any other promissory note, mortgage, deed of trust, assignment, pledge, security agreement, or guaranty.

9. Late Charge. If the payment due hereunder is not paid when due, whether at stated maturity or by declaration, a late charge penalty of two percent (2%) of such past due amount shall be added to the amounts due hereunder, except that such late charge penalty shall not exceed the maximum amount permitted by law. Should interest not be paid when due, it shall thereafter bear like interest as the principal, but such unpaid interest so compounded shall not exceed an amount equal to simple interest on the unpaid principal at the maximum rate permitted by law.

10. No Waiver. No delay, omission or indulgence by Lender in exercising or enforcing any rights or remedies shall impair or affect the same or be construed to be a waiver or acquiescence in any default. Any single or partial exercise of any rights or remedies shall not preclude any other or further exercise thereof. No waiver by the Lender shall be valid unless in writing signed by said Lender, and then only to the extent specifically set forth in said writing.

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11. Time is of the Essence. Time for the payment and performance of each and all of the obligations of the Borrower shall be of the essence hereof.

12. Assignment. The terms and provisions of this Promissory Note shall inure to the benefit of any assignee, transferee, or holder or holders hereof, and, in the event of any transfer or assignment of this note, each and all of the rights, remedies, powers, privileges and benefits herein granted the Lender shall automatically be vested in the assignee, transferee, holder or holders. Lender may, at any time, sell, transfer, assign or grant participations in this Promissory Note, any mortgage(s) or deed(s) of trust or other security instrument(s) securing this Promissory Note, and any other related loan documents.

13. Waiver of Presentment, Protest, Notice. Borrower and all endorsers hereof severally waive presentment for payment, protest, notice of non-payment and of protest, and agree to pay all costs of loan documentation, administration, collection, restructuring, work out and enforcement, including all related attorneys' fees.

14. Definitions. For purposes of this Promissory Note, the following words and phrases shall have the following meanings:

14.1 "Change Date" shall mean every Monthly Due Date after the date hereof.

14.2 "Maturity Date" shall mean July 31, 2010.

14.3 "Monthly Due Date" shall mean the fifteenth day in each month, beginning with the first calendar month following the date hereof.

14.4 "Variable Interest Rate" shall mean that rate of interest, per annum, determined for each Change Date by Lender, adding up to (as it determines) two percentage points to Lender's Cost of Funds. Lender's Cost of Funds is the weighted average annual rate of interest, determined by Lender on a date selected by it, based upon the interest and other costs payable on or with respect to such of its outstanding investment and other obligations as shall be determined by Lender pursuant to Lender's lending procedures as in effect from time to time.

15. Security; Right of Setoff; Attorneys and Other Expenses; Disclosure of Information.

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15.1 Security. This Promissory Note is secured by a deed of trust or mortgage executed as of the same date this Promissory Note has been signed, on real estate situated in the County of Cook, State of Illinois.

15.2 Right of Setoff. Upon the occurrence of any default in the payment of any payment when due in accordance with the terms hereof or any default in the performance of any other agreement contained in this Promissory Note or in any mortgage or deed of trust securing payment of this Promissory Note, Lender is hereby authorized without notice to the Borrower (any such notice being expressly waived by Borrower) to set off and apply any and all deposits or other investments at any time held by Lender for Borrower's account against any and all of Borrower's obligations hereunder, under any mortgage or deed of trust securing payment hereunder, and/or under any other agreement or obligation, whether now or hereafter owing, irrespective of whether or not Lender shall have made any demand hereunder or thereunder. The rights of Lender under this paragraph are in addition to any other rights and remedies Lender may have. Nothing contained in this Promissory Note or in any mortgage or deed of trust securing payment of this Promissory Note shall impair the right of Lender to exercise any right of setoff it may have against the Borrower.

15.3 Attorneys and Other Expenses. If, as a result of the occurrence of any default in the payment of any payment when due in accordance with the terms hereof or any default in the performance of any other agreement contained in this Promissory Note or in any mortgage or deed of trust securing payment of this Promissory Note, Lender employs attorneys or incurs other expenses for the collection of payments due hereunder or thereunder or for the enforcement of performance or observance of any obligation or agreement on the part of the Borrower hereunder or thereunder, the Borrower shall be liable to and shall, on demand, reimburse Lender for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

15.4 Disclosure of Information. Borrower shall provide to Lender such information (including nonfinancial information) as Lender may request from time to time in its sole discretion including, but not limited to, the following: (i) annual, quarterly or monthly financial statements including statements of financial position, statements of activities and changes in unrestricted net assets and statements of cash flows, (ii) year-to-date statements of operations as compared to budget, and (iii) cash flow projections.

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IN WITNESS WHEREOF, the Borrower has executed this Promissory Note as of the date first above stated.

LUTHER NORTH SCHOOL ASSOCIATION, INC.

BY: _____
David Zielke, President

BY: _____
Carolyn S. Fischer, Vice President

500.900104, 09081057

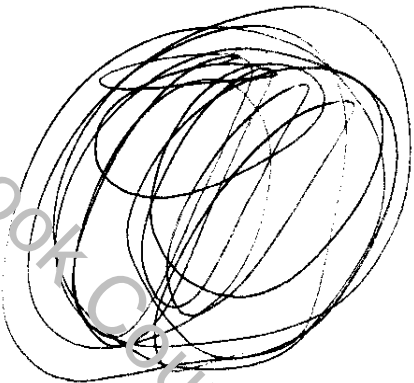
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EXHIBIT C

Form of First Amendment to Escrow Agreement

Property of Cook County Clerk's Office



UNOFFICIAL COPY**FIRST AMENDMENT TO
ESCROW AGREEMENT**

THIS FIRST AMENDMENT TO ESCROW AGREEMENT (the "Amendment"), dated as of the 15th day of April, 2010, is made and entered into by and between Luther North School Association, Inc ("Association ") and the Lutheran Church Extension Fund-Missouri Synod ("LCEF");

RECITALS

- A. On April 21, 2005, the Association borrowed the sum of \$1,450,000 from LCEF and executed a promissory note (the "Amortized Note"), which Amortized Note is still outstanding;
- B. The Association is the only beneficiary under that certain trust agreement dated the 23rd day of June, A.D., 1989, and known as Trust Number 6169, North Star Trust Company, successor-in-interest to Banco Popular, successor-in-interest to AmericanMidwest Bank and Trust, formerly known as Melrose Park Bank and Trust, as Trustee (hereinafter, "Trust"), which Trust holds title the real property utilized by the Association to operate a high school located at 5700 West Berteau Avenue, Chicago, Illinois 60634 (the "School Property");
- C. As a portion of the security granted by the Association to LCEF securing repayment of the Amortized Note and pursuant to that certain Escrow Agreement between the Association and LCEF dated April 21, 2005 (the "Escrow Agreement"), the Association executed a Direction to Convey (the "Direction to Convey") directing the Trustee to convey the Association's beneficial interest in the Trust to LCEF, which Direction to Convey was delivered to and is held in escrow by LCEF;
- D. The Association has requested that LCEF make an additional loan to it (the "Additional Loan") in the maximum principal amount of One Million Eight Hundred Fifty-One Thousand and 00/100 Dollars (\$1,851,000.00);
- E. LCEF shall has agreed to make the Additional Loan to the Association, in exchange for the Association's execution of a loan agreement, new promissory note and direction to the Trustee to grant a new mortgage on the School Property to LCEF (the loan agreement, new promissory note, the mortgage and any other documentation necessary to document the loan shall be referred to herein as the "2010 Loan Documents"); and
- F. As one of the conditions precedent to making the Additional Loan and as one of the 2010 Loan Documents, the Association is required to execute this Amendment hereby extending the security granted by the Escrow Agreement and Direction to Convey to the Additional Loan and the other 2010 Loan Documents.

AGREEMENT

NOW THEREFORE, in consideration of the above premises and the mutual covenants and agreements herein contained, the parties hereto agree as follows:

- Each and all of the Recitals set forth above are true and correct, and are incorporated herein by this reference as though set forth in full.
- Terms and phrases defined in the Escrow Agreement shall have the same meanings when used herein unless noted otherwise to the contrary.

UNOFFICIAL COPY

3. The references to the term "2005 Loan Documents" in paragraphs 2 and 3 of the Escrow Agreement are hereby amended to read "2005 Loan Document or 2010 Loan Documents".

4. The reference to the term "2005 Loan Documents" in paragraph 4 of the Escrow Agreement is hereby amended to read "2005 Loan Document and 2010 Loan Documents".

5. Except as amended hereby, the terms, provisions and conditions of the Escrow Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of this day and year first written above.

LUTHER NORTH SCHOOL ASSOCIATION,
INC.

By: _____
David Zielke, President

By: _____
Carolyn S. Fischer, Vice President

(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 David Zielke personally known to me to be the President of the Luther North School Association, Inc. and Carolyn S. Fischer personally known to me to be the Vice President of said corporation, 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 severally acknowledged that as such President and Vice President, they signed and delivered the said instrument as President, and Vice President, of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Trustees of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of April, 2010.

Notary Public

My commission expires:

(SEAL)

UNOFFICIAL COPY

IN WITNESS WHEREOF, the parties hereto have executed this Amendment as of this day and year first written above.

LUTHERAN CHURCH EXTENSION
FUND-MISSOURI SYNOD

By: _____
Larry D. Crume, Senior Vice President

By: _____
Carolyn Schlimpert, Assistant Secretary

STATE OF MISSOURI)
) SS
COUNTY OF ST. LOUIS)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Larry D. Crume, personally known to me to be the Senior Vice President Loans and Real Estate of the Lutheran Church Extension Fund-Missouri Synod and Carolyn Schlimpert personally known to me to be the Assistant Secretary of said corporation, and 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 severally acknowledged that as such Senior Vice President Loans and Real Estate, and Assistant Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation as their free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of April, 2010.

Notary Public

My commission expires:

(SEAL)

UNOFFICIAL COPY

Exhibit D

This security instrument is intended to be governed by the future advances law of the state in which the property secured is located and is also given to secure all extensions, renewals, or modifications of all or a part of said Note, to secure the performance of all covenants and agreements of the Borrower under the provisions of this security instrument, to secure the payment of all future advances, if any, made hereunder at the option of Lender or future obligations incurred by Lender for the reasonable protection of the lien and priority of Lender on the above described premises and to secure all other obligations of Borrower now or hereafter owing to Lender.

Property of Cook County Clerk's Office

UNOFFICIAL COPY

No.

**MORTGAGE
STATUTORY FORM**

TO

DATE OF _____)
_____) ss. No.
_____) COUNTY

This instrument was filed for record in the
Recorder's Office of _____ County
prepaid, on the _____ day of
_____ at _____ o'clock _____ M. and recorded in
Book _____ of _____ on
page _____.

RECORDER

Property of Cook County Clerk's Office

