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THIS AGREEMENT PREPARED BY AND
AFTER RECORDING RETURN TO:

Eric J. Fuglsang, Esq.
Quarles & Brady LLP
300 N. LaSalle Street
Suite 4000
Chicago, IL 60654



Doc#: 1233844039 Fee: \$58.00
Karen A. Yarbrough RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/03/2012 11:51 AM Pg: 1 of 11

Loan No. 526499:12

FIRST NOTE AND MORTGAGE MODIFICATION AGREEMENT

THIS FIRST NOTE AND MORTGAGE MODIFICATION AGREEMENT (this "**First Modification Agreement**") made as of this 29th day of November, 2012, by and between **NMC GROVE MELROSE, LLC**, a Delaware limited liability company ("**NMC Grove Melrose**"), **NMC MELROSE PARK II, LLC**, a Delaware limited liability company ("**NMC Melrose Park II**"), **MELROSE PARK EQUITY, LLC**, a Delaware limited liability company ("**Melrose Park Equity**"), and **MELROSE PARK INVESTMENTS, LLC**, a Delaware limited liability company ("**MPI, LLC**"), each having its principal place of business at 5850 Canoga Avenue, Suite 650, Woodland Hills, California 91367 (NMC Grove Melrose, NMC Melrose Park II, Melrose Park Equity, and MPI, LLC are hereinafter referred to, collectively, as "**Borrower**"), jointly and severally and as tenants in common, and **JOHN HANCOCK LIFE INSURANCE COMPANY (U.S.A.)**, a Michigan corporation ("**Lender**").

RECITALS:

A. The Lender is the maker of a loan (the "**Loan**") originally to NMC Grove Melrose, NMC MELROSE PARK, LLC, a California limited liability company ("**NMC Melrose Park**"), Melrose Park Equity, and MELROSE PARK INVESTMENTS, L.P., a California limited partnership ("**MPI, L.P.**") (NMC Grove Melrose, NMC Melrose Park, Melrose Park Equity, and MPI, L.P. are hereinafter referred to, collectively, as "**Original Borrower**"), jointly and severally and as tenants in common, evidenced by a Mortgage Note dated as of October 8, 2010 in the original principal amount of \$32,000,000.00 from Original Borrower to Lender ("**Mortgage Note No. 1**").

B. NMC Melrose Park II has succeeded to all right, interest, and obligation of NMC Melrose Park in, under, and to the Loan, Mortgage Note No. 1, and the Loan Documents (as hereinafter defined) pursuant to that certain Assignment and Assumption Agreement dated as of May 20, 2011 by and between NMC Melrose Park, as transferor, NMC Melrose Park II, as transferee, and Lender (the "**NMC Melrose Park II Assignment**"), and MPI, LLC has succeeded to all right, interest, and obligation of MPI, L.P. in, under, and to the Loan, Mortgage Note No. 1, and the Loan Documents pursuant to that certain Assignment and Assumption Agreement dated as of May 20, 2011 by and between MPI, L.P., as transferor, MPI, LLC, as transferee, and Lender (the "**MPI, LLC Assignment**").

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C. Borrower's obligations under Mortgage Note No. 1 are further evidenced and secured by the documents set forth on Exhibit A attached hereto and incorporated herein (collectively, the "**Security Documents**"). Mortgage Note No. 1, the Security Documents, that certain Guaranty of Recourse Obligations Agreement dated as of October 8, 2010, from Borrower, NEWMARK MERRILL COMPANIES, LLC, a California limited liability company ("**NewMark**"), and MAXXAM ENTERPRISES, L.P., a California limited partnership ("**Maxxam**"), in favor of Lender (the "**Original Guaranty of Recourse Obligations**"), that certain Limited Recourse Guaranty dated as of October 8, 2010, from NewMark, Maxxam, Sanford D. Sigal, and Michael Soroudi in favor of Lender (the "**Original Limited Recourse Guaranty**"), that certain Indemnification Agreement dated as of October 8, 2010, from Borrower, NewMark, and Maxxam in favor of Lender (the "**Original Indemnification Agreement**"), that certain Guaranty of Recourse Obligations Agreement dated as of May 20, 2011, from NMC Melrose Park II and MPI, LLC in favor of Lender (the "**New Guaranty of Recourse Obligations**"), that certain Indemnification Agreement dated as of May 20, 2011, from NMC Melrose Park II and MPI, LLC in favor of Lender (the "**New Indemnification Agreement**"), and all other documents executed and delivered, or to be executed and delivered, in connection with the Loan are herein, collectively, referred to as the "**Loan Documents**". Mortgage Note No. 1, the Security Documents, the Melrose Park II Assignment, the MPI, LLC Assignment, and all of the other Loan Documents are presently owned and held by Lender.

D. The real property owned by Borrower (i) is located at 900-1384 West North Avenue, Melrose Park, Illinois, (ii) is more particularly described in the Mortgage (as defined in Exhibit A attached hereto) and on Exhibit B attached hereto and incorporated herein, (iii) is encumbered by the Security Documents, and (iv) together with all other property encumbered by the Security Documents, is referred to in this Agreement, collectively, as the "**Property**".

E. Borrower has requested Lender to advance to Borrower the additional sum of EIGHT MILLION AND NO/100 DOLLARS (\$8,000,000.00), and Lender has agreed to advance such sum to Borrower, to be evidenced by a certain Mortgage Note No. 2 dated as of the date hereof in the principal amount of \$8,000,000.00 from Borrower to Lender ("**Mortgage Note No. 2**"), which Mortgage Note No. 2 shall be secured on an equal basis with Mortgage Note No. 1 and secured by the lien of the Security Documents and the other Loan Documents.

F. The additional funds are being provided to Borrower for, among other things, the payoff and discharge of certain preferred equity contributions, which payoff and discharge shall be governed by that certain separate side letter agreement dated as of the date hereof by and between Lender and Borrower.

G. Borrower and Lender have agreed to amend the Mortgage on the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the mutual covenants and agreements herein contained and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby covenant and agree as follows:

1. Effective as of the date hereof, the term "**Note**" when used in the Mortgage and in the Loan Documents shall refer to and include not only Mortgage Note No. 1 in the original principal amount of \$32,000,000.00 dated as of October 8, 2010 and executed by Borrower in favor of Lender in connection with the initial Loan, but shall also refer to and include that certain Mortgage Note No. 2 dated as of the date hereof in the original principal amount of \$8,000,000.00 and executed by Borrower in favor of Lender; the term "**the Loan**" shall hereafter refer, collectively, to the original indebtedness of

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\$32,000,000.00 evidenced by Mortgage Note No. 1, and the additional indebtedness of \$8,000,000.00 evidenced by Mortgage Note No. 2; and the principal sum of the Loan described in the first paragraph of the "Witnesseth" section on Page 1 of the Mortgage shall hereafter be the sum of "FORTY MILLION AND NO/100 DOLLARS (\$40,000,000.00)" in lieu of the sum of "THIRTY-TWO MILLION AND NO/100 DOLLARS (\$32,000,000.00)" as previously set forth therein. Notwithstanding the foregoing, as of the date hereof, the outstanding principal balance of Mortgage Note No. 1 is currently \$30,966,704.07.

2. For purposes of clarification, it is hereby acknowledged, understood, and agreed that: (i) the additional funding being provided by Lender to Borrower pursuant to Mortgage Note No. 2, this First Modification Agreement, and the other Loan Documents constitutes the first of Borrower's two-time right to submit a request to Lender for Additional Funding pursuant to and in accordance with Paragraph 73 (Additional Funding) of the Mortgage; and (ii) from and after the date hereof, Borrower shall have only one remaining right to submit a request to Lender for Additional Funding pursuant to and in accordance with Paragraph 73 (Additional Funding) of the Mortgage.

3. Effective as of the date hereof, Paragraph 74(d) of the Mortgage shall be and hereby is amended by deleting it in its entirety and by substituting the following in lieu thereof:

"(d) Note. This Mortgage secures two (2) separate notes in the principal amounts of \$32,000,000.00 ("**Mortgage Note No. 1**") and \$8,000,000.00 ("**Mortgage Note No. 2**"), respectively, executed by Mortgagee in favor of Mortgagee (collectively, the "**Note**"). Each of Mortgage Note No. 1 and Mortgage Note No. 2 provides, among other things, for final payment of principal and interest under such note, if not sooner paid or payable as provided therein, to be due on November 1, 2020 ("**Maturity Date**"), each of which Note is by this reference thereto being incorporated herein; Mortgage Note No. 1 further provides for interest upon the principal Indebtedness set forth therein at a rate of 5.85% per annum (and default interest at a rate of 10.85% per annum), as more fully set forth in Mortgage Note No. 1; and Mortgage Note No. 2 further provides for interest upon the principal Indebtedness set forth therein at a rate of 4.65% per annum (and default interest at a rate of 9.65% per annum), as more fully set forth in Mortgage Note No. 2."

4. Effective as of the date hereof: (a) as provided above, the term "**Loan Documents**" shall refer to and include Mortgage Note No. 1, Mortgage Note No. 2, the Security Documents, the Original Guaranty of Recourse Obligations, the Original Indemnification Agreement, the New Guaranty of Recourse Obligations, the New Indemnification Agreement, and all other documents executed and delivered, or to be executed and delivered, in connection with the Loan, but specifically excluding the Original Limited Recourse Guaranty which by its terms has expired; (b) the lien of the Mortgage shall secure with equal rank and parity and priority both Mortgage Note No. 1 and Mortgage Note No. 2; (c) any Event of Default under any of the terms of Mortgage Note No. 2 shall constitute an Event of Default under Mortgage Note No. 1 and under the Mortgage; (d) any Event of Default under any of the terms of Mortgage Note No. 1 shall constitute an Event of Default under Mortgage Note No. 2 and the Mortgage; and (e) any such Event of Default shall provide Lender with all of the rights and remedies available to Lender under the Loan Documents, at law, and in equity with respect thereto.

5. Except as expressly amended and modified hereby, all of the terms and provisions of Mortgage Note No. 1 and the Mortgage, as amended hereby, and all of the other Loan Documents are hereby ratified and confirmed and shall remain in full force and effect.

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6. This First Modification Agreement may be signed in multiple counterparts by the parties hereto, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

[SIGNATURE PAGES TO FOLLOW]

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IN WITNESS WHEREOF, the parties have executed this First Modification Agreement as of the date first above written.

BORROWER:

NMC GROVE MELROSE, LLC,
a Delaware limited liability company

By: NewMark Merrill Companies, LLC,
a California limited liability company,
Its: Manager

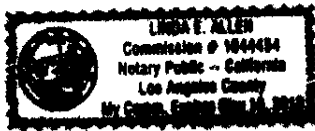
By: Sigal Investments, LLC,
a California limited liability company
Its: Member Manager

By: _____
Sanford D. Sigal
Its: Manager

STATE OF CALIFORNIA)
) SS:
COUNTY OF LOS ANGELES)

On November 19, 2012, before me, LINDA E. ALLEN, a Notary Public, personally appeared Sanford D. Sigal, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



By: Linda E. Allen
Notary Public

(Impress Notarial Seal Here)

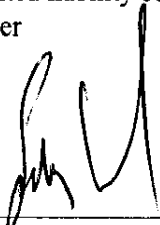
My commission expires: MAY 10, 2013
COMMISSION # 184454

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NMC MELROSE PARK II, LLC,
a Delaware limited liability company

By: NewMark Merrill Companies, LLC,
a California limited liability company
Its: Manager

By: Sigal Investments, LLC
a California limited liability company
Its: Member Manager

By: 
Sanford D. Sigal
Its: Manager

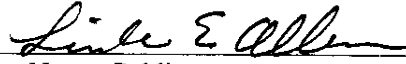
STATE OF CALIFORNIA)
))
COUNTY OF LOS ANGELES)

SS:

On November 19, 2012, before me, LINDA E. ALLEN, a Notary Public, personally appeared Sanford D. Sigal, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



By: 
Notary Public

(Impress Notarial Seal Here)


My commission expires: MAY 10, 2013
COMMISSION #1844454

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MELROSE PARK EQUITY, LLC,
a Delaware limited liability company

By: Maxxam Enterprises, L.P.,
a California limited partnership
Its: Manager/Managing Member

By: Maxxam Enterprises III, LLC,
a California limited liability company
its General Partner

By: 
Michael Soroudi
Its: Co-Manager

STATE OF California,
COUNTY OF Los Angeles

Ss:

On November 26, 2012, before me, Elizabeth M Aaron, a Notary Public, personally appeared Michael Soroudi, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



By: Elizabeth M Aaron
Notary Public

(Impress Notarial Seal Here)


My commission expires: 9-17-2015

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MELROSE PARK INVESTMENTS, LLC,
a Delaware limited liability company

By: Winston Investment Group, LLC,
a Delaware limited liability company
Its: Manager

By: Summit View Holdings, LLC,
a California limited liability company
Its: Managing Member

By: 
Michael Soroudi
Its: Co-Manager

STATE OF California
COUNTY OF Los Angeles

S.S.:

On November 26, 2012, before me, Elizabeth M Aaron, a Notary Public, personally appeared Michael Soroudi, who 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.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.



By: Elizabeth M Aaron
Notary Public

(Impress Notarial Seal Here)

My commission expires: 9-17-2015

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LENDER:

**JOHN HANCOCK LIFE INSURANCE
COMPANY (U.S.A.),** a Michigan corporation

By: *T. Treacy*
Name: Thomas J. Treacy
 Sr. Investment Officer
Its: _____

STATE OF Illinois)
) SS:
COUNTY OF Cook)

The foregoing instrument was acknowledged before me this 27th of November, 2012 by Thomas J. Treacy, as Sr. Investment Officer of John Hancock Life Insurance Company (U.S.A.), a Michigan corporation, on behalf of said corporation.



(Impress Notarial Seal Here)

By: *Michelle L. Miceli*
Notary Public

My commission expires: 04-28-13

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EXHIBIT A

SECURITY DOCUMENTS

1. Mortgage, Assignment of Leases and Rents and Security Agreement, dated as of October 8, 2010, from Borrower to Lender, recorded on October 14, 2010 with the Cook County, Illinois Recorder as Document No. 1028722060 (the "**Mortgage**").
2. Assignment of Leases and Rents, dated as of October 8, 2010, from Borrower to Lender, recorded on October 14, 2010 with the Cook County, Illinois Recorder as Document No. 1028722061.
3. UCC-1 Financing Statements naming each of the entities comprising Borrower as debtor and Lender as secured party, filed with the Cook County, Illinois Recorder as Document Nos. 1028722062-1028722065, inclusive, and 1114422056-1114422057, inclusive, and with the California Secretary of State and the Delaware Secretary of State.
4. Assignment and Assumption Agreement dated as of May 20, 2011 by and between NMC Melrose Park, as transferor, NMC Melrose Park II, as transferee, and Lender, recorded on May 24, 2011 with the Cook County, Illinois Recorder as Document No. 1114422055.
5. Assignment and Assumption Agreement dated as of May 20, 2011 by and between MPI, L.P., as transferor, MPI, LLC, as transferee, and Lender, recorded on May 24, 2011 with the Cook County, Illinois Recorder as Document No. 1114422054.

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EXHIBIT B

LEGAL DESCRIPTION OF LAND

A PARCEL OF LAND IN THE NORTHEAST 1/4 OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS:

COMMENCING AT A POINT 94.82 FEET SOUTH OF THE NORTH LINE OF AFORESAID SECTION 3 AND 33.0 FEET WEST OF THE EAST LINE OF AFORESAID SECTION 3, BEING THE INTERSECTION OF THE WEST LINE OF 9TH AVENUE AND THE SOUTH LINE OF NORTH AVENUE; THENCE NORTH 89 DEGREES 42 MINUTES 10 SECONDS WEST IN THE SOUTH LINE OF AFORESAID NORTH AVENUE, TO A POINT 95.68 FEET SOUTH OF AFORESAID NORTH LINE OF SECTION 3, A DISTANCE OF 1628.12 FEET, TO A POINT IN THE EAST LINE OF 14TH AVENUE AS SHOWN IN THE PLAT OF SUBDIVISION OF WINSTON PARK UNIT NUMBER 1 RECORDED JULY 6, 1955 AS DOCUMENT 16291419 IN PLAT BOOK 448 ON PAGES 22 AND 23; THENCE SOUTH 0 DEGREES 30 MINUTES WEST IN THE EAST LINE OF AFORESAID 14TH AVENUE A DISTANCE OF 855.28 FEET TO THE NORTHWEST CORNER OF LOT 1 IN AFORESAID WINSTON PARK UNIT NUMBER 1; THENCE SOUTHEASTERLY IN A NORTHERLY LINE OF AFORESAID WINSTON PARK UNIT NUMBER 1, BEING A CURVED LINE, CONVEX SOUTHWESTERLY, HAVING A RADIUS OF 1130.0 FEET, AN ARC DISTANCE OF 528.87 FEET TO A POINT OF TANGENCY WITH A LINE PARALLEL TO AND 1643.0 FEET NORTH OF THE SOUTH LINE OF THE AFORESAID NORTHEAST 1/4, AND BEING THE NORTH LINE OF AFORESAID WINSTON PARK UNIT NUMBER 1; THENCE EAST IN AFORESAID NORTH LINE OF UNIT NUMBER 1 A DISTANCE OF 700.01 FEET TO A POINT OF CURVE; THENCE SOUTHEASTERLY IN A NORTHEASTERLY CURVED LINE OF AFORESAID UNIT NUMBER 1, CONVEX NORTHEASTERLY HAVING A RADIUS OF 520.0 FEET, AN ARC DISTANCE OF 493.51 FEET, TO THE NORTHEASTERLY CORNER OF LOT 26 IN AFORESAID WINSTON PARK UNIT NUMBER 1; THENCE NORTH 0 DEGREES 09 MINUTES EAST IN THE WEST LINE OF AFORESAID 9TH AVENUE A DISTANCE OF 1185.44 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Property Address:

900-1384 West North Avenue
Melrose Park, IL 60160

PINs:

No. 15-03-211-004-0000
No. 15-03-211-006-0000
No. 15-03-211-007-0000
No. 15-03-211-008-0000
No. 15-03-211-009-0