

# UNOFFICIAL COPY

This Document Prepared By & Mail to:  
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Department of Planning and Development  
69 W. Washington, 29<sup>th</sup> Floor  
Chicago, Illinois 60602



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EDWARD M. MOODY

COOK COUNTY RECORDER OF DEEDS

DATE: 11/25/2019 11:31 AM PG: 1 OF 7

CDBG-DR Project Number: DR-RH-R3-02

## AMENDMENT TO LOAN DOCUMENTS COMMUNITY DEVELOPMENT BLOCK GRANT DISASTER RECOVERY PROGRAM

**THIS AMENDMENT TO LOAN DOCUMENTS** (this **Amendment**) is made as of the 30<sup>th</sup> day of October, 2019 between the **County of Cook**, a body politic and corporate of the State of Illinois (the "**County**" and "**Lender**") and Ford Heights Cooperative, an Illinois Not-For-Profit Corporation, having a principal place of business at 1105 Drexel Avenue in Ford Heights, Illinois 60411 (the "**Borrower**"). The County and Borrower are referred to collectively as the "**Parties**."

**WHEREAS**, the United States government has appropriated funds to provide assistance for necessary expenses related to disaster relief, long-term recovery, restoration of infrastructure and housing, and economic revitalization in the most impacted and distressed areas resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1974 (42 USC 5121 et seq.) ("**Stafford Act**"). Furthermore, the Disaster Relief Appropriations Act, 2013 (Pub. L. 113-2, approved January 29, 2013) ("**Appropriations Act**") made available Community Development Block Grant-Disaster Recovery ("**CDBG-DR**") funds to be administered through the United States Department of Housing and Urban Development ("**HUD**") ; and

**WHEREAS**, the County plans for the CDBG-DR funds to be used in three core aspects of disaster recovery – housing, infrastructure, and economic development, all projects shall be subject to the following Federal Registers: 78 FR 14329 Published March 5, 2013, 78 FR 23578 Published April 19, 2013, 78 FR 32262 Published May 29, 2013, 78 FR 69104 Published November 18, 2013, 78 FR 76154 Published December 16, 2013, 79 FR 17173 Published March 27, 2014, 79 FR 31864 Published June 3, 2014, 79 FR 40133 Published July 11, 2014, , 80 FR 1039 Published January 8, 2015, 80 FR 17772 Published April 2, 2015, 80 FR 26942 Published May 11, 2015, 80 FR 72102 Published November 18, 2015 and 81 FR Published February 12, 2016, as the same may be amended, restated or supplemented from time to time (collectively, the "**CDBG-DR Regulations**"); and

**WHEREAS**, the County is a home rule unit pursuant to the 1970 Illinois Constitution, Article VII, Section 6 and has been designated as an "Urban County" by HUD under the provisions of the Housing and Community Development Act of 1974, as amended, (hereinafter referred to as the "**Act**"), and the County will receive funds, pursuant to the Appropriations Act; and

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**WHEREAS**, the Borrower is the owner of the real property legally described on **Exhibit A** (the "**Property**"), attached hereto and made a part hereof; and

**WHEREAS**, the Borrower is in the process of rehabilitating Ford Heights Cooperative which consists of one hundred (100) units located in Ford Heights, Illinois (the "**Project**"); and

**WHEREAS**, in consideration of the Borrower executing that certain Loan Agreement dated as of September 28, 2016 (the "**Loan Agreement**") the Lender loaned to the Borrower and the Borrower borrowed from the Lender CDBG-DR funds in the original principal amount of Three Million Two Hundred Thousand and NO/100 Dollars (\$3,200,000.00) (the "**Loan**"), bearing an annual interest rate of zero percent (0%) and forgiven pro-rata over a fifteen (15) year period, provided the Borrower is in compliance with the CDBG-DR Regulations and applicable federal, state and local laws; and

**WHEREAS**, the Loan is evidenced by that certain Junior Note dated as of September 28, 2016 (the "**Note**"); and

**WHEREAS**, the Note is secured by that certain Junior Mortgage in favor of Lender dated as of September 28, 2016 and recorded in the Office of the Cook County Recorder of Deeds ("**Recorder's Office**") on October 4, 2016 as Document # 1627801126 (the "**Mortgage**"); that certain Junior Assignment of Leases and Rents in favor of Lender dated as of September 28, 2016 and recorded in the Recorder's Office on October 4, 2016 as Document #1627801127 (the "**Assignment**"); that certain Declaration of Covenants, Conditions and Restrictions in favor of Lender dated as of September 28, 2016 and recorded in the Recorder's Office on October 4, 2016 as Document #1627801128 (the "**Declaration**"); and that certain Security Agreement in favor of Lender dated as of September 28, 2016 and recorded in the Recorder's Office on October 4, 2016 as Document #1627801129 (the "**Security Agreement**"), all of which encumber the Property; and

**WHEREAS**, as further consideration for the Loan, the Borrower executed that certain Guaranty of Lien-Free Completion and Tenant Occupancy in favor of Lender dated as of September 28, 2016 (the "**Guaranty**") and that certain Environmental Liability Indemnity Agreement in favor of Lender dated as of September 28, 2016 (the "**Environmental Indemnity**"); and

**WHEREAS**, the Loan Agreement, the Note, the Mortgage, the Security Agreement, the Assignment, the Declaration, the Guaranty and the Environmental Indemnity are referred to collectively as the "**Loan Documents**;" and

**WHEREAS**, the Loan Agreement contemplated that the Borrower would rehabilitate the Project using the proceeds of the Loan; and

**WHEREAS**, due to certain unforeseen cost overruns and a change in the scope of work, the Borrower has requested two budget increases to complete the Project, and the County has agreed to fund such budget increases, based on the County's review and approval of cost estimates submitted by the Borrower; and

**WHEREAS**, due to change orders during the rehabilitation period, the County has previously increased the Loan by a cumulative amount of Five Million Nine Hundred Thousand and NO/100 Dollars (\$5,900,000.00) (the "**First Increase**"); and

**WHEREAS**, concurrently with the execution of this Amendment, the County shall increase the Loan by the amount of One Million Five Hundred Seventy-Five Thousand and NO/100 Dollars (\$1,575,000.00) (the "**Second Increase**"); and

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**WHEREAS**, the Parties wish to amend and modify the Loan Documents to clarify the intentions and obligations of the Parties.

**NOW, THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree as follows:

1. The recitals set forth above constitute an integral part of this Amendment and are incorporated herein by this reference.
2. All capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Loan Agreement.
3. As a result of the First Increase and the Second Increase to the original Loan, the total cumulative amount of the Loan is "Ten Million Six Hundred Seventy-Five Thousand and NO/100 (\$10,675,000.00)," and all references to "Loan" in the Loan Documents shall, upon the execution of this Amendment, mean that certain loan in the principal amount of "Ten Million Six Hundred Seventy-Five Thousand and NO/100 (\$10,675,000.00)" made by the County to the Borrower.
4. Each of the Loan Documents and any and all other agreements, documents or instruments now or hereafter executed and delivered by the Parties in connection with the Project are hereby amended by deleting all references to "Three Million Two Hundred Thousand and NO/100 Dollars (\$3,200,000.00)" and replacing them with "Ten Million Six Hundred Seventy-Five Thousand and NO/100 (\$10,675,000.00)"
5. The Loan Agreement, the Note and the Mortgage are hereby amended by deleting the Loan repayment terms set forth therein and replacing them with the following modified Loan terms:
  - a. **Forgivable Portion of the Loan:** A portion of the Loan in the amount of Nine Million Four Hundred Seventy-Five Thousand and NO/100 Dollars (\$9,475,000.00) shall bear an annual interest rate of zero percent (0%) and shall be forgiven pro-rata over a fifteen (15) year period, commencing upon completion of Project rehabilitation, as evidenced by a certificate of occupancy provided the Borrower is in compliance with the CDBG-DR Regulations and applicable federal, state and local laws.
  - b. **Amortizing Portion of the Loan:** A portion of the Loan in the amount of One Million Two Hundred Thousand and NO/100 Dollars (\$1,200,000.00) shall bear an annual interest rate of one percent (1%) simple interest and shall be repaid over a twenty (20) year term, based on a fifteen (15) year amortization schedule with the first loan payment beginning one year after construction completion and issuance of a certificate of occupancy for each of the Project units and the attainment of ninety percent (90%) occupancy by compliant residents for two consecutive quarters ("**Stabilization**"). Borrower shall make monthly payments in the amount of Seven Thousand One Hundred Eighty-Nine Dollars and 49/100 (\$7,189.49) to Lender during the term of the Loan. In all events, the outstanding balance of the Amortizing Portion of the Loan shall be due and payable in full twenty (20) years from the date of issuance of the certificate of occupancy for the Project (the "**Maturity Date**").
6. The Loan Agreement, the Note, the Mortgage and the Declaration are hereby amended by adding the following new provisions:

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“The “**Applicable Affordable Housing Period**” is fifteen (15) years from the date on which the County has entered complete project completion information into the integrated disbursement and information system (“**IDIS**”) established by HUD, as provided in 24 CFR 92.502(d)(1), which complete project completion information must be entered into IDIS within one hundred twenty (120) days of the final project drawdown of all funds, as provided in 24 CFR 92.502(d)(1)”.

7. Exhibit B to the Loan Agreement is hereby amended by inserting the following provisions:

“**Replacement Reserves:** \$400 per unit per year, payable from available cash flow; \$200,000 maintenance prior to disbursements to the Cooperative.” “**Operating Reserves:** 5% of effective gross income, \$100,000 maintenance prior to disbursements to the Cooperative.”

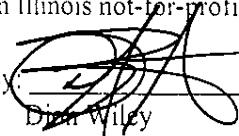
8. If any provision of this Amendment shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions hereof shall not in any way be affected or impaired thereby.
9. The Parties hereby acknowledge and agree that this Amendment does not constitute a novation of the existing indebtedness under the Loan but is intended to be an amendment and modification of the Loan Documents.
10. Except as amended hereby, the provisions of the Loan Documents remain in full force and effect and are hereby ratified and confirmed. In the event of any inconsistency between the terms of this Amendment and the terms of the original Loan Documents, the terms of this Amendment shall control and prevail.

(SIGNATURE PAGE FOLLOWS)

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**FORD HEIGHTS COOPERATIVE**

an Illinois not-for-profit corporation

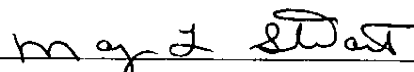
By:   
Dion Wiley  
President

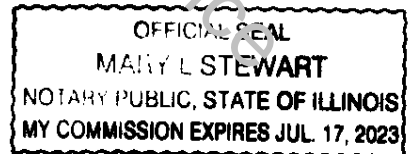
STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Dion Wiley is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that as President of Ford Heights Cooperative, signed, sealed and delivered the said instrument as a free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 30<sup>th</sup> day of October, 2019.

My Commission expires: 7-17-2023

  
Notary Public



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COUNTY OF COOK, ILLINOIS

By: *Susan M. Campbell*  
Susan M. Campbell, Director  
Department of Planning and Development

ATTEST: *Karen Yarbrough*  
Karen Yarbrough, County Clerk

Approved as to form: *Harold McKee*  
Assistant State's Attorney

Property of Cook County Clerk's Office

STATE OF ILLINOIS

)  
) SS

COUNTY OF COOK

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I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Susan M. Campbell, personally known to me to be the Director of Cook County Department of Planning and Development of the Bureau of Economic Development and personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that, as the Director, she signed and delivered the said instrument pursuant to the authority given by the County of Cook as her free and voluntary act and as the free and voluntary act of the County, for the uses and purposes therein set forth.

Given under my hand and official seal, this 30<sup>th</sup> day of October, 2019.

My Commission expires: 1/02/2022

*Patricia D. Lyons Wilson*

Notary Public



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## EXHIBIT A

### **LEGAL DESCRIPTION:**

#### PARCEL 1:

LOTS 34 TO 50, INCLUSIVE, LOTS 139 TO 157, INCLUSIVE, AND LOTS 162 TO 175, INCLUSIVE. IN J.E. MERRIONS SUNNYFIELD, A SUBDIVISION OF THE NORTHWEST  $\frac{1}{4}$  (EXCEPT THE SOUTH 165 FEET THEREOF), OF THE NORTHWEST  $\frac{1}{4}$  OF SECTION 23, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

#### PARCEL 2:

LOTS 17 TO 33, BOTH INCLUSIVE, LOTS 176 TO 189, INCLUSIVE, AND LOTS 194 TO 212, BOTH INCLUSIVE, IN J.E. MERRIONS SUNNYFIELD, A SUBDIVISION OF THE NORTHWEST  $\frac{1}{4}$  (EXCEPT THE SOUTH 165 FEET THEREOF), OF THE NORTHWEST  $\frac{1}{4}$  OF SECTION 23, TOWNSHIP 35 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

Commonly known as: FORD HEIGHTS COOPERATIVE, INC. BETWEEN 10TH AND 11TH PLACES/SEELEY AND PARK AVENUE, FORD HEIGHTS, IL 60411

**PERMANENT INDEX NUMBERS:** 32-23-122-033, 32-23-123-033, 32-23-123-034; 32-23-124-033; 32-23-125-030; 32-23-127-021

**COMMON STREET ADDRESS:** 1105 Drexel Avenue in Ford Heights, Illinois