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Doc# 2231857010 Fee \$88.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY CLERK

DATE: 11/14/2022 11:37 AM PG: 1 OF 11

Title of Document: **Modification and Consolidation Agreement**

Date of Document: November 1, 2022

Borrower: Sheridan Red Line Development, LLC
55 East Monroe Street, Suite 3900
Chicago, Illinois 60603

Lender: Gershman Investment Corp.
16253 Swingley Ridge Road, Suite 400
Chesterfield, Missouri 63017

Legal Description: See Attached Exhibit A and B

References: Instrument No. 2021640110;
Instrument No. 2021640111;
Instrument No. 2021640112;
Instrument No. 2231857009

CA#12206 73040
RK@alp

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MODIFICATION AND CONSOLIDATION AGREEMENT

This **MODIFICATION AND CONSOLIDATION AGREEMENT** (the "Agreement"), entered into as of the 1st day of November, 2022, by and between **GERSHMAN INVESTMENT CORP.**, a corporation organized and existing under the laws of the State of Arkansas, whose address is 16253 Swingley Ridge Road, Suite 400, Chesterfield, Missouri 63017 as lender ("Lender"), and **SHERIDAN RED LINE DEVELOPMENT, LLC**, a Delaware limited liability company, having an address at 55 East Monroe Street, Suite 3900, Chicago, Illinois 60603 ("Borrower"), and **THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT** ("HUD"), which designations shall include the respective successors and assigns and successors-in-interest of the parties hereto.

WITNESSETH:

WHEREAS, Borrower is the owner of certain real property located in Cook County, Illinois, as identified in the "Original Legal Description" described in "Exhibit A" attached hereto, and the "Revised Legal Description" described in "Exhibit B" attached hereto, on which is constructed a certain multifamily apartment project known as Wrigleyville North Apartments, FHA Project No. 071-35925 (the "Project"); and

WHEREAS, Borrower previously executed a certain Note dated July 1, 2020, in favor of Lender, in the principal amount of Thirty-Four Million Nine Hundred Eighty-Two Thousand Three Hundred and NO/100 Dollars (\$34,982,300.00) (the "Note"), as evidence of a loan (the "Loan") in that amount from Borrower to Lender. The note has been initially endorsed by HUD for mortgage insurance under Section 221(d)(4) of the National Housing Act, as amended, to the extent of advances made during the construction of the Project. The Note is secured by (i) a certain Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement dated July 1, 2020, and recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Land Records") on August 3, 2020, as Instrument No. 2021640110, (the "Mortgage"); and (ii) certain UCC-1 Financing Statements (the "UCC-1 Financing Statements") given by Borrower in favor of Lender and HUD and filed or recorded, as applicable, (a) against the real property of the Project on July 31, 2020, with the Delaware Secretary of State as file no. 20205287018 and (b) against the real property of the Project on August 3, 2020, in the Land Records as Instrument No. 2021640112; and

WHEREAS, Borrower and HUD are parties to that certain Regulatory Agreement for Multifamily Projects (the "Regulatory Agreement") dated July 1, 2020, and thereafter recorded on August 3, 2020, in the Land Records as Instrument No. 2021640111. The Regulatory Agreement is incorporated by reference and made part of the Mortgage; and

WHEREAS, HUD has approved, in conjunction with Final Endorsement, that the insured principal balance of the Loan be increased by \$450,400.00 from \$34,982,300.00 to \$35,432,700.00; and

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WHEREAS, the loan increase is evidenced by a Supplemental Note (the "Supplemental Note") dated November 1, 2022, in favor of Lender, in the principal amount of Four Hundred Fifty Thousand Four Hundred and NO/100 Dollars (\$450,400.00) to evidence a loan (the "Supplemental Loan") in that amount from Lender to Borrower, the Supplemental Note has been initially endorsed by HUD for mortgage insurance under Section 221(d)(4) of the National Housing Act, as amended. The Supplemental Note is secured by a certain Supplemental Multifamily Mortgage, Assignment of Leases and Rents and Security Agreement (the "Supplemental Mortgage") dated November 1, 2022, which was executed by Borrower and delivered to Lender; and

WHEREAS, Lender is the current holder of the Note, Supplemental Note, Mortgage and Supplemental Mortgage; and

WHEREAS, Borrower and Lender now desire to amend the Mortgage, the Note, the Regulatory Agreement and other Loan documents to conform to the increase of the insured principal balance of the Loan, to consolidate the Supplemental Mortgage and the Mortgage and consolidate the Supplemental Note and the Note in certain other respects as hereinafter described, and to modify the legal description contained in the Loan documents.

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and for other good and valuable consideration, the receipt and sufficiency of which are expressly acknowledged by each of the parties hereto, the parties for themselves and for their respective successors and assigns, do hereby agree and covenant as follows:

1. Recitals. The foregoing recitals are hereby incorporated herein by reference as if set forth fully herein. All capitalized terms not otherwise defined in this Agreement shall have the same meaning ascribed thereto in the Mortgage.

2. Loan Increase. The original principal amount of the Loan is hereby increase by \$450,400.00 from \$34,982,300.00 to \$35,432,700.00, as approved by HUD.

3. Amendments to Regulatory Agreement and Other Loan Documents.

(a) The Regulatory Agreement and all other documents executed by Borrower in connection with the Loan (the "Loan Documents") are hereby amended by deleting (i) all references to the loan amount of "\$34,982,300.00" and substituting in lieu thereof "\$35,432,700.00" and (ii) all references to "Thirty-Four Million Nine Hundred Eighty-Two Thousand Three Hundred Dollars and No Cents" and substituting in lieu thereof "Thirty-Five Million Four Hundred Thirty-Two Thousand Seven Hundred and NO/100 Dollars."

(b) The Note, Regulatory Agreement, and other Loan Documents are hereby amended so that (i) all reference to the "Note" or "note" contained in any of said documents shall be deemed to refer to the Note as modified by this Agreement and as

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consolidated with the Supplemental Note, (ii) all references to the "Mortgage" or "mortgage" contained in any of said documents shall be deemed to refer to the Mortgage, as modified by this Agreement and as consolidated with the Supplemental Mortgage, and (iii) all references to the "Regulatory Agreement" or "regulatory agreement" contained in any of said documents shall be deemed to refer to the Regulatory Agreement, as modified by this Agreement.

(c) The Note and the Supplemental Note are hereby consolidated into one instrument, and the total amount of the principal due the Lender under the Note and the Supplemental Note, as consolidated herein (the "Consolidated Indebtedness"), is the principal sum of Thirty-Five Million Four Hundred Thirty-Two Thousand Seven Hundred and NO/100 Dollars (\$35,432,700.00), with interest thereon at the Interest Rate on the unpaid balance until paid.

(d) The Mortgage and Supplemental Mortgage shall henceforth be and forever remain a first lien upon the real property described herein, without priority of the one over the other, to secure the repayment of the Consolidated Indebtedness and interest represented by the Note and the Supplemental Note in accordance with the terms thereof.

(e) The payment of principal and interest under the Note and Supplemental Note, as consolidated herein, is hereby modified and now shall be due and payable in monthly installments as follows:

Interest only at the Interest Rate on such amount of principal as may be advanced from time to time, computed from the date of such advance, shall be payable monthly commencing on August 1, 2020, and on the first day of each month thereafter up to and including March 1, 2022 ("Last Interest Only Payment Date"). From the commencement of amortization on the Note on April 1, 2022 ("Amortization Commencement Date"), through and including November 1, 2022, Borrower has paid \$310,636.87 in principal thereby reducing the unpaid principal balance to the present principal balance of \$35,122,063.13.

Commencing on December 1, 2022, consecutive monthly installments of principal and interest at the Interest Rate, each in the amount of One Hundred Twenty-Five Thousand Two Hundred Twenty-Nine and 63/100 Dollars \$125,229.63 shall be payable on the first day of each month until the entire unpaid principal balance evidenced by the Note and Supplemental Note is fully paid. Notwithstanding the foregoing, in the event that any principal under this Note is advanced after the Last Interest Only Payment Date, for the period commencing on the Amortization Commencement Date and continuing through the first day of the month following the date on which the final advance of principal is made, the monthly installments of principal and interest shall be reduced, as determined by the Lender, to equal the sum of (i) interest accrued on this Note (at the Interest Rate) on the outstanding principal balance during the prior month plus (ii) the principal payment due under the original amortization schedule used in determining the monthly principal and

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interest payment amount set forth above. In any event, the balance of the principal (if any) remaining unpaid, plus accrued interest shall be due and payable on March 1, 2062, or on any earlier date on which the unpaid principal balance of the Consolidated Indebtedness becomes due and payable, by acceleration or otherwise ("Maturity Date").

(f) Each of the Loan Documents are hereby modified to reflect that the Original Legal Description has been amended to the Revised Legal Description, and all references contained in the Loan Documents to the project's legal description shall be deemed amended to refer to the Revised Legal Description.

4. Henceforth, the Mortgage and Supplemental Mortgage, acting from the date hereof, shall always be taken and read together as one instrument, with all their terms, covenants, conditions and provisions, and the terms, covenants and provisions of the Note and Supplemental Note to remain in full force and effect except as modified by the terms hereof; it being understood, however, that a default under either of the notes hereinabove mentioned, or any of them, after the expiration of any applicable notice and cure period, shall, at the option of Lender, accelerate the entire Consolidated Indebtedness secured by said Mortgage and the Supplemental Mortgage.

5. Nothing herein contained shall waive, compromise, impair or prejudice any right that Lender or HUD may have to seek judicial recourse for any breach by Borrower of the Regulatory Agreement or any of the other Loan Documents that may have occurred prior to or may occur subsequent to the date of this Agreement. In the event that Lender or HUD initiates an action for breach of the Regulatory Agreement or any of the other Loan Documents and recovers funds, either on behalf of Lender or HUD, or on behalf of the Project of Borrower, those funds may be applied, at the discretion of HUD, to payment of the delinquent amounts due under the Note and Mortgage, as amended hereby, or as a partial prepayment of the Loan.

6. Nothing herein contained shall in any way impair the Note or the Supplemental Note, as amended and consolidated by this Agreement, or the security now held for the indebtedness evidenced by the Note and the Supplemental Note, as amended and consolidated by this Agreement, or alter, waive, annul, vary or affect any provision, condition or covenant therein, nor affect or impair any rights, powers or remedies under the Mortgage, except as herein specifically provided, it being the intent of Borrower and Lender that the terms and provisions of the Mortgage and Note shall continue in full force and effect except as modified hereby.

7. The Loan Documents may not be further modified except by written instrument acknowledged by each of the parties hereto.

8. This Agreement may be executed in any number of counterparts and all counterparts shall be constructed together and shall constitute but one agreement.

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[SIGNATURES APPEAR ON FOLLOWING PAGE]

Property of Cook County Clerk's Office

COOK COUNTY CLERK OFFICE
RECORDING DIVISION
118 N. CLARK ST. ROOM 120
CHICAGO, IL 60602-1387

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EXHIBIT A ORIGINAL LEGAL DESCRIPTION

The Land is described as follows:

Parcel 1:

Lots 4, 5 and 6 (except the East 50 feet of said 4 and 5 and except the East 50 of the North 35 of Said Lot 6) in Sub Block 2 in Aldrich's Subdivision of the West ½ of Block 2 in Laflin, Smith and Dyer's Subdivision of the Northeast ¼ (except 1.28 acres in the North ¼ thereof) of Section 20, Township 40 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois;

Parcel 2:

The East 50 Feet of Lots 4, 5 and 6 (except the South 15 feet of Lot 6) in Subdivision of Block 2 in Aldrich's Subdivision of the West ½ of Block 2 in Laflin, Smith and Dyer's Subdivision of the Northeast ¼ (except 1.28 acres in the Northeast Corner Thereof) in Section 20, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois

PINS

14-20-206-001-0000

14-20-206-002-0000

Commonly known as:

949 W. Dakin St.

Chicago, IL 60613

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EXHIBIT B REVISED LEGAL DESCRIPTION

The Land is described as follows:

Parcel 1:

Lots 4, 5 and 6 (except the East 50 feet of said Lots 4 and 5 and except the East 50 of the North 35 of Said Lot 6) in Sub Block 2 in Aldrich's Subdivision of the West ½ of Block 2 in Laflin, Smith and Dyer's Subdivision of the Northeast ¼ (except 1.28 acres in the North ½ thereof) of Section 20, Township 40 North, Range 14 East of the Third Principal Meridian in Cook County, Illinois;

Parcel 2:

The East 50 Feet of Lots 4, 5 and 6 (except the South 15 feet of Lot 6) in Subdivision of Block 2 in Aldrich's Subdivision of the West ½ of Block 2 in Laflin, Smith and Dyer's Subdivision of the Northeast ¼ (except 1.28 acres in the Northeast Corner Thereof) in Section 20, Township 40 North, Range 14 East of the Third Principal Meridian, in Cook County, Illinois

PINS

14-20-206-001-0000

14-20-206-002-0000

Commonly known as:

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EXHIBIT B