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CONSTRUCTION LOAN MORTGAGE
PHASE II PARCEL MODIFICATION AGREEMENT

This CONSTRUCTION LOAN MORTGAGE PHASE II PARCEL MODIFICATION AGREEMENT (the "Agreement"), made and entered into by CHS ARLINGTON ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership (the "Mortgagor") in favor of THE NORTHERN TRUST COMPANY, an Illinois banking corporation (the "Mortgagee"), is dated as of May 13, 1992 (the "Effective Date"), and modifies that certain Construction Loan Mortgage and Security Agreement, dated as of November 8, 1989, by the Mortgagor in favor of Mortgagee and recorded on November 17, 1989, in Cook County, Illinois, as Document Number 89548965 (the "Mortgage Phase II Parcel"). All terms used and not otherwise defined herein shall be used with the meanings ascribed thereto in the Mortgage Phase II Parcel.

WHEREAS, the Mortgagor is the owner and holder of the leasehold interest in the real estate described in Exhibit A attached hereto pursuant to the Ground Lease Phase II Parcel (as defined in Article I of the Mortgage Phase II Parcel); and

WHEREAS, the Mortgagor is the sole general partner of Luther Village Limited Partnership, an Illinois limited partnership ("LVLP"); and

WHEREAS, concurrently with the execution and delivery of the Mortgage Phase II Parcel, LVLP previously executed and delivered to the Mortgagee its Construction Loan Mortgage Note, dated November 8, 1989 (the "Prior Note"), in the principal sum of THIRTY-FIVE MILLION AND NO/100 UNITED STATES DOLLARS (\$35,000,000.00), payable to the order of the Mortgagee according to terms more fully described in Section 2.1 of the Mortgage Phase II Parcel; and

WHEREAS, the Prior Note was given to evidence a construction loan made by the Mortgagee to LVLP for the purpose of financing the improvement of real estate which is contiguous to the real estate described in Exhibit A attached hereto by the construction thereon of a planned residential community, all as described more fully in the Mortgage Phase II Parcel; and

THIS DOCUMENT WAS PREPARED BY
AND AFTER RECORDING RETURN TO:

Michael J. Regier, Esq.
The Northern Trust Company
50 South LaSalle Street, M-9
Chicago, Illinois 60675

Permanent Tax Index Number:
03-19-400-003
03-19-400-004

Address of Premises:
Oakton Avenue and Kennicott
Arlington Heights, Illinois

Box 180

10/2
72 32 8090

41-8

1992 MAY 13 PM 2 35

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WHEREAS, concurrently with the execution of the Mortgage Phase II Parcel, LVL P entered into a Construction Loan Agreement, dated as of November 8, 1989, with the Mortgagee (the "Loan Agreement"), pursuant to which LVL P executed and delivered to the Mortgagee the Prior Note; and

WHEREAS, LVL P has (i) entered into a Construction Loan Modification Agreement, dated as of the Effective Date (the "Loan Modification"), with the Mortgagor, CHS, Inc. (as defined in the Mortgage Phase II Parcel), the Individual Guarantors (as defined in the Section 1, below) and the Mortgagee, which Loan Modification amends and modifies the Loan Agreement, and (ii) executed and delivered to the Mortgagee a corresponding Amended and Restated Construction Loan Mortgage Note dated as of the Effective Date (the "Amended and Restated Note"), payable to the order of the Mortgagee on or before December 31, 1996, in the principal amount of THIRTY-FIVE MILLION AND NO/100 UNITED STATES DOLLARS (\$35,000,000.00), and the terms of which are more fully described in Section 2 of this Agreement, which Amended and Restated Note has been delivered as an amendment, restatement and replacement of the Prior Note and which Amended and Restated Note represents a continuation of the indebtedness evidenced by the Prior Note; and

WHEREAS, the Mortgagor wishes to make certain modifications to the Mortgage Phase II Parcel and to reaffirm the continuing security interest granted thereby with respect to indebtedness evidenced by the Amended and Restated Note; and

WHEREAS, the Mortgagee is the previous holder of the Prior Note, the current holder of the Amended and Restated Note and the Mortgage Phase II Parcel, and the Mortgagee is willing to agree to certain modifications of the Mortgage Phase II Parcel, provided that the Mortgagor executes this Agreement and any further documents the Mortgagee may require in connection herewith.

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

Section 1. Amendment of ARTICLE I of the Mortgage Phase II Parcel.

(a) Section 1.1 (Definitions.) of ARTICLE I of the Mortgage Phase II Parcel is hereby amended in the following respects:

(i) The definition of "Assignment of Rents" is amended and replaced in its entirety by the following:

"Assignment of Rents" means the Construction Loan Assignment of Rents and Leases, dated as of November 8, 1989, from LVL P to the Mortgagee,

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recorded in the office of the Recorder of Deeds of Cook County, Illinois, on November 17, 1989, as Document No. 89548963, as amended by that certain Modification of Assignment of Rents and Leases, dated as of the Effective Date between LVLP and the Mortgagee."

- (ii) The definition of "Assignment of Rents Phase II Parcel" is amended and replaced in its entirety by the following:

"Assignment of Rents Phase II Parcel' means the Construction Loan Assignment of Rents and Leases, dated as of November 8, 1989, from the Mortgagor to the Mortgagee, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on November 17, 1989, as Document No. 89548956, as amended by that certain Mortgage Phase II Parcel Modification of Assignment of Rents and Leases, dated as of the Effective Date, between the Mortgagor and the Mortgagee."

- (iii) The definition of "Guaranty" is amended and replaced in its entirety by the following:

"Guaranty' means the Construction Loan Guaranty of Payment and Performance, dated as of November 8, 1989, from the Mortgagor, CHS, Inc., the Individual Guarantors and Cheryl F. Holmes to the Mortgagee, as amended by (i) the Release Agreement dated as of July 25, 1990, by and among LVLP, the Mortgagor, CHS, Inc., the Individual Guarantors, Cheryl F. Holmes and the Mortgagee, and (ii) the Construction Loan Guaranty Second Modification Agreement, dated as of the Effective Date, among the Mortgagor, CHS, Inc., the Individual Guarantors and the Mortgagee."

- (iv) The definition of "Individual Guarantors" is amended and replaced in its entirety by the following:

"Individual Guarantors' means Charles H. Shaw, Robert J. Winter, Jr., and Dennis J. Stine."

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- (v) The definition of "Loan Agreement" is amended and replaced in its entirety by the following:

"'Loan Agreement' means the Construction Loan Agreement, dated as of November 8, 1989, by and between LVLP and the Mortgagee, as amended by the Construction Loan Modification Agreement, dated as of the Effective Date, by and between LVLP, the Mortgagor, CHS, Inc., the Individual Guarantors and the Mortgagee."

- (vi) The definition of "Loan Documents" is amended and replaced in its entirety by the following:

"'Loan Documents' means the Loan Agreement, the Note, the Mortgage, this Mortgage Phase II Parcel, the Assignment of Rents, the Assignment of Rents Phase II Parcel, the Security Agreement, the Guaranty, the Shaw Pledge Agreement, the Winter Pledge Agreement, and all other documents and instruments at any time evidencing and securing the indebtedness secured by this Mortgage Phase II Parcel."

- (vii) The definition of "Mortgage" is amended and replaced in its entirety by the following:

"'Mortgage' means the Construction Loan Mortgage and Security Agreement, dated as of November 8, 1989, from LVLP to the Mortgagee, recorded in the office of the Recorder of Deeds of Cook County, Illinois, on November 17, 1989, as Document No. 89548962, as amended by the Construction Loan Mortgage Modification Agreement, dated as of the Effective Date, by and between LVLP and the Mortgagee."

- (viii) The definition of "Mortgage Phase II Parcel" is amended and replaced in its entirety by the following:

"'Mortgage Phase II Parcel' means the Construction Loan Mortgage and Security Agreement, dated as of November 8, 1989, from the Mortgagor

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to the Mortgagee, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on November 17, 1989, as Document No. 89548965, as amended by this Construction Loan Mortgage Phase II Parcel Modification Agreement, dated as of the Effective Date, by and between the Mortgagor and the Mortgagee."

- (ix) The definition of "Note" is amended and replaced in its entirety with the following:

"'Note' means the Amended and Restated Construction Loan Mortgage Note of LVLP, dated as of the Effective Date, in the amount of \$25,000,000 and made payable to the order of the Mortgagee."

- (x) The definition of "Security Agreement" is amended and replaced in its entirety by the following:

"'Security Agreement' means the Construction Loan Security Agreement, dated as of November 8, 1989, from LVLP to the Mortgagee, as amended by the First Amendment thereto, dated as of the Effective Date, between LVLP and the Mortgagee."

- (b) Section 1.1 of ARTICLE I of the Mortgage Phase II Parcel is hereby further amended by adding the following new definitions after the end of the definition of "Security Agreement" (as amended by this Agreement):

"'Shaw Pledge Agreement' means the Shaw Pledge and Security Agreement, dated as of the Effective Date, from Charles H. Shaw to the Mortgagee.

'Winter Pledge Agreement' means the Winter Pledge and Security Agreement, dated as of the Effective Date, from Robert J. Winter, Jr., to the Mortgagee."

- (c) Wherever in the Mortgage Phase II Parcel (as amended by this Agreement), the Amended and Restated Note, the Loan Agreement (as modified by the Loan Modification), or any other document or instrument evidencing, securing or guaranteeing the loans made

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pursuant to the Amended and Restated Note and the Loan Agreement (as modified by the Loan Modification), capitalized terms are used, the definitions for which are incorporated by reference to the Loan Agreement, such capitalized terms shall have the meanings ascribed to them in the Loan Agreement, as modified by the Loan Modification, *mutatis mutandis*.

- (d) Except as otherwise set forth in this Agreement, the provisions of Section 1.1 (Definitions.) of ARTICLE I of the Mortgage Phase II Parcel remain in effect without amendment in any respect.

Section 2. Amendment of ARTICLE II of the Mortgage Phase II Parcel.

Section 2.1 of ARTICLE II of the Mortgage Phase II Parcel is amended and replaced in its entirety with the following:

"Section 2.1 Payment of Indebtedness.

The Mortgagor covenants and agrees that the principal of and interest on the indebtedness hereby secured and evidenced by the Note, all other sums which may become due pursuant thereto or hereto, and all other indebtedness hereby secured as described in the foregoing granting clauses of this Mortgage Phase II Parcel, including, but not limited to, all charges, fees and all other sums to be paid by the Mortgagor and/or LVLP as provided in the Loan Documents will be paid when due, and that all of the terms, provisions and conditions herein and in the other Loan Documents provided to be performed and observed by the Mortgagor and/or LVLP will be duly and punctually performed, observed and complied with. The Note, which is hereby incorporated into this Mortgage Phase II Parcel by reference with the same effect as if set forth herein, is in the principal amount of \$35,000,000 and bears interest at the rate of 3/4% per annum in addition to the Mortgagee's Prime Rate (as defined below) from time to time in effect while the Note is outstanding, except as otherwise provided below. For such purposes, the term 'Prime Rate' means the rate of interest per year announced from time to time by the Mortgagee as its prime rate, which rate at any time may not be the lowest rate charged by the Mortgagee. Changes in the rate of interest on the Note resulting from a change in

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the Prime Rate shall take effect on the date of change in the Prime Rate set forth in each announcement. LVLV has the option, from time to time, in the manner provided in the Note to convert the interest rate on the Note from a rate based on the Mortgagee's Prime Rate, a rate based on the rate at which dollar deposits are offered in immediately available funds in the London Interbank Market to the Mortgagee by leading banks in the Eurodollar Market, calculated as provided in the Note. Notwithstanding the foregoing, the interest rate on the Note may not at any time prior to the maturity of the Note exceed nine percent (9%) per annum. Interest accruing after the Effective Date is payable on the Note in arrears on the first day of the month, commencing on June 1, 1992."

Section 3. Amendment to Miscellaneous Provisions

Subsection 5.21(d) of Section 5 of the Mortgage Phase II Parcel is hereby deleted and replaced by the following:

"(d) The limitations contained in this Section 5.21 shall be void and completely ineffective as to the Mortgagor and any and all property and assets of the Mortgagor (but shall remain effective as to the partners of Mortgagor) in the event an order for relief under Chapter 7 of the Bankruptcy Code, 11 U.S.C. § 101 et seq., is entered with respect to the Mortgagor."

Section 4. Mortgage Phase II Parcel to Remain in Effect: Confirmation of Obligations.

Except as expressly amended and modified herein, the Mortgage Phase II Parcel shall remain in full force and effect as originally executed and delivered by the Mortgagor and Mortgagee. The Mortgagor hereby expressly acknowledges and agrees that the Mortgage Phase II Parcel (as modified by this Agreement) secures, with the exception of payment of Excess Interest, (a) LVLV's obligations and liabilities under the Amended and Restated Note and the Mortgagor's and LVLV's obligations and liabilities under the Loan Agreement as modified, (b) the payment of all other sums with interest thereon advanced in accordance with the Mortgage Phase II Parcel (as modified by this Agreement) to protect the security of the Mortgage Phase II Parcel (as modified by this Agreement), and (c) the performance of all covenants, agreements and indemnities of the Mortgagor contained in the Mortgage Phase II Parcel (as modified by this Agreement), the performance of all of such

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covenants, agreements and indemnities the Mortgagor hereby expressly reaffirms as of the date hereof.

Section 5. Representations and Warranties.

To further induce the Mortgagee to enter into this Agreement, the Mortgagor hereby certifies, represents and warrants that all representations and warranties of the Mortgagor to the Mortgagee contained in the Mortgage Phase II Parcel (as amended by this Agreement) are true and correct as of the date hereof, and all such representations and warranties are hereby remade and made to speak as of the date of this Agreement. Without in any way limiting the foregoing, the Mortgagor specifically represents and warrants to the Mortgagee that (a) the Mortgage Phase II Parcel as amended by this Agreement, is valid, binding and enforceable against the Mortgagor in accordance with its terms, and (b) the representations and warranties of the Mortgagor set forth in Section 2.16(b) of the Mortgage Phase II Parcel are true and correct in all respects as of the date of this Agreement.

Section 6. Binding Effect.

This Agreement and each and every covenant, agreement and other provision hereof shall be binding upon the Mortgagor and its successors and assigns (including, without limitation, each and every from time to time owner of the Premises or any other person having an interest therein), and shall inure to the benefit of the Mortgagee and its successors and assigns. This Agreement may be attached to and shall be a part of the Mortgage Phase II Parcel.

IN WITNESS WHEREOF, the Mortgagor has caused this instrument to be executed as of the date first written above.

CHS ARLINGTON ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership

By: CHS Arlington, Inc.,
General Partner

By: [Signature]
Its: Old President

(SEAL)

Attest:

Title: Secretary

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PARCEL 1:

THAT PART OF THE WEST HALF OF THE SOUTH EAST QUARTER OF SECTION 19, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH WEST CORNER OF SAID WEST HALF OF THE SOUTH EAST QUARTER; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID WEST HALF OF THE SOUTH EAST QUARTER, 52.99 FEET; THENCE EAST ALONG A LINE NORMAL TO THE LAST DESCRIBED COURSE, 40.00 FEET TO THE EAST LINE OF KENNICOTT BOULEVARD; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID EAST LINE OF KENNICOTT BOULEVARD, 2570.30 FEET TO THE SOUTH LINE OF THOMAS STREET; THENCE NORTH 89 DEGREES 59 MINUTES 08 SECONDS EAST ALONG SAID SOUTH LINE OF THOMAS STREET, 1247.28 FEET TO THE

WEST LINE OF RIDGE AVENUE; THENCE SOUTH 0 DEGREES 00 MINUTES 08 SECONDS WEST ALONG SAID WEST LINE OF RIDGE AVENUE, 1845.02 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 54 SECONDS WEST, 265.52 FEET TO THE POINT OF BEGINNING; THENCE NORTH 44 DEGREES 59 MINUTES 57 SECONDS WEST, 131.76 FEET; THENCE NORTH 0 DEGREES 00 MINUTES 03 SECONDS EAST, 22.50 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 03 SECONDS EAST, 100.09 FEET; THENCE NORTH 44 DEGREES 59 MINUTES 57 SECONDS WEST, 72.00 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 03 SECONDS WEST, 112.93 FEET; THENCE NORTH 89 DEGREES 59 MINUTES 57 SECONDS WEST, 12.83 FEET; THENCE NORTH 44 DEGREES 59 MINUTES 57 SECONDS WEST, 114.10 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 03 SECONDS WEST, 72.00 FEET; THENCE SOUTH 44 DEGREES 59 MINUTES 57 SECONDS EAST, 114.10 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 03 SECONDS WEST, 12.83 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 03 SECONDS WEST, 138.60 FEET; THENCE SOUTH 44 DEGREES 59 MINUTES 57 SECONDS EAST, 72.00 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 03 SECONDS EAST, 129.64 FEET; THENCE SOUTH 89 DEGREES 59 MINUTES 57 SECONDS EAST, 26.50 FEET; THENCE SOUTH 44 DEGREES 59 MINUTES 57 SECONDS EAST, 120.64 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 03 SECONDS EAST, 72.00 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

PARCEL 2:

THAT PART OF THE WEST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 19, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH WEST CORNER OF SAID WEST 1/2 OF THE SOUTH EAST 1/4; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST ALONG THE WEST LINE OF SAID WEST 1/2 OF THE SOUTH EAST 1/4, 52.99 FEET; THENCE EAST ALONG A LINE NORMAL TO THE LAST DESCRIBED COURSE, 40.00 FEET TO THE EAST LINE OF KENNICOTT BOULEVARD; THENCE NORTH 0 DEGREES 00 MINUTES 00 SECONDS EAST ALONG SAID EAST LINE OF KENNICOTT BOULEVARD, 725.62 FEET; THENCE SOUTH 90 DEGREES 00 MINUTES 00 SECONDS EAST, 265.52 FEET TO THE POINT OF BEGINNING; THENCE NORTH 44 DEGREES 59 MINUTES 03 SECONDS EAST, 131.76 FEET; THENCE NORTH 0 DEGREES 00 MINUTES 03 SECONDS EAST, 22.50 FEET; THENCE NORTH 44 DEGREES 59 MINUTES 57 SECONDS WEST, 100.09 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 03 SECONDS EAST, 72.00 FEET; THENCE SOUTH 44 DEGREES 59 MINUTES 57 SECONDS EAST, 112.93 FEET; THENCE SOUTH 89 DEGREES 59 MINUTES 57 SECONDS EAST, 12.83 FEET; THENCE NORTH 45 DEGREES 00 MINUTES 03 SECONDS EAST, 114.10 FEET; THENCE SOUTH 44 DEGREES 59 MINUTES 57 SECONDS EAST, 72.00 FEET; THENCE SOUTH 45 DEGREES 00 MINUTES 03 SECONDS WEST, 114.10 FEET; THENCE SOUTH 0 DEGREES 00 MINUTES 03 SECONDS WEST, 12.83 FEET; THENCE SOUTH 44 DEGREES 59 MINUTES 57 SECONDS EAST, 138.60 FEET; THENCE SOUTH 45

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DEGREES 00 MINUTES 03 SECONDS WEST, 72.00 FEET; THENCE NORTH 44
DEGREES 59 MINUTES 57 SECONDS WEST, 129.64 FEET; THENCE NORTH 44
DEGREES 59 MINUTES 57 SECONDS WEST, 25.50 FEET; THENCE SOUTH 49
DEGREES 00 MINUTES 03 SECONDS WEST, 129.64 FEET; THENCE NORTH 44
DEGREES 59 MINUTES 57 SECONDS WEST, 72.00 FEET TO THE POINT OF
BEGINNING, IN COOK COUNTY, ILLINOIS

PARCEL 3:

EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY GRANT OF
EASEMENTS AND COVENANT AGREEMENT RECORDED NOVEMBER 17, 1989 AS
DOCUMENT 89548961 MADE BY LUTHER VILLAGE LIMITED PARTNERSHIP AND
OTHERS TO CHS ARLINGTON ASSOCIATES LIMITED PARTNERSHIP OVER THE
PROPERTY DESCRIBED IN EXHIBIT C ATTACHED TO SAID GRANT FOR ACCESS TO
AND FROM PARCELS 1 AND 2 TO THE RING ROAD AS SHOWN ON EXHIBIT D
ATTACHED THERETO

PARCEL 4:

EASEMENT FOR THE BENEFIT OF PARCELS 1 AND 2 AS CREATED BY GRANT OF
EASEMENTS AND COVENANT AGREEMENT RECORDED NOVEMBER 17, 1989 AS
DOCUMENT 89548961 MADE BY LUTHER VILLAGE LIMITED PARTNERSHIP AND
OTHERS TO CHS ARLINGTON ASSOCIATES LIMITED PARTNERSHIP AND OTHERS FOR ACCESS OVER THE
SIDEWALKS AND ROADWAYS INCLUDING THE RING ROAD AS SHOWN ON EXHIBIT D
ATTACHED THERETO, AND FOR ACCESS OVER THE PROPERTY DESCRIBED IN
EXHIBIT B OF SAID GRANT TO THE TENNIS COURTS, PARKING LOTS, SALES
OFFICE AND PONDS LOCATED THEREON AS SHOWN ON EXHIBIT D ATTACHED
THERETO.

Proprietor Cook County Clerk's Office

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