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LOAN MODIFICATION AGREEMENT

Prepared By and after recording return to:

Caryn L. Chalmers
SONNENSCHN NATH
& ROSENTHAL
8000 Sears Tower
Chicago, Illinois 60606

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1999-09-13 09:02:59
Cook County Recorder 83.00



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THIS LOAN MODIFICATION AGREEMENT (this "Agreement") is entered into as of August 31, 1999, by and between RIVERVIEW AT RIVER EAST, L.L.C., a Delaware limited liability company ("Borrower"), RIVER EAST IV, L.L.C., a Delaware limited liability company ("Successor Member") LASALLE BANK NATIONAL ASSOCIATION, a national banking association, formerly known as LaSalle National Bank ("LaSalle"), individually and as Agent, and U.S. BANK NATIONAL ASSOCIATION, a national banking association, ("U.S. Bank," together with LaSalle and each of their respective permitted successors and assigns, the "Bank").

11
1 parcel

RECITALS

A. Pursuant to a Loan Agreement dated April 9, 1999 (the "RiverView Loan Agreement") by and between Borrower and Bank, Bank has previously made a revolving credit loan to Borrower in the maximum principal amount of up to FIFTY-EIGHT MILLION DOLLARS (\$58,000,000) (the "RiverView Loan"). LaSalle has been designated as the "Agent" for Bank. The RiverView Loan is to provide construction financing for the construction of the first phase of a condominium to be known as RiverView Condominiums located on parcels P-14 and P-16 at City Front Center in Chicago, Illinois (the "RiverView Real Estate"). The RiverView Loan is evidenced by two promissory notes payable (collectively, the "RiverView Notes"), respectively, to U.S. Bank and LaSalle evidencing the Loan. Each Note is in the stated amount of TWENTY-NINE MILLION DOLLARS (\$29,000,000). The RiverView Notes are secured by inter alia, a mortgage dated April 9, 1999 recorded on April 13, 1999 as Document No. 99353514 (the "RiverView Mortgage") covering the RiverView Real Estate and improvements, the River East Collateral (as such term is defined below), and certain other property. The RiverView Loan Agreement, the RiverView Notes, the RiverView Mortgage, and all other documents evidencing, securing, or executed in connection with the RiverView Loan are hereinafter collectively referred to as the "RiverView Loan Documents". All initially capitalized terms used and not defined herein shall have the meanings ascribed to such terms in the RiverView Loan Agreement.

BOX 333-CTI

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B. River East, L.L.C., a Delaware limited liability company, the sole member of Borrower ("Member"), and Bank are party to that certain Credit Agreement dated April 18, 1997, as amended, (the "River East Credit Agreement") under which Bank has previously extended a line of credit ("River East Credit Facility") to Member (under its former name of CityFront Center, L.L.C.) which is secured, inter alia, by a mortgage dated April 18, 1997 recorded on April 18, 1997 as Document No. 97272964 (the "River East Mortgage"), which currently encumbers several parcels in the vicinity of the RiverView Real Estate (collectively, the "River East Collateral"). The River East Collateral also includes a pledge of the beneficial interest in CityFront Acquisition Trust, the owner of the Kraft Lot (as such term is defined in the River East Credit Agreement).

C. Member intends, among other things, to repay the River East Credit Facility, pledge a portion of the River East Collateral to Royal Bank of Scotland ("RBOS") as security for a loan to be made by RBOS to a wholly owned subsidiary of Member, and guaranty repayment of such loan.

D. Pursuant to the terms of the RiverView Loan Agreement, Member is prohibited from further encumbering the River East Collateral or guarantying the repayment of any debt other than the RiverView Loan.

E. Borrower, Member and Bank have agreed to modify the RiverView Loan Documents, release the River East Mortgage and amend the RiverView Mortgage concurrently with repayment of the River East Credit Facility so that the RiverView Mortgage only encumbers the RiverView Real Estate and improvements, and parcels P-18 and P-19 at City Front Center in Chicago, Illinois, as more particularly shown on Exhibit A, attached hereto and made a part hereof.

F. As a condition to Bank's agreement to modify the RiverView Loan Documents and release the River East Mortgage, Bank has required Member to transfer the ownership of that portion of the River East Collateral not being pledged to RBOS, commonly known as parcels P-18 and P-19 at City Front Center in Chicago, Illinois, to LakeView at River East, L.L.C., a Delaware limited liability company ("LakeView") and ParkView at River East, L.L.C., a Delaware limited liability company ("ParkView"), respectively, each of which are wholly owned by Member.

G. Borrower, Member and Bank now desire to set forth the terms and conditions of such loan modification.

AGREEMENTS

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

1. **Incorporation of Recitals.** The foregoing recitals are hereby incorporated into this Agreement as if fully set forth herein.

2. **Conditions Precedent.** The following shall be conditions precedent to Bank's obligations hereunder:

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- A. Member shall repay in full all outstanding amounts under the River East Credit Facility.
- B. Member shall pay Bank \$150,000 as consideration for the release of parcels P-9 and P-13 at City Front Center in Chicago, Illinois.
- C. Borrower shall fund \$1,500,000 into an interest bearing account pledged to Agent on behalf of Bank, to provide a contingency fund with respect to the completion of the Project, which account shall be held and governed by the provisions of Section 2.21 of the RiverView Loan Agreement. Alternatively, Borrower may post an irrevocable letter of credit, which letter of credit shall be in form reasonably acceptable to Agent. At any time that there is an Event of Default under the RiverView Loan Documents, Agent, on behalf of Bank shall have the right to draw down the entire letter of credit. Agent shall also have the right to draw down the entire letter of credit in the event the date of expiry of the letter credit is within 30 days and has not been extended by the issuing bank, or, if the letter of credit does not provide for automatic one-year extensions of the term of such letter of credit, in the event a replacement letter of credit, in form satisfactory to Agent, is not delivered at least (30) days before the expiration of the letter of credit which is then held by Agent.
- D. Member (i) shall have transferred all of its membership interests in Borrower to Successor Member, which will initially be a wholly owned subsidiary of Member, and (ii) immediately after execution hereof, shall transfer its interest in Successor Member to the members of Member in proportion to their ownership interests in Member, who will then be the sole members of Successor Member. Successor Member shall be the sole member of Borrower.
- E. ParkView and LakeView shall execute (i) an amendment to the Guaranties, substituting ParkView and LakeView for Member as Guarantors thereunder, and (ii) an assumption of the RiverView Mortgage, assuming Member's obligations thereunder.
- F. ParkView, LakeView, Bank, and RBOS shall enter into a Subordination and Intercreditor Agreement, which shall be satisfactory to Bank, in its sole and reasonable discretion.
- G. Borrower shall deliver to Bank all such consents, resolutions, good standing certificates, incumbency certificates and other evidence of authority, good standing, and due execution and delivery as may be required by Bank, including but not limited to the operating agreements of Park View and Lake View and an amendment to the operating agreement of Borrower admitting Successor Member as a member of Borrower.
- H. Borrower shall deliver to Bank an opinion of counsel in substantially the same form as the opinion of counsel delivered to Bank in connection with the initial closing of the RiverView Loan.
- I. The title insurer shall issue to Bank endorsements to the title policy originally issued to Bank in connection with the RiverView Loan, in form and content satisfactory to Bank (i) that the RiverView Mortgage, as amended by this Agreement, constitutes a first priority lien upon the RiverView Real Estate and parcels P-18 and P-19 at City Front Center in Chicago, Illinois, (ii) showing on Schedule A thereof that the Mortgage is amended hereby, and (iii)

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showing on Schedule B thereof that the Property is subject only to such title exceptions as Bank may approve.

3. Amendments to RiverView Loan Documents.

A. Global Modifications. From and after the date hereof, all of the RiverView Loan Documents are amended as follows:

1. All references to "Member" or "River East, L.L.C." shall be deemed to refer to Successor Member. Successor Member hereby assumes all of Member's obligations under the RiverView Loan Documents (other than the Guaranties and the Mortgage), and agrees to be bound by the terms thereof, as if originally a party to the RiverView Loan Documents (other than the Guaranties and the Mortgage).

2. All references to "Existing Collateral" shall be deemed to refer solely to Parcels P-18 and P-19 at City Front Center in Chicago, Illinois.

3. All references to "Guarantor" shall be deemed refer to Daniel E. McLean, ParkView, and LakeView. All references to "Guaranty" or "Guaranties" shall be deemed to refer to the guaranties executed in connection with the initial RiverView Loan Documents, as amended.

4. All notices to LaSalle (as Agent or as Bank) should be delivered to: LaSalle Bank National Association, Attention: Commercial Real Estate, 135 South LaSalle Street, Suite 1225, Chicago, Illinois 60606.

B. RiverView Loan Agreement. In addition to the modifications set forth in Paragraph A above, from and after the date hereof, the RiverView Loan Agreement is amended as follows:

1. The last sentence of Section 1.2(d) is deleted in its entirety.

2. Section 1.3(a) is modified by deleting the words "within one hundred twenty (120) days" contained in the seventeenth line from the top thereof, and replacing the same with "within one hundred eighty (180) days".

3. Section 1.10 (Loan to Value Ratio) is deleted in its entirety, and replaced with the following:

"1.10 Appraisals

Agent shall have the right to obtain Appraisals no more often than once each calendar year at Borrower's expense. An "Appraisal" shall mean a certified appraisal of the Project ordered and approved by Agent and prepared in accordance with FIRREA regulations by an MAI certified appraiser or otherwise in accordance with Agent's standard procedure. At Agent's discretion, each Appraisal shall consist of an update of a prior Appraisal or a new Appraisal. Each Appraisal obtained shall establish the

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value of the real estate appraised until a new Appraisal of such real estate is obtained and approved by Agent."

4. Section 2.23 (No other Indebtedness or Liens) is amended by deleting the words "for the Existing Credit Facility, the Kraft Mortgage (as defined in Credit Agreement for the Existing Credit Facility)" from the first two lines thereof.

5. Section 4.13 is amended by deleting the second grammatical sentence thereof.

6. Section 8 (Release of Existing Collateral) is deleted in its entirety.

C. RiverView Mortgage. In addition to the modifications set forth in Paragraph A above, from and after the date hereof, the RiverView Mortgage is amended as follows:

1. Exhibit A (Legal Description) thereto is deleted in its entirety and replaced with the Exhibit A attached hereto and made a part hereof.

2. Section 38 (Maintenance of Mortgagor's and Affiliated Persons' Interests) is amended as follows:

a. In Subparagraph (a), the words "or any Affiliated Person" are added after the word "Mortgagor" in the first line thereof.

b. The following is added as a new subparagraph (e)

September 1
"River East, L.L.C. shall, without Mortgagee's consent, sell, assign, transfer, convey, alien, pledge, hypothecate or alter in any way an interest it holds in ParkView at River East, L.L.C., a Delaware limited liability company or LakeView at River East, L.L.C., a Delaware limited liability company (whether in the form of a beneficial interest therein or otherwise), other than that certain collateral assignment of membership interests dated August 1, 1999, made by River East, L.L.C. to Royal Bank of Scotland, or in any entity which holds an interest in ParkView at River East, L.L.C. or LakeView at River East, L.L.C. (whether in the form of a beneficial interest thereon or otherwise)."

4. Release of River East Collateral.

A. RiverView Mortgage. By separate instrument, Agent, on behalf of Bank, as the holder of the RiverView Mortgage, will file a partial release and assumption of mortgage with the office of the Cook County Recorder to modify the RiverView Mortgage by deleting Exhibit A (Legal Description) thereto and replacing the same with the Exhibit A attached hereto and made a part hereof, and replacing Member as one of the entities comprising "Mortgagor" thereunder, with Park View and LakeView. Agent shall also file UCC-3 termination statements releasing its security interests the beneficial interests in CityFront Acquisition Trust (as defined in the River East Credit Agreement.

B. River East Mortgage. By separate instrument, Agent, on behalf of Bank, as the holder of the River East Mortgage will file a release of mortgage with the Cook County Recorder

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to discharge the River East Mortgage and all other documents executed in connection with the River East Credit Facility.

5. **Loan Documents Ratified.** The RiverView Loan Documents are ratified and confirmed hereby, are in full force and effect, and as of the date hereof no defenses exist to the enforcement thereof or hereof.

6. **Amendments in Writing.** Borrower acknowledges and agrees that the RiverView Mortgage, the RiverView Loan Agreement, and the other RiverView Loan Documents, as each is amended by this Agreement and as each may hereafter be amended from time to time in a writing which specifically provides that such writing amends the RiverView Mortgage, or other RiverView Loan Documents, constitute the entire agreement of the parties with respect to the RiverView Loan, and all prior discussions, negotiations, correspondence, agreements, letters of intent, term sheets, and document drafts are merged herein and therein. Neither Bank nor any employee or agent of Bank has made or is authorized to make any representation or agreement upon which Borrower may rely unless such matter is made for the benefit of Borrower and is in writing signed by an authorized officer of Bank.

7. **Miscellaneous.** In the event of any conflict or inconsistency between this Agreement and the RiverView Loan Documents, the applicable provisions of this Agreement shall govern. The captions herein are used for convenience only; the parties do not intend such captions to be used in interpreting the meaning of the Agreement. In the event a court finds a provision of this Agreement to be unenforceable, such provision shall be severable and the other provisions shall remain in full force and effect.

8. **Counterparts.** This Agreement may be executed in any number of identical counterparts, each of which for all purposes is to be deemed an original but all of which constitute collectively one agreement.

9. **Governing Law.** This Agreement shall be governed by and construed in accordance with the internal laws of the State of Illinois.

10. **Release of Member.** Upon execution hereof and fulfillment of all conditions precedent set forth in Section 2 above, Member shall be released from all liability under the RiverView Loan Documents from and after the date hereof.

11. **Consent of Guarantor.** By signing below, Daniel E. McLean, one of the Guarantors under the RiverView Loan Documents, does hereby consent to the foregoing modifications to the RiverView Loan Documents, and agrees that such modifications in no way reduce or otherwise affect his liability as Guarantor under the RiverView Loan Documents.

[SIGNATURES ON FOLLOWING PAGE]

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Date: As of Aug 31, 1999

RIVERVIEW AT RIVER EAST, L.L.C.,
A Delaware limited liability company,

By: River East IV, L.L.C., a Delaware
limited liability company

By: River East, Inc. its manager

By: [Signature]
Its: President
Print Name: David E. Miller

RIVER EAST IV, L.L.C., a Delaware
limited liability company

By: _____, its manager

By: [Signature]
Its: President
Print Name: David E. Miller

LA SALLE BANK NATIONAL
ASSOCIATION,
a national banking association, formerly
known as LaSalle National Bank

By: [Signature]
Its: Vice President
Print Name: Clarke Cronin

U.S. BANK NATIONAL ASSOCIATION, a
national banking organization

By: Robert J. Burda
Its: ASSISTANT VICE PRESIDENT
Print Name: Robert J. Burda

Guarantor:
[Signature]
Daniel E. McLean

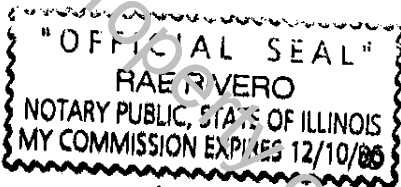
COOK County Clerk's Office

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STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

On this 31st day of August, 1999, before me appeared F Clarke Cronin,
Vice President of LASALLE BANK NATIONAL ASSOCIATION, a
 national banking association, to me personally known, who, being by me duly sworn did that that
 (s)he signed the foregoing instrument as the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal
 in the County and State aforesaid, the day and year first above written.



Rae Rivero
 Notary Public

My commission expires:

12/10/2000

STATE OF ILLINOIS)
) SS.
 COUNTY OF COOK)

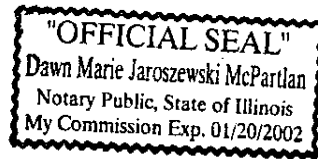
On this 2nd day of September, 1999, before me appeared Robert J. Burda,
Assistant Vice President of U.S. BANK NATIONAL ASSOCIATION, a national
 banking association, to me personally known, who, being by me duly sworn did that that (s)he
 signed the foregoing instrument as the free act and deed of said corporation.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal
 in the County and State aforesaid, the day and year first above written.

Dawn Marie Jaroszewski McPartlan
 Notary Public

My commission expires:

1/20/02



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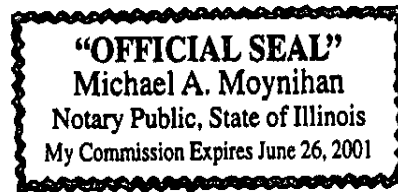
STATE OF ILLINOIS)
)
) SS.
COUNTY OF COOK)

On this 31st day of August, 1999, before me appeared David E. McLean,
the President of River East IV, L.L.C. the sole member
of RiverView at River East, L.L.C. a Delaware limited liability company, to me personally
known, who, being by me duly sworn did that that (s)he signed the foregoing instrument as the
free act and deed of said limited liability company..

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal
in the County and State aforesaid, the day and year first above written.



Notary Public



My commission expires:
6/26/01

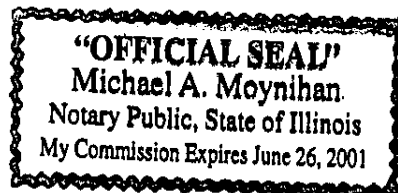
STATE OF ILLINOIS)
)
) SS.
COUNTY OF COOK)

On this _____ day of August, 1999, before me appeared David E. McLean,
the President of River East IV, L.L.C., a Delaware
limited liability company, to me personally known, who, being by me duly sworn did that that
(s)he signed the foregoing instrument as the free act and deed of said limited liability company.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal
in the County and State aforesaid, the day and year first above written.



Notary Public



My commission expires:
6/26/01

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STATE OF ILLINOIS)
)
COUNTY OF COOK) SS.

On this 31st day of August, 1999, before me appeared DANIEL E. MCLEAN, to me personally known, who, being by me duly sworn did that that he signed the foregoing instrument as his own free act and deed for the purposes therein set forth.

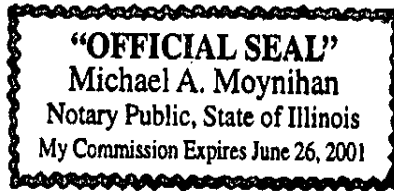
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State aforesaid, the day and year first above written.



Notary Public

My commission expires:

6/26/01



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EXHIBIT A

PARCEL 6:

BLOCK 6 (EXCEPT THE SOUTH 6.5 FEET OF THE WEST 560 FEET THEREOF) IN CITYFRONT CENTER, BEING A RESUBDIVISION IN THE NORTH FRACTION OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 24, 1987 AS DOCUMENT 87106320, EXCEPTING THEREFROM THE WEST 563 FEET OF BLOCK 6 AFORESAID, IN COOK COUNTY, ILLINOIS

PIN # 17-10-221-072-0000 17-10-221-073-0000

PARCEL 14:

BLOCK 14, EXCEPT THE NORTH 6.50 FEET THEREOF, DEDICATED TO THE CITY OF CHICAGO FOR SIDEWALK PURPOSES PER DOCUMENT NO. 8763094, IN CITYFRONT CENTER, BEING A RESUBDIVISION IN THE NORTH FRACTION OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 24, 1987 AS DOCUMENT 87106320, IN COOK COUNTY, ILLINOIS

PIN # 17-10-221-004

PARCEL 15:

BLOCK 15 IN CITYFRONT CENTER, BEING A RESUBDIVISION IN THE NORTH FRACTION OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED FEBRUARY 24, 1987 AS DOCUMENT 87106320, IN COOK COUNTY, ILLINOIS:

THAT PART OF BLOCK 15 IN CITYFRONT CENTER, BEING A RESUBDIVISION IN THE NORTH FRACTION OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE WEST LINE OF SAID BLOCK 15 177.45 FEET SOUTH OF THE NORTHWEST CORNER THEREOF, AND RUNNING THENCE EAST ALONG A STRAIGHT LINE PARALLEL WITH THE NORTH LINE OF SAID BLOCK 15 TO A POINT ON THE MOST WESTERLY EAST LINE OF SAID BLOCK 15; THENCE SOUTH ALONG SAID MOST WESTERLY EAST LINE OF SAID BLOCK 15 TO THE MOST WESTERLY SOUTHEAST CORNER OF SAID BLOCK 15; THENCE WEST ALONG THE SOUTH LINE OF SAID BLOCK 15 TO THE SOUTHWEST CORNER OF SAID BLOCK 15; THENCE NORTH ALONG THE WEST LINE OF SAID BLOCK 15 TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS

PIN # 17-10-221-007-0000
17-10-221-012-0000

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ALSO

A PART OF THE FORMER LIGHTHOUSE SITE ADJOINING THE EASTERLY AND SOUTHERLY LINES OF BLOCK 15 IN CITYFRONT CENTER, BEING A RESUBDIVISION IN THE NORTH FRACTION OF SECTION 10, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND DESCRIBED AS FOLLOWS:

BEGINNING AT THE MOST EASTERLY SOUTHEAST CORNER OF SAID BLOCK 15, AND RUNNING THENCE WEST ALONG A STRAIGHT LINE PARALLEL WITH THE NORTH LINE OF SAID BLOCK 15 (SAID STRAIGHT LINE INTERSECTING THE WEST LINE OF SAID BLOCK 15 AT A POINT 177.45 FEET SOUTH OF THE NORTHWEST CORNER THEREOF), A DISTANCE OF 92.895 FEET TO AN INTERSECTION WITH AN EASTERLY LINE OF SAID BLOCK 15 SAID EASTERLY LINE BEING ALSO THE WESTERLY LINE OF SAID FORMER LIGHTHOUSE SITE; THENCE NORTHEASTWARDLY ALONG SAID EASTERLY LINE OF BLOCK 15 A DISTANCE OF 32.286 FEET TO AN INTERSECTION WITH A SOUTHERLY LINE OF SAID BLOCK 15 SAID INTERSECTION BEING THE NORTHWEST CORNER OF SAID FORMER LIGHTHOUSE SITE; AND THENCE SOUTHEASTWARDLY ALONG SAID SOUTHERLY LINE OF BLOCK 15, SAID SOUTHERLY LINE BEING ALSO THE NORTHERLY LINE OF SAID FORMER LIGHTHOUSE SITE, A DISTANCE OF 87.19 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

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