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This instrument prepared by
and please return to:
Kimberly K. Enders
100 West Monroe Street #1500
Chicago, Illinois 60603



Doc#: 0530418099 Fee: \$60.00
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 10/31/2005 04:15 PM Pg: 1 of 19

Property of Cook County Clerk's Office

Property Address: Vacant Lot between Dearborn and Clark Streets and between Kinzie Street
and Vacated W. Carroll Avenue and commonly known as 61 West Kinzie,
Chicago, Illinois
P.I.N. 17-09-408-009 and 17-09-408-010

SEVENTH LOAN MODIFICATION AGREEMENT

This is a Seventh Loan Modification Agreement ("Seventh Modification"), executed on the date hereafter provided but to be effective as of October 1, 2005 by and between Kinzie Development South, L.L.C., formerly known as Kinzie Development, L.L.C., an Illinois limited liability company ("Borrower"), Albert M. Friedman ("Guarantor") and LaSalle Bank National Association, formerly known as LaSalle National Bank, a national banking association ("Lender").

RECITALS

A. On October 10, 1997, Borrower executed and delivered to Lender a promissory note ("Note") in the principal amount of \$4,000,000 to evidence a loan ("Loan") to Borrower by Lender in said amount, due and payable on October 11, 2000.

Near North National Title
222 N. LaSalle
Chicago, IL 60601

N 9701031 JL

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B. To secure the payment of the Note, Borrower executed and delivered to Lender an instrument entitled "Real Estate Mortgage, Assignment of Rents and Leases, Security Agreement and UCC-2 Financing Statement" ("Mortgage"), mortgaging the real estate described on Exhibit A attached hereto, which Mortgage is recorded with the Cook County Recorder of Deeds as Document No. 97797937 and a UCC-1 Financing Statement which was filed with the Secretary of State of Illinois on October 16, 1997 as Document No. 3751540 and continued by Document No. 5587190 and amended by Document No. 5587204 ("UCC").

C. Concurrently Guarantor executed and delivered to Lender an instrument entitled "Guaranty of Note, Mortgage and Other Undertakings" ("Guaranty"), and Borrower and Guarantor executed and delivered to Lender an instrument entitled "Environmental and ADA Indemnification Agreement" ("Indemnity Agreement"). The Mortgage, UCC, Guaranty and Indemnity Agreement are collectively referred to as "Security Documents."

D. Heretofore the parties have entered into a First Loan Modification Agreement extending the due date of the Note to October 11, 2001, recorded with the Recorder of Deeds of Cook County, Illinois as Document No. 0010040973; a Second Loan Modification Agreement extending the due date of the Note to October 11, 2002; a Third Loan Modification Agreement extending the due date of the Note to October 11, 2003, recorded with the Recorder of Deeds of Cook County, Illinois, as Document No. 0021379484; a Fourth Loan Modification Agreement extending the due date of the Note to October 11, 2004, recorded with the Recorder of Deeds of Cook County, Illinois, as Document No. 0333034085; a Fifth Loan Modification Agreement changing the interest rate on the Note, recorded with the Recorder of Deeds of Cook County, Illinois, as Document No. 0412839050; and a Sixth Loan Modification extending the due date of the Note to

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October 1, 2005, recorded with the Recorder of Deeds of Cook County, Illinois as Document No. 0436445141 (collectively, "Modifications").

E. Borrower has requested that Lender extend the due date of the Loan to October 1, 2006 and increase the amount of the Loan by \$2,116,876 to the amount of \$6,116,876 ("Additional Loan"). Lender is willing to do so subject to the terms and conditions of this Seventh Modification.

IT IS HEREBY AGREED AS FOLLOWS:

1. Subject to the fulfillment and satisfaction of all of the terms and conditions hereof, Lender agrees that the due date of the Loan is hereby extended to October 1, 2006, and the Loan is increased by \$2,116,876. Borrower will execute and deliver to Lender concurrently herewith a Revised Promissory Note in the amount of \$6,116,876.00 ("Revised Note"), a copy of which is attached hereto as Exhibit B. Guarantor will also execute and deliver to Lender his "Revised Guaranty of Payment" ("Revised Guaranty").

2. Concurrently with the execution hereof, Borrower shall pay to Lender an extension fee and loan fee for the Additional Loan in the amount of \$22,938. In addition, Borrower shall pay all of Lender's costs and expenses incurred in connection with this transaction, including, without limitation, title insurance charges, recording fees and attorneys' fees.

3. Guarantor agrees that his Guaranty shall remain in full force and effect and applicable to the Note and Security Documents as hereby modified.

4. This Seventh Modification shall constitute an amendment of the Security Documents and Modifications and wherever in said instruments or in any other instrument evidencing or securing the indebtedness evidenced by the Note and the Revised Note, including the Revised Guaranty (collectively, "Loan Documents") reference is made to the Loan Documents aforesaid, such reference shall be deemed a reference to such Loan Documents as hereby modified and

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amended. All other provisions of the Loan Documents remain unchanged. Nothing herein contained shall in any manner affect the lien or priority of the Mortgage or other Security Documents, or the covenants, conditions and agreements therein contained or contained in the Note or the Revised Note.

5. An executed Seventh Modification shall be recorded at the Office of the Recorder of Deeds of Cook County, Illinois as an amendment and modification to the Mortgage, and First American Title Insurance Company shall be requested to issue an endorsement to its Policy No. N9701031 amending the title date to the date of such recording and increasing the amount of coverage to \$6,116,876.00, and otherwise on terms and conditions as shall be acceptable to Lender.

6. Borrower and Guarantor agree that all of their representations and warranties contained in the Security Documents and elsewhere made by them in connection with the Loan remain accurate and in full force and effect, and applicable to the effective date.

7. Borrower and Guarantor shall cause their attorneys to deliver to Lender their opinion letter substantially in form and content as their opinion letter dated October 10, 1997, but extended to the date hereof and including this Seventh Modification and the Additional Loan, and wherein they shall certify that Borrower is a limited liability company in good standing in the State of Illinois and shall provide a currently dated Certificate of Good Standing from the Secretary of State of Illinois.

8. TO INDUCE THE LENDER TO ACCEPT THIS NOTE, BORROWER AND GUARANTOR IRREVOCABLY AGREE THAT, SUBJECT TO THE LENDER'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS SEVENTH MODIFICATION WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. BORROWER AND GUARANTOR HEREBY CONSENT TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO,

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ILLINOIS, WAIVE PERSONAL SERVICE OF PROCESS UPON THE BORROWER AND GUARANTOR, AND AGREE THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO BORROWER AND GUARANTOR AT THE ADDRESS STATED BELOW AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

9. All notices, communications and waivers under the Loan Documents shall be in writing and shall be (a) delivered in person, (b) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (c) by overnight express carrier, addressed in each case as follows:

| | |
|--------------------------------|--|
| To the Lender: | LaSalle Bank National Association 135 South La Salle Street, Suite 1225 Chicago, Illinois 60603 Attn: Commercial Real Estate Division G |
| With a copy to: | Enders & Associates 100 West Monroe, Suite 1500 Chicago, Illinois 60603 Attn: Kimberly K. Enders, Esq. |
| To the Borrower and Guarantor: | Kinzie Development South, L.L.C. and Albert M. Friedman Friedman Properties Ltd. 325 North LaSalle Street Chicago, Illinois 60610 |
| With a copy to: | Friedman Properties Ltd. 325 North LaSalle Street Chicago, Illinois 60610 Attn: Keyin A. Sterling, Esq. |

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other parties hereto. All notices sent pursuant to the terms of this Section shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express

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carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

10. BORROWER AND GUARANTOR AND LENDER (BY ACCEPTANCE OF THIS SEVENTH MODIFICATION), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS SEVENTH MODIFICATION OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS SEVENTH MODIFICATION OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS SEVENTH MODIFICATION, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BORROWER AND GUARANTOR AGREE THAT THEY WILL NOT ASSERT ANY CLAIM AGAINST THE LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

11. The Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "Act"), and the Lender's policies and practices, the Lender is required to obtain, verify and record certain information and documentation that identifies the Borrower, which information includes the name and address of the Borrower and such other information that will allow the Lender to identify the Borrower in accordance with the Act. In addition, the Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Borrower or any subsidiary of the Borrower is

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or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control (“OFAC”), the Department of the Treasury or included in any Executive Orders, (b) not use or permit the use of the proceeds of the Loan to violate any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act (“BSA”) laws and regulations, as amended.

Signature page follows

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EXECUTED AND DELIVERED on 10/28, 2005, to be effective as of

October 1, 2005.

LENDER:

LaSalle Bank National Association,
formerly known as LaSalle National Bank, a
national banking association

By: Marilyn Somphude
Its Senior Vice President,

BORROWER AND GUARANTOR:

Kinzie Development South, L.L.C.,
formerly known as Kinzie Development,
L.L.C., an Illinois limited liability company

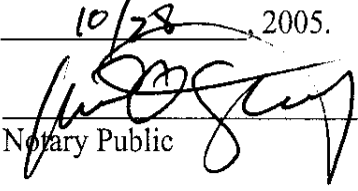
By: [Signature]
Albert M. Friedman, as Manager and
as Guarantor

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STATE OF ILLINOIS)
COUNTY OF C O O K) SS.

The undersigned, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Albert M. Friedman, Manager of Kinzie Development South, L.L.C., an Illinois limited liability company, and individually as Guarantor, 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 he signed and delivered said instrument as his own free and voluntary act and for the uses and purposes therein set forth as Manager of Kinzie Development South, L.L.C., as the duly authorized act of the entity represented, and individually as Guarantor, for the uses and purposes therein set forth.

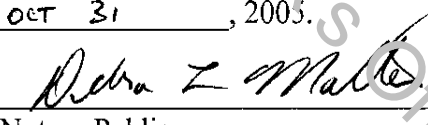
GIVEN under my hand and Notarial Seal 10/28, 2005.


Notary Public



STATE OF ILLINOIS)
COUNTY OF C O O K) SS.

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that MARILYN TOMFOHRDE, an ^{NSVP} officer of LaSalle Bank National Association, a national banking association, personally known to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said LaSalle Bank National Association for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal Oct 31, 2005.


Notary Public



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EXHIBIT A

LEGAL DESCRIPTION:

That part of Block 2 in Original Town of Chicago in Section 9, Township 39 North, Range 14 East of the Third Principal Meridian, bounded and described as follows:

Beginning at the intersection of the East line of North Clark Street (also being the West line of Lot 5 in said Block 2) and the South line of West Kinzie Street (also being the North line of Lots 5 thru 8, both inclusive, in said Block 2); thence East along the South line of said West Kinzie Street a distance of 321.47 feet to the West line of North Dearborn Street; thence South along the West line of said North Dearborn Street (also being the East line of Lot 8 in said Block 2) a distance of 178.60 feet to a point 311.60 feet North (as measured along said West line of North Dearborn Street) of the Chicago River, as occupied; thence West at right angles to the last described line a distance of 321.47 feet to a point on the East line of said North Clark Street 300.43 feet North (as measured along said East line of North Clark Street) of said Chicago River, as occupied; thence North along the East line of said North Clark Street a distance of 177.86 feet to the point of beginning, in Cook County, Illinois.

COMMONLY KNOWN AS:

Vacant lot between Dearborn and Clark Streets and between Kinzie Street and Vacated W. Carroll Avenue and commonly known as 61 West Kinzie, Chicago, Illinois

P.I.N.

17-09-408-009 and 17-09-408-010

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EXHIBIT B

PROMISSORY NOTE ("Revised Note")

\$6,116,876.00
Chicago, Illinois

No. _____

Date: As of October 1, 2005
Due Date: October 1, 2006

1. AGREEMENT TO PAY. For value received, Kinzie Development South, L.L.C., formerly known as Kinzie Development, L.L.C., an Illinois limited liability company (the "Borrower") hereby promises to pay to the order of LASALLE BANK NATIONAL ASSOCIATION, , formerly known as LaSalle National Bank, a national banking association, its successors and assigns (the "Lender"), the principal sum of SIX MILLION ONE HUNDRED SIXTEEN THOUSAND EIGHT HUNDRED SEVENTY-SIX and 00/100 DOLLARS (\$6,116,876) (the "Loan"), on or before October 1, 2006 (the "Maturity Date"), at the place and in the manner hereinafter provided, together with interest thereon at the rate or rates described below, and any and all other amounts which may be due and payable hereunder or under any of the Loan Documents (as hereinafter defined) from time to time.

2. INTEREST RATE.

2.1. Interest Prior to Default. Interest shall accrue on the principal balance of this Note outstanding from the date hereof through the Maturity Date at a floating per annum rate of interest (the "Floating Rate") equal to the Prime Rate (as hereinafter defined). Changes in the Floating Rate to be charged hereunder based on the Prime Rate shall take effect immediately upon the occurrence of any change in the Prime Rate. As used herein, "Prime Rate" shall mean the floating per annum rate of interest most recently announced by the Lender at Chicago, Illinois as its prime or base rate. A certificate made by an officer of the Lender stating the Prime Rate in effect on any given day, for the purposes hereof, shall be conclusive evidence of the Prime Rate in effect on such day. The Prime Rate is a base reference rate of interest adopted by the Lender as a general benchmark from which the Lender determines the floating interest rates chargeable on various loans to borrowers with varying degrees of creditworthiness and the Borrower acknowledges and agrees that the Lender has made no representations whatsoever that the Prime Rate is the interest rate actually offered by the Lender to borrowers of any particular creditworthiness.

2.2. Interest After Default. From and after the Maturity Date or upon the occurrence and during the continuance of an Event of Default, interest shall accrue on the unpaid principal balance during any such period at an annual rate (the "Default Rate") equal to five percent (5.00%) plus the Floating Rate; provided, however, in no event shall the Default Rate exceed the maximum rate permitted by law. The interest accruing under this section shall be immediately due

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EXHIBIT B

and payable by the Borrower to the holder of this Note upon demand and shall be additional indebtedness evidenced by this Note.

2.3. Interest Calculation. Interest on this Note shall be calculated on the basis of a 360 day year and the actual number of days elapsed in any portion of a month in which interest is due. If any payment to be made by the Borrower hereunder shall become due on a day other than a Business Day, such payment shall be made on the next succeeding Business Day and such extension of time shall be included in computing any interest in respect of such payment.

3. PAYMENT TERMS.

3.1. Principal and Interest. Payments of principal and interest due under this Note, if not sooner declared to be due in accordance with the provisions hereof, shall be made as follows:

(a) Commencing on November 1, 2005, and continuing on the first day of each month thereafter through and including the month in which the Maturity Date occurs, all accrued and unpaid interest on the principal balance of this Note outstanding from time to time shall be due and payable.

(b) The unpaid principal balance of this Note, if not sooner paid or declared to be due in accordance with the terms hereof, together with all accrued and unpaid interest thereon and any other amounts due and payable hereunder or under any of the Loan Documents shall be due and payable in full on the Maturity Date.

3.2. Application of Payments. Prior to the occurrence of an Event of Default, all payments and prepayments on account of the indebtedness evidenced by this Note shall be applied as follows: (a) first, to fees, expenses, costs and other similar amounts then due and payable to the Lender, including, without limitation any prepayment premium, exit fee or late charges due hereunder, (b) second, to accrued and unpaid interest on the principal balance of this Note, (c) third, to the payment of principal due in the month in which the payment or prepayment is made, (d) fourth, to any escrows, impounds or other amounts which may then be due and payable under the Loan Documents, (e) fifth, to any other amounts then due the Lender hereunder or under any of the Loan Documents, and (f) last, to the unpaid principal balance of this Note in the inverse order of maturity. Any prepayment on account of the indebtedness evidenced by this Note shall not extend or postpone the due date or reduce the amount of any subsequent monthly payment of principal and interest due hereunder. After an Event of Default has occurred and is continuing, payments may be applied by the Lender to amounts owed hereunder and under the Loan Documents in such order as the Lender shall determine, in its sole discretion.

3.3. Method of Payments. All payments of principal and interest hereunder shall be paid by automatic debit, wire transfer, check or in coin or currency which, at the time or times of payment, is the legal tender for public and private debts in the United States of America and shall be

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EXHIBIT B

made at such place as the Lender or the legal holder or holders of this Note may from time to time appoint in the payment invoice or otherwise in writing, and in the absence of such appointment, then at the offices of the Lender at 135 South La Salle Street, Suite 1225, Chicago, Illinois 60603. Payment made by check shall be deemed paid on the date the Lender receives such check; provided, however, that if such check is subsequently returned to the Lender unpaid due to insufficient funds or otherwise, the payment shall not be deemed to have been made and shall continue to bear interest until collected. Notwithstanding the foregoing, the final payment due under this Note must be made by wire transfer or other immediately available funds.

3.4. Late Charge. If any payment of interest or principal due hereunder is not made within five days after such payment is due in accordance with the terms hereof, then, in addition to the payment of the amount so due, the Borrower shall pay to the Lender a "late charge" of five cents for each whole dollar so overdue to defray part of the cost of collection and handling such late payment. The Borrower agrees that the damages to be sustained by the holder hereof for the detriment caused by any late payment are extremely difficult and impractical to ascertain, and that the amount of five cents for each one dollar due is a reasonable estimate of such damages, does not constitute interest, and is not a penalty.

3.5. Principal Prepayments. This Note, bearing interest at the Floating Rate, may be prepaid, either in whole or in part, without penalty or premium, at any time and from time to time upon three (3) business days prior notice to the Lender.

4. SECURITY. This Note and a Revised Guaranty of Payment executed by Albert M. Friedman ("Revised Guaranty") are executed pursuant to a Seventh Loan Modification Agreement ("Seventh Modification"). This Note replaces that certain Promissory Note in the amount of \$4,000,000 ("Original Note") made by Borrower on October 9, 1997 (dated, however, October 10, 1997). The Original Note is secured by that certain (a) Real Estate Mortgage, Assignment of Rents and Leases, Security Agreement and UCC-2 Financing Statement dated October 9, 1997 and recorded with the Recorder of Deeds of Cook County on October 24, 1997 as Document No. 97797937 to and for the benefit of the Lender (the "Mortgage"), creating a first mortgage lien on certain real property (the "Premises") legally described in Exhibit "B" attached to the Mortgage; (b) Guaranty of Note, Mortgage and Other Undertakings dated October 9, 1997, executed by Albert M. Friedman (the "Guarantor") to and for the benefit of the Lender (the "Guaranty"); and (c) Environmental and ADA Indemnity Agreement dated October 9, 1997, jointly and severally executed by the Borrower and Guarantor to and for the benefit of the Lender (the "Indemnity Agreement"); the Mortgage, the Guaranty, the Indemnity Agreement, the previous Modifications described in the Seventh Modification, all as modified by the Seventh Modification and the Revised Guaranty and any and all other documents now, or as of October 9, 1997, or hereafter given to evidence or secure payment of this Note or delivered to induce the Lender to disburse the proceeds of the Loan, as such documents may hereafter be amended, restated or replaced from time to time, are hereinafter collectively referred to as the "Loan Documents"). Reference is hereby made to the Loan Documents (which are incorporated herein by reference as fully and with the same effect as if set

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EXHIBIT B

forth herein at length) for a statement of the covenants and agreements contained therein, a statement of the rights, remedies, and security afforded thereby, and all matters therein contained. Amounts outstanding pursuant to the Original Note shall be outstanding on this Note. All interest rates applicable to and charged on the Original Note and all payments made on the Original Note are unchanged.

5. EVENTS OF DEFAULT. The occurrence of any one or more of the following events shall constitute an “Event of Default” under this Note:

(a) the failure by the Borrower to pay (i) any installment of principal or interest payable pursuant to this Note on the date when due, or (ii) any other amount payable to the Lender under this Note, the Mortgage or any of the other Loan Documents within five (5) days after the date when any such payment is due in accordance with the terms hereof or thereof; or

(b) the occurrence of any “Event of Default” under the Mortgage or any of the other Loan Documents.

6. REMEDIES. At the election of the holder hereof, and without notice, the principal balance remaining unpaid under this Note, and all unpaid interest accrued thereon and any other amounts due hereunder, shall be and become immediately due and payable in full upon the occurrence of any Event of Default. Failure to exercise this option shall not constitute a waiver of the right to exercise same in the event of any subsequent Event of Default. No holder hereof shall, by any act of omission or commission, be deemed to waive any of its rights, remedies or powers hereunder or otherwise unless such waiver is in writing and signed by the holder hereof, and then only to the extent specifically set forth therein. The rights, remedies and powers of the holder hereof, as provided in this Note, the Mortgage and in all of the other Loan Documents are cumulative and concurrent, and may be pursued singly, successively or together against the Borrower, any Guarantor hereof, the Premises and any other security given at any time to secure the repayment hereof, all at the sole discretion of the holder hereof. If any suit or action is instituted or attorneys are employed to collect this Note or any part hereof, the Borrower promises and agrees to pay all costs of collection, including reasonable attorneys’ fees and court costs.

7. COVENANTS AND WAIVERS. The Borrower and all others who now or may at any time become liable for all or any part of the obligations evidenced hereby, expressly agree hereby to be jointly and severally bound, and jointly and severally: (i) waive and renounce any and all homestead, redemption and exemption rights and the benefit of all valuation and appraisal privileges against the indebtedness evidenced by this Note or by any extension or renewal hereof; (ii) waive presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor, and notice of protest; (iii) except as expressly provided in the Loan Documents, waive any and all notices in connection with the delivery and acceptance hereof and all other notices in

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connection with the performance, default, or enforcement of the payment hereof or hereunder; (iv) waive any and all lack of diligence and delays in the enforcement of the payment hereof; (v) agree that the liability of the Borrower and each guarantor, endorser or obligor shall be unconditional and without regard to the liability of any other person or entity for the payment hereof, and shall not in any manner be affected by any indulgence or forbearance granted or consented to by the Lender to any of them with respect hereto; (vi) consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by the Lender with respect to the payment or other provisions hereof, and to the release of any security at any time given for the payment hereof, or any part thereof, with or without substitution, and to the release of any person or entity liable for the payment hereof, and (vii) consent to the addition of any and all other makers, endorsers, guarantors, and other obligors for the payment hereof, and to the acceptance of any and all other security for the payment hereof, and agree that the addition of any such makers, endorsers, guarantors or other obligors, or security shall not affect the liability of the Borrower, any guarantor and all others now liable for all or any part of the obligations evidenced hereby. This provision is a material inducement for the Lender making the Loan to the Borrower.

8. GENERAL AGREEMENTS.

8.1. Business Purpose Loan. The Loan is a business loan which comes within the purview of Section 205/4, paragraph (1)(c) of Chapter 815 of the Illinois Compiled Statutes, as amended. The Borrower agrees that the Loan evidenced by this Note is an exempted transaction under the Truth In Lending Act, 15 U.S.C., §1601, et seq.

8.2. Time. Time is of the essence hereof.

8.3. Governing Law. This Note is governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respects by the statutes, laws and decisions of the State of Illinois, without regard to its conflict of laws provisions.

8.4. Amendments. This Note may not be changed or amended orally but only by an instrument in writing signed by the party against whom enforcement of the change or amendment is sought.

8.5. No Joint Venture. The Lender shall not be construed for any purpose to be a partner, joint venturer, agent or associate of the Borrower or of any lessee, operator, concessionaire or licensee of the Borrower in the conduct of its business, and by the execution of this Note, the Borrower agrees to indemnify, defend, and hold the Lender harmless from and against any and all damages, costs, expenses and liability that may be incurred by the Lender as a result of a claim that the Lender is such partner, joint venturer, agent or associate.

8.6. Disbursement. This Note has been made and delivered at Chicago, Illinois and all funds disbursed to or for the benefit of the Borrower will be disbursed in Chicago, Illinois.

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8.7. Joint and Several Obligations. If this Note is executed by more than one party, the obligations and liabilities of each Borrower under this Note shall be joint and several and shall be binding upon and enforceable against each Borrower and their respective successors and assigns. This Note shall inure to the benefit of and may be enforced by the Lender and its successors and assigns.

8.8. Severable Loan Provisions. If any provision of this Note is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, the Borrower and the Lender shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect.

8.9. Interest Limitation. If the interest provisions herein or in any of the Loan Documents shall result, at any time during the Loan, in an effective rate of interest which, for any month, exceeds the limit of usury or other laws applicable to the Loan, all sums in excess of those lawfully collectible as interest of the period in question shall, without further agreement or notice between or by any party hereto, be applied upon principal immediately upon receipt of such monies by the Lender, with the same force and effect as though the payer has specifically designated such extra sums to be so applied to principal and the Lender had agreed to accept such extra payment(s) as a premium-free prepayment. Notwithstanding the foregoing, however, the Lender may at any time and from time to time elect by notice in writing to the Borrower to reduce or limit the collection to such sums which, when added to the said first-stated interest, shall not result in any payments toward principal in accordance with the requirements of the preceding sentence. In no event shall any agreed to or actual exaction as consideration for this Loan transcend the limits imposed or provided by the law applicable to this transaction or the makers hereof in the jurisdiction in which the Premises are located for the use or detention of money or for forbearance in seeking its collection.

8.10. Assignability. The Lender may at any time assign its rights in this Note and the Loan Documents, or any part thereof and transfer its rights in any or all of the collateral, and the Lender thereafter shall be relieved from all liability with respect to such collateral. In addition, the Lender may at any time sell one or more participations in the Note. The Borrower may not assign its interest in this Note, or any other agreement with the Lender or any portion thereof, either voluntarily or by operation of law, without the prior written consent of the Lender.

9. NOTICES. All notices required under this Note will be in writing and will be transmitted in the manner and to the addresses required by the Seventh Modification, or to such other addresses as the Lender and the Borrower may specify from time to time in writing.

10. CONSENT TO JURISDICTION. TO INDUCE THE LENDER TO ACCEPT THIS NOTE, THE BORROWER IRREVOCABLY AGREES THAT, SUBJECT TO THE LENDER'S

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SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS NOTE WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. THE BORROWER HEREBY CONSENTS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS, WAIVES PERSONAL SERVICE OF PROCESS UPON THE BORROWER, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO THE BORROWER AT THE ADDRESS STATED IN THE MORTGAGE AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

11. WAIVER OF JURY TRIAL. THE BORROWER AND THE LENDER (BY ACCEPTANCE OF THIS NOTE), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (A) UNDER THIS NOTE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS NOTE OR (B) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS NOTE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. THE BORROWER AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST THE LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

12. WAIVER OF DEFENSES. OTHER THAN CLAIMS BASED UPON THE FAILURE OF THE LENDER TO ACT IN A COMMERCIALLY REASONABLE MANNER, THE BORROWER WAIVES EVERY PRESENT AND FUTURE DEFENSE (OTHER THAN THE DEFENSE OF PAYMENT IN FULL), CAUSE OF ACTION, COUNTERCLAIM OR SETOFF WHICH THE BORROWER MAY NOW HAVE OR HEREAFTER MAY HAVE TO ANY ACTION BY THE LENDER IN ENFORCING THIS NOTE OR ANY OF THE LOAN DOCUMENTS. THIS PROVISION IS A MATERIAL INDUCEMENT FOR THE LENDER GRANTING ANY FINANCIAL ACCOMMODATION TO THE BORROWER.

13. CUSTOMER IDENTIFICATION - USA PATRIOT ACT NOTICE, OFAC AND BANK SECRECY ACT. The Lender hereby notifies the Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "Act"), and the Lender's policies and practices, the Lender is required to obtain, verify and record certain information and documentation that identifies the Borrower, which information includes the name and address of the Borrower and such other information that will allow the Lender to identify the Borrower in accordance with the Act. In addition, the Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls the Borrower or any subsidiary of the Borrower is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders, (b) not use or permit the use of the proceeds of the Loan to violate

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any of the foreign asset control regulations of OFAC or any enabling statute or Executive Order relating thereto, and (c) comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act ("BSA") laws and regulations, as amended.

14. EXPENSES AND INDEMNIFICATION. The Borrower shall pay all costs and expenses incurred by the Lender in connection with the preparation of this Note and the Loan Documents, including, without limitation, reasonable attorneys' fees and time charges of attorneys who may be employees of the Lender or any affiliate or parent of the Lender. The Borrower shall pay any and all stamp and other taxes, UCC search fees, filing fees and other costs and expenses in connection with the execution and delivery of this Note and the other instruments and documents to be delivered hereunder, and agrees to save the Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such costs and expenses. The Borrower hereby authorizes the Bank to charge any account of the Borrower with the Bank for all sums due under this section. The Borrower also agrees to defend (with counsel satisfactory to the Lender), protect, indemnify and hold harmless the Lender, any parent corporation, affiliated corporation or subsidiary of the Lender, and each of their respective officers, directors, employees, attorneys and agents (each an "Indemnified Party") from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, claims, costs, expenses and distributions of any kind or nature (including, without limitation, the disbursements and the reasonable fees of counsel for each Indemnified Party thereto, which shall also include, without limitation, attorneys' fees and time charges of attorneys who may be employees of the Lender, any parent corporation or affiliated corporation of the Lender), which may be imposed on, incurred by, or asserted against, any Indemnified Party (whether direct, indirect or consequential and whether based on any federal, state or local laws or regulations, including, without limitation, securities, environmental laws and commercial laws and regulations, under common law or in equity, or based on contract or otherwise) in any manner relating to or arising out of this Note or any of the Loan Documents, or any act, event or transaction related or attendant thereto, the preparation, execution and delivery of this Note and the Loan Documents, the making or issuance and management of the Loan, the use or intended use of the proceeds of this Note and the enforcement of the Lender's rights and remedies under this Note, the Loan Documents any other instruments and documents delivered hereunder, or under any other agreement between the Borrower and the Lender; provided, however, that the Borrower shall not have any obligations hereunder to any Indemnified Party with respect to matters caused by or resulting from the willful misconduct or gross negligence of such Indemnified Party. To the extent that the undertaking to indemnify set forth in the preceding sentence may be unenforceable because it violates any law or public policy, the Borrower shall satisfy such undertaking to the maximum extent permitted by applicable law. Any liability, obligation, loss, damage, penalty, cost or expense covered by this indemnity shall be paid to each Indemnified Party on demand, and failing prompt payment, together with interest thereon at the Default Rate from the date incurred by each Indemnified Party until paid by the Borrower, shall be added to the obligations of the Borrower evidenced by this Note and secured by the collateral securing this Note. The provisions of this section shall survive the satisfaction and payment of this Note.

Signature page follows

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IN WITNESS WHEREOF, the Borrower has executed and delivered this Promissory Note as of the day and year first above written.

Kinzie Development South, L.L.C., formerly known as Kinzie Development, L.L.C., an Illinois limited liability company

By:

COPY

Albert M. Friedman, its Manager

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