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MODIFICATION AGREEMENT

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Deal

69-57-17503

THIS MODIFICATION AGREEMENT (this "Modification") made this 7th day of May, 1986, by and among AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as trustee under Trust Agreement dated June 1, 1984, and known as Trust No. 61197, a national banking association having an address at 33 North LaSalle Street, Chicago, Illinois 60690 ("Trustee"), EQUEST V INCOME PROPERTIES FUND PARTNERSHIP, the holder and owner of 100% of the beneficial interest in the aforesaid trust, an Illinois partnership having an address at 5795 North Lincoln Avenue, Chicago, Illinois 60659 ("Beneficiary") (Trustee and Beneficiary being hereinafter referred to individually and collectively as "Mortgagor"), and BENJAMIN FRANKLIN SAVINGS ASSOCIATION, a Texas savings and loan association having its principal place of business at 5444 Westheimer, Houston, Texas 77056 ("Mortgagee"),

W I T N E S S E T H:

WHEREAS, Mortgagor is indebted to Mortgagee in the principal amount of Two Million Twenty-Five Thousand Dollars (\$2,025,000) (the "Loan"), which Loan is evidenced by a Secured Promissory Note dated June 26, 1984, in the principal amount of \$2,025,000 (the "Note"); and

WHEREAS, in order to secure payment of the Loan, Mortgagor executed and delivered to Security Capital Credit Corporation, among other documents, a Mortgage and Security Agreement dated June 26, 1984, recorded in the Office of the Recorder of Deeds in and for Cook County, Illinois, as Document # 27 150 841, encumbering certain property located at 2025 East 175th Street, Lansing, Illinois, and more particularly described in said mortgage (the "Mortgage"), an Assignment of Leases and Rents dated June 26, 1984, and recorded in the Office of the Recorder of Deeds in and for Cook County, Illinois, as Document # 27 150 842 (the "Assignment of Leases"), and an Assignment and Security Agreement dated June 26, 1984 (the "Assignment") (the Note, the Mortgage, the Assignment of Leases, the Assignment and all other documents and instruments executed in connection therewith being hereinafter referred to collectively as the "Loan Documents"), the Loan and the Loan Documents having been subsequently assigned to Mortgagee; and

WHEREAS, the parties hereto have agreed to modify the Loan Documents to increase the maximum principal amount of the Loan, to extend the maturity of the Loan, to modify the interest rate thereon and to provide for certain other amendments.

NOW, THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, it is agreed as follows:

1. The Note is hereby modified by substituting therefor the provisions as set forth in the Amended and Restated Secured Promissory Note of even date herewith (the "Restated Note"), a copy of which is attached hereto and incorporated herein as Exhibit A. The indebtedness presently evidenced by the Note shall remain and continue outstanding, and the tender of the Note to Mortgagor in exchange for the Restated Note shall constitute only a substitution of the evidence of such indebtedness outstanding thereunder. As of the date hereof, the outstanding principal balance of the Restated Note, including an advance of \$750,000 which Mortgagee has made to Mortgagor on the date hereof, is \$2,775,000.

THIS DOCUMENT WAS PREPARED BY AND UPON RECORDING SHOULD BE RETURNED TO:

Deborah M. Gaffney, Esq.
Hebb & Gitlin
A Professional Corporation
One State Street
Hartford, Connecticut 06103

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2. Each of the Loan Documents is hereby modified to the extent that all references therein to and descriptions therein of the Loan, the Mortgage, the Assignment of Leases and the Assignment shall be deemed to refer to and describe the Loan, the Mortgage, the Assignment of Leases and the Assignment as modified in this Modification and all references to and descriptions therein of the Note (including the incorporation by reference of the provisions of the Note in Exhibit A to the Mortgage) shall be deemed to refer to and describe the Restated Note.

3. The Mortgage is hereby further modified by amending the second "Whereas" clause on page 1 of the Mortgage to provide that Mortgagor is indebted to Mortgagee in the principal sum of \$3,300,000, or so much thereof as shall be advanced by Mortgagee pursuant to that certain Loan Agreement dated May 7, 1986, by and among Owner, Beneficiary and Mortgagee, and that the maturity of the Note is April 30, 1991 (provided the stated maturity date may be extended for one (1) additional five (5) year period pursuant to the Note).

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4. The Mortgage is hereby further modified by deleting in their entirety the provisions of the Note which are contained in Exhibit A to the Mortgage and replacing those provisions with the provisions of the Restated Note as set forth in Exhibit A hereto.

5. The Mortgage is hereby further modified by amending and restating the fourth and fifth lines of paragraph 1.04.2 on page 5 of the Mortgage to read as follows:

"pay over to Mortgagee, for any month after May, 1986, upon request by Mortgagee, an amount equal to one-twelfth (1/12) of the next."

6. The Mortgage is hereby further modified by amending and restating the fourth line of paragraph 1.04.4(d) on page 6 of the Mortgage to read as follows:

"over to Mortgagee, for any month after May, 1986, upon request from Mortgagee, an amount equal to one-twelfth."

7. The Mortgage is hereby further modified by deleting paragraph 1.04.6 on page 6 of the Mortgage in its entirety.

8. The Mortgage is hereby further modified by amending and restating the eighth line of Article Four on page 17 of the Mortgage to read as follows:

"partners of which shall be Joseph Garofolo and Harold Lebovic."

9. The following paragraph is hereby added to Article Four of the Mortgage:

By its acceptance of this Mortgage, Mortgagee acknowledges that it has consented to a subordinate mortgage loan from an Institutional Lender (as hereinafter defined); provided, however, that (i) the loan documentation shall be subject to Mortgagee's reasonable approval, (ii) such Institutional Lender shall, if required by Mortgagee, enter into a separate Subordination Agreement with Mortgagee, reasonably satisfactory to Mortgagee in form and substance, and (iii) Mortgagee shall be satisfied in its sole judgment that the anticipated net cash flow from the Mortgaged Property will be, with respect to any particular period, not less than one and one-tenth (1.1) times the anticipated debt service on the Mortgaged Property (including, without limitation, debt service on the Indebtedness and on such subordinate debt). For purposes of this subparagraph, the term "Institutional

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Lender" shall mean and refer to any savings bank, savings and loan association, commercial bank, trust company or insurance company, in each case having assets of at least \$50,000,000.

10. The Assignment of Leases is hereby further modified by amending the first paragraph on page 2 to provide that the principal amount of the Mortgage Note is \$3,300,000 and that the Mortgage Note is finally due and payable on April 30, 1991, or, if the option to extend the maturity of the Mortgage Note is exercised as provided therein, on April 30, 1996.

11. The Assignment of Leases is hereby further modified to add the following lease to Schedule C thereto:

3. Lease dated February 14, 1986, between American National Bank and Trust Company of Chicago, not personally but solely as trustee under Trust Agreement dated June 1, 1984, and known as Trust No. 61197, as lessor, and Consolidated Rail Corporation, as lessee.

In confirmation of the foregoing, as security for the payment of all principal, interest and other sums payable under the Restated Note, and as security for the performance of all covenants and obligations in the Assignment of Leases and the Mortgage, Mortgagor does hereby grant, transfer and assign to Mortgagee, its successors and assigns forever, all of Mortgagor's right, title and interest in and to the above-described lease, which assignment shall be upon all of the terms and conditions contained in the Assignment of Leases, as modified by this Modification.

12. The Assignment is hereby further modified by amending the "Now Therefore" clause on page 1 of the Assignment to provide that the principal amount of the Note is \$3,300,000.00

13. The parties hereto hereby acknowledge that Mortgagee is releasing Joseph Garafolo, Harold Lebovic and Gregory Denning from their obligations under certain Guaranty Agreements dated June 26, 1984, pursuant to three Releases of Guaranty of even date herewith and that, as of the date hereof, there are no guarantors of the Loan.

14. The parties hereto hereby acknowledge and agree that, except as provided in this Modification, none of the Loan Documents has been modified, amended, canceled, terminated, released, superseded or otherwise rendered of no force and effect.

15. Each of the Loan Documents, as hereinbefore modified, is hereby ratified and confirmed by the parties hereto, and every provision, covenant, condition, obligation, right and power contained in and under each of the Loan Documents, as hereinbefore modified, shall continue in full force and effect, affected by this Modification only to the extent of the amendments and modifications set forth above.

16. All provisions of this Modification shall be binding upon and inure to the benefit of the respective heirs, legal representatives, successors and assigns of the parties hereto.

17. This Modification is executed by the undersigned Trustee, not personally but solely as Trustee under the terms of that certain agreement dated June 1, 1984, creating Trust No. 61197; and it is expressly understood and agreed by the parties hereto, anything herein to the contrary notwithstanding, that each and all of the covenants, undertakings, representations and agreements herein made are made and intended, not as personal covenants, undertakings, representations and agreements of the Trustee, individually or for the purpose of binding it personally, but this instrument is executed and delivered by American National Bank and Trust Company of Chicago as Trustee, solely in the exercise of the powers conferred upon it as such Trustee under said agreement and no personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforced against American National Bank and Trust Company of Chicago on account hereof, or on account of any covenant, undertaking, representation,

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warranty or agreement herein contained, either expressed or implied, all such personal liability, if any, being hereby expressly waived and released by the parties hereto or holder hereof, and by all persons claiming by or through or under said parties or holder hereof.

18. Notwithstanding anything herein to the contrary, Mortgagee agrees (a) not to seek or enforce any judgment for any violation by Beneficiary of any of the terms of this Modification against Beneficiary, or any partner of Beneficiary, in the event of foreclosure of the Mortgage, except to the extent such a judgment may be legally required to enable Mortgagee to realize upon any collateral for the indebtedness evidenced by the Restated Note (the "Indebtedness"), or any part thereof (including, without limitation, any insurance proceeds, condemnation awards, accounts receivable, deposits and any rents or other income misapplied by Beneficiary at any time or collected by or on behalf of Beneficiary after Beneficiary's permission to collect same under the Mortgage or any other documents securing the Indebtedness [the "Security Documents"] has terminated), and (b) that, in the event that any suit is brought on the Note, whether after maturity by acceleration or by passage of time or at any other time, any judgment obtained against Beneficiary in such a suit shall be enforced only against the Mortgaged Property (as defined in the Mortgage) and the income, rents, issues, revenues, proceeds and profits therefrom and any other collateral given as security for the Indebtedness, or any part thereof (including, without limitation, the aforesaid items of collateral). Nothing herein contained, however, shall be construed to (i) be a release or impairment of the Indebtedness, or any part thereof, nor of the lien of the Mortgage or any other security for the Indebtedness, or any part thereof, (ii) preclude Mortgagee from foreclosing the Mortgage in case of any Event of Default (as defined in the Mortgage) and/or from enforcing any of Mortgagee's other rights except as expressly stated in this paragraph, (iii) prejudice the rights of Mortgagee as to any of the conditions of the Note or any of the Security Documents, (iv) preclude Mortgagee from securing a deficiency, money judgment or other judgment against any subsequent owner of the Mortgaged Property who assumes the Indebtedness, or any part thereof, or as against any person, persons, entity or entities (other than those specifically exculpated above) now or hereafter liable for the payment of the Indebtedness, or any part thereof, or (v) be a release or impairment of the obligations and

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liability of Beneficiary or any partner of Beneficiary under any guaranty or indemnification agreements presently in effect or hereafter given in connection with the Indebtedness.

IN WITNESS WHEREOF, the parties hereto have executed this Modification this 7 day of May, 1986.

Attest:

By *R. F. Cain*
Its ASSISTANT SECRETARY
[CORPORATE SEAL]

TRUSTEE:

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee under Trust No. 61197

By *[Signature]*
Its Second Vice President

ADDRESS OF TRUSTEE:

33 North LaSalle Street
Chicago, Illinois 60690

BENEFICIARY:

EQUEST V INCOME PROPERTIES
FUND PARTNERSHIP

By *[Signature]*
Joseph Garafolo
A Partner

By *[Signature]*
Harold Lebovic
A Partner

ADDRESS OF BENEFICIARY:

5795 North Lincoln Avenue
Chicago, Illinois 60659

BENJAMIN FRANKLIN SAVINGS
ASSOCIATION

Attest:

By *[Signature]*
Its
[CORPORATE SEAL]

By *[Signature]*
Its vice president

ADDRESS OF MORTGAGEE:

5444 Westheimer
Houston, Texas 77056

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STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

LORETTA M. SOVIENSKI

I, LORETTA M. SOVIENSKI, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT ROBERT H. JANKOWSKI (name), Second Vice President (title), and B. Lewis (name), ASSISTANT SECRETARY (title), respectively, of American National Bank and Trust Company of Chicago, a national banking association, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Second Vice President (title) and ASSISTANT SECRETARY (title) appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary acts and as the free and voluntary act of said national banking association for the uses and purposes therein set forth; and the said ASSISTANT SECRETARY (title) acknowledged that [s]he, as custodian of the corporate seal of said national banking association did affix said corporate seal to said instrument as [his/her] own free and voluntary act and as the free and voluntary act of said national banking association for said uses and purposes.

GIVEN under my hand and notarial seal this 6th day of May, 1986.

Loretta M. Sovieniski

Notary Public

My Commission Expires:

MY COMMISSION EXPIRES JUNE 27, 1988

[SEAL]

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County and State, DO HEREBY CERTIFY THAT Joseph Garafolo and Harold Lebovic, the partners of Equest V Income Properties Fund Partnership, an Illinois partnership, appeared before me this day in person and severally acknowledged that they signed, sealed and delivered said instrument as the free and voluntary act of said partnership for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6th day of May, 1986.

Henry J. Kovacs

Notary Public

My Commission Expires:

4-11-88

[SEAL]

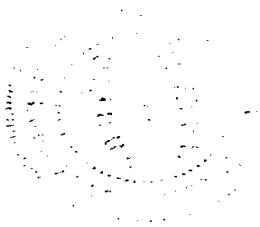
STATE OF TEXAS)
) ss.
COUNTY OF Harris)

I, Karen Lautner, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY THAT Robert P. Fisher and Kay A. Jones, respectively, Vice President and Vice President of Benjamin Franklin Savings Association, a Texas savings and loan association, appeared before me this day in person and acknowledged that they signed and delivered said instrument as

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their own free and voluntary acts and as the free and voluntary act of said savings and loan association for the uses and purposes herein set forth; and the said Mr. Yves S. Sorell (title) acknowledged that [s]he, as custodian of the corporate seal of said savings and loan association did affix said corporate seal to said instrument as his/her own free and voluntary act and as the free and voluntary act of said savings and loan association for said uses and purposes.

GIVEN under my hand and notarial seal this 2nd day of May, 1986

Karen Lautner
Notary Public

[SEAL]

My Commission Expires:

KAREN LAUTNER
Notary Public in and for the State of Texas
~~My Commission Expires June 30, 1987~~

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EXHIBIT A

AMENDED AND RESTATED SECURED PROMISSORY NOTE

\$3,300,000

Chicago, Illinois
May 7, 1986

FOR VALUE RECEIVED, the undersigned AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but as Trustee under Trust Agreement dated June 1, 1984 (the "Trust Agreement"), and known as Trust No. 61197 (the "Trust"), a national banking association having its principal place of business at 33 North LaSalle Street, Chicago, Illinois 60690 ("Borrower"), promises to pay to the order of BENJAMIN FRANKLIN SAVINGS ASSOCIATION, a Texas savings and loan association having its principal place of business at 5444 Westheimer, Houston, Texas 77056 ("Holder"), by bank wire as described below or by such other method or at such other place as may be designated in writing by Holder, the principal sum of THREE MILLION THREE HUNDRED THOUSAND DOLLARS (\$3,300,000), or so much thereof as shall be advanced by Holder pursuant to that certain Loan Agreement of even date herewith by and between Borrower and Holder (the "Loan Agreement") providing for an initial disbursement of principal in the amount of \$750,000 (such advance, together with the outstanding principal balance of the Replaced Note (as hereinafter defined) on the date hereof, being hereinafter referred to collectively as the "Initial Advance") and a Subsequent Advance of principal in the amount of \$525,000 (the "Subsequent Advance"), in lawful money of the United States of America, together with the Deferred Amount (as hereinafter defined), all costs herein provided, all amounts which may be or become due under any of the Security Documents (as hereinafter defined) and interest on the principal balance hereof (as such principal balance may be increased from time to time by the Deferred Amount as hereinafter provided) from the date hereof until said amounts shall have been paid in full at the Interest Rate (as hereinafter defined) or, upon the occurrence of an Event of Default (as hereinafter defined), at the Default Rate (as hereinafter defined).

1. (a) Subject to the provisions of subparagraphs (b) and (c) below, the "Interest Rate" shall be (i) with respect to the outstanding principal balance of the Initial Advance, a fixed rate of TEN and 21/100 percent (10.21%) per annum, and (ii) with respect to the outstanding principal balance of the Subsequent Advance, a fixed rate per annum equal to three percentage points (3%) over the Weekly Yield Percentage (as hereinafter defined) for United States Treasury fixed interest obligations adjusted to a constant maturity of five (5) years, with the Interest Rate being based on the most recently published Weekly Yield Percentage as of the day immediately preceding the date of disbursement of the Subsequent Advance.

(b) Subject to the provisions of subparagraph (c) below, in the event that the maturity of this Note shall have been extended as hereinafter provided, the Interest Rate shall be a fixed rate per annum equal to three percentage points (3%) over the Weekly Yield Percentage for United States Treasury fixed interest obligations adjusted to a constant maturity of five (5)

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years, with the Interest Rate for the Extension Period (as hereinafter defined) being based upon the most recently published Weekly Yield Percentage as of the day immediately preceding the Maturity Date (as hereinafter defined).

(c) If, at any time when the Interest Rate is determined by reference to the Weekly Yield Percentage as provided above, the foregoing technique for determining the Interest Rate is no longer available, then, unless Holder and Borrower shall agree upon a new interest rate within thirty (30) days from the date the last Interest Rate was fixed, the outstanding principal balance, the Deferred Amount, all accrued interest (including interest for such 30-day period at the Interest Rate in effect prior to such period) and all other sums payable hereunder shall be immediately due and payable in full.

2. The "Weekly Yield Percentage" shall be the yield per annum on United States Treasury securities at constant maturity reported weekly and constructed by the United States Treasury Department, based on actively traded marketable United States Treasury securities, as published by the Board of Governors of the Federal Reserve System in Federal Reserve Statistical Release (H.15), or otherwise by the Federal Reserve.

3. (a) Interest shall be calculated on the daily unpaid principal balance of this Note based on the actual number of days elapsed during the period for which interest is being charged, over a year of 360 days. Interest shall be payable monthly in arrears commencing on the first day of the month immediately following the date of this Note, and continuing on the first day of each calendar month thereafter until prepayment or maturity, by acceleration or otherwise; provided, however, that if this Note is dated after the fifteenth (15th) day of a month, the interest that would accrue through the end of such month shall be payable in advance on the date of this Note, and, in that event, the monthly installments of interest referred to above shall commence on the first day of the second month following the date of this Note.

(b) In the event that the maturity of this Note shall have been extended as hereinafter provided, commencing on the first day of June, 1991, and continuing on the first day of each calendar month thereafter until prepayment or maturity, by acceleration or otherwise, Borrower shall pay to Holder, in addition to monthly payments of interest as aforesaid, equal monthly installments each in an amount necessary to fully amortize the principal balance of this Note outstanding on the Maturity Date over the period commencing on the Maturity Date and ending on July 1, 2016, to be applied to reduce the principal balance of this Note.

(c) All payments which are due on a Saturday, Sunday or Holiday shall be deemed to be payable on the next business day of the banks which transmit and receive the payments as set forth herein.

4. (a) Notwithstanding the provisions of paragraph 3(a) above, if the maturity of this Note shall have been extended as hereinafter provided and if the Interest Rate for any month during the Extension Period shall exceed a rate to be determined by Holder in its sole discretion prior to the Maturity Date (the "Cash Payment Rate"), then, regardless of the amount of interest accrued for such month at the Interest Rate, Borrower may, at its option, actually pay to Holder with respect to such month only such amount of interest

as would have been payable had interest been calculated on the principal balance of this Note for such month at the Cash Payment Rate, and, in such event, the difference between (i) interest which has actually accrued on the principal balance of this Note for such month at the Interest Rate, and (ii) interest which has actually been paid by Borrower for such month pursuant to this subparagraph, shall be added to the principal amount of this Note as of the date such amount would have been payable in the absence of this subparagraph and shall accrue interest from such date at the Interest Rate or, upon the occurrence of an Event of Default, at the Default Rate; provided, however, that Borrower shall not have the option to defer payment of any accrued interest for any month as provided above (x) if any Event of Default (as hereinafter defined) shall then exist, or (y) if, after giving effect to the proposed deferral, the Deferred Amount (as hereinafter defined) then outstanding would exceed an amount equal to ten percent (10%) of the aggregate principal amount theretofore advanced pursuant to the Replaced Note and the Loan Agreement (not including the Deferred Amount). The aggregate amount of all interest from time to time added to principal pursuant to this subparagraph (the "Deferred Amount"), unless sooner paid, shall be paid as provided below.

(b) Unless sooner paid in accordance with this Note, the Deferred Amount shall be payable on the first to occur of (i) prepayment of this Note, (ii) acceleration of maturity of this Note, or (iii) the Maturity Date and, if the option to extend the maturity of this Note shall have been exercised as hereinafter provided, on the Extended Maturity Date.

(c) All references in this Note to the principal balance of this Note shall include, without limitation, any Deferred Amount which shall have been added to the principal balance of this Note as provided herein.

5. The outstanding principal balance of this Note and all accrued and unpaid interest and other charges hereunder shall be payable in full on April 30, 1991 (the "Maturity Date"); provided, however, if the maturity of this Note shall have been extended as hereinafter provided, all such sums, unless sooner paid in accordance with this Note, shall be due and payable on April 30, 1996 (the "Extended Maturity Date").

6. Borrower reserves the right to extend the maturity of this Note for one (1) additional sixty (60) month period (such period being referred to herein as the "Extension Period" and the last day of the Extension Period being referred to herein as the "Extended Maturity Date") upon the following conditions:

(a) Borrower shall have given Holder written notice not less than sixty (60) days prior to the Maturity Date of Borrower's intention to extend the maturity of this Note;

(b) (i) no Event of Default shall have occurred, and (ii) both as of the date notice is given pursuant to subparagraph (a) immediately above and as of the Maturity Date, no Event of Default shall exist and no state of facts shall exist which, with notice or the passage of time or both, would constitute an Event of Default if not cured or corrected;

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(c) Borrower shall have executed and delivered to Holder such agreements and performed such acts as Holder shall in its sole discretion deem desirable to reflect the extension and the continuation of the Mortgage as a first and paramount lien upon the Property (as hereinafter defined), including, without limitation, delivery of such endorsements to Holder's title insurance policy as Holder deems desirable;

(d) any Deferred Amount then outstanding shall have been paid in full on or before the Maturity Date;

(e) Borrower shall pay all fees, costs and expenses in connection with such extension, including, without limitation, fees of Holder's counsel, the cost of all title insurance policy endorsements required by Holder and all recording fees;

(f) the Interest Rate shall be adjusted as provided in paragraph 1(b) above; and

(g) Annualized Net Income (as hereinafter defined), determined as of the Maturity Date, shall be at least \$381,150, and Borrower shall have provided Holder satisfactory evidence of such amount. As used herein, the term "Annualized Net Income" shall mean and refer to the amount, if any, by which (A) Gross Revenues (as hereinafter defined) for the calendar month most recently ended as of the Maturity Date, multiplied by twelve (12), exceeds (B) Operating Expenses (as hereinafter defined) for the twelve (12) calendar months most recently ended as of the Maturity Date. As used herein, the term "Gross Revenues" shall mean and refer to the aggregate base rental payments scheduled to be made in the month in question and which are actually made by tenants of the office space in the office building located on the Property (the "Project") in occupancy under leases approved by Holder, which leases are in effect and not in default. As used herein, the term "Operating Expenses" shall mean and refer to all costs and expenses incurred by Borrower and which are not otherwise reimbursed by tenants in the use, occupancy, operation or maintenance of the Project, including, without limitation, all taxes and assessments, all utility costs, all management fees, all marketing and administrative expenses and related costs and expenses, all wages and salaries of persons engaged in the management, maintenance or operation of the Project, all costs and expenses relating to insurance, all costs and expenses relating to maintenance and repairs, and all other expenses that would be considered expenses of operating the Project under generally accepted accounting principles; provided, however, that the term "Operating Expenses" shall not mean or refer to depreciation, debt service (including interest and principal on the Loan) or federal income taxes.

7. All payments made hereunder and all payments required under the Security Documents shall be made by bank wire transfer of federal funds to Bank of New York, New York, New York 10019, for account of Security Capital Credit Corporation, Account No. 74-0209 (Attention: Ken Johnson, Park Avenue Branch of Bank of New York; telephone advice to Richard Apell at (203) 659-4051), or at such other place and in such other reasonable manner as may be designated in writing from time to time by Holder.

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8. This Note and all amounts due hereunder are secured by a Mortgage and Security Agreement (the "Mortgage") dated June 26, 1984, made by Borrower to Holder, encumbering certain real and personal property (collectively, the "Property") located in the Town of Lansing, Cook County, State of Illinois, and described in the Mortgage, as modified by a certain Modification Agreement of even date herewith by and between Borrower, Holder and Equest V Income Properties Fund Partnership ("Equest"), the holder and owner of 100% of the beneficial interest in the Trust ("the Modification Agreement"), by an Assignment and Security Agreement (the "Assignment") made by Equest in favor of Holder, as modified by the Modification Agreement, and by any and all other instruments, now or hereafter executed by or on behalf of Borrower or others in favor of Holder, which in any manner constitute additional security for the indebtedness evidenced by this Note (all of which, including the Mortgage and the Assignment, as modified, are hereinafter referred to collectively as the "Security Documents").

9. Except as hereinafter provided, Borrower shall not have the right to prepay the indebtedness evidenced by this Note, in whole or in part.

(a) Borrower may prepay, in whole but not in part, the then outstanding principal balance of this Note, together with all interest and other charges hereunder and under the Security Documents accrued to the date prepayment is received by Holder, subject to the concurrent payment to Holder of a prepayment premium in an amount equal to (i) the greater of (A) the Initial Advance Loss of Yield Product plus the Subsequent Advance Loss of Yield Product (as such terms are hereinafter defined), or (B) ten percent (10%) of the then outstanding principal balance of this Note, if prepayment occurs during the period commencing on the date of this Note and ending on, but including, the day immediately preceding the first anniversary of the date of this Note, (ii) the greater of (A) the Initial Advance Loss of Yield Product plus the Subsequent Advance Loss of Yield Product, or (B) two percent (2%) of the then outstanding principal balance of this Note if prepayment occurs during the period commencing on the first anniversary of the date of this Note and ending on, but including, the day immediately preceding the second anniversary of the date of this Note, (iii) the greater of (A) the Initial Advance Loss of Yield Product plus the Subsequent Advance Loss of Yield Product, or (B) one percent (1%) of the then outstanding principal balance of this Note if prepayment occurs during the period commencing on the second anniversary of the date of this Note and ending on, but including, the day immediately preceding the third anniversary of the date of this Note, and (iv) the Initial Advance Loss of Yield Product plus the Subsequent Advance Loss of Yield Product if prepayment occurs during the period commencing on the third anniversary of the date of this Note and ending on, but including, the day immediately preceding the Maturity Date, provided, however, that Holder shall have received written notice from Borrower of its election to prepay this Note and other amounts as aforesaid at least ninety (90) days prior to the date of prepayment. Any prepaid amounts specified in said notice

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shall, upon the giving of said notice, become due and payable at the time provided in said notice.

(i) As used in this paragraph 9(a), the "Initial Advance Loss of Yield Product" shall be an amount equal to the product of the following:

(A) the amount by which (x) the rate per annum of Seven and 21/100 percent (7.21 %) exceeds (y) the Weekly Yield Percentage for United States Treasury fixed interest obligations adjusted to a constant maturity of five (5) years published on the date of such prepayment or, if no publication occurred on such date, then on the date most immediately preceding the date of such prepayment on which such a publication occurred (provided, however, that negative results obtained from the foregoing shall be treated as zero to the end that calculations under this paragraph 9(a) shall result in an Initial Advance Loss of Yield Product of zero in such cases); multiplied by

(B) the number of years (with any partial year rounded to a full year) remaining until the Maturity Date; multiplied by

(C) the Initial Advance.

(ii) As used in this paragraph 9(a), the "Subsequent Advance Loss of Yield Product" shall be an amount equal to the product of the following:

(A) the amount by which (x) the Weekly Yield Percentage for United States Treasury fixed interest obligations adjusted to a constant maturity of five (5) years published on the date of disbursement of the Subsequent Advance or, if no publication occurred on such date, then on the date most immediately preceding the date of such disbursement on which such a publication occurred, exceeds (y) the Weekly Yield Percentage for United States Treasury fixed interest obligations adjusted to a constant maturity of five (5) years published on the date of such prepayment or, if no publication occurred on such date, then on the date most immediately preceding the date of such prepayment on which such a publication occurred (provided, however, that negative results obtained from the foregoing shall be treated as zero to the end that calculations under this paragraph 9(a) shall result in a Subsequent Advance Loss of Yield Product of zero in such cases); multiplied by

(B) the number of years (with any partial year rounded to a full year) remaining until the Maturity Date; multiplied by

(C) the Subsequent Advance.

(b) If the maturity of this Note shall have been extended as provided above, Borrower may prepay, in whole but not in part, the then

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outstanding principal balance of this Note, together with all interest and other charges hereunder and under the Security Documents accrued to the date prepayment is received by Holder, subject to the concurrent payment to Holder of a prepayment premium in an amount equal to the Loss of Yield Product (as hereinafter defined); provided, however, that Holder shall have received written notice from Borrower of its election to prepay this Note and other amounts as aforesaid at least ninety (90) days prior to the date of prepayment. Any prepaid amounts specified in said notice shall, upon the giving of said notice, become due and payable at the time provided in said notice. As used in this paragraph 9(b), the "Loss of Yield Product" shall be an amount equal to the product of the following:

- (i) the amount by which (A) the Weekly Yield Percentage for United States Treasury fixed interest obligations adjusted to a constant Maturity of five (5) years published on the Maturity Date or, if no publication occurred on such date, then on the date most immediately preceding the Maturity Date on which such a publication occurred, exceeds (B) the Weekly Yield Percentage for United States Treasury fixed interest obligations adjusted to a constant maturity of five (5) years published on the date of such prepayment or, if no publication occurred on such date, then on the date most immediately preceding the date of such prepayment on which such a publication occurred (provided, however, that negative results obtained from the foregoing shall be treated as zero to the end that calculations under this paragraph 9(b) shall result in a Loss of Yield Product of zero in such cases); multiplied by
- (ii) the number of years (with any partial year rounded to a full year) remaining until the Extended Maturity Date; multiplied by
- (iii) the then outstanding principal balance of this Note.

10. Borrower acknowledges that the loan which is the subject of this Note has been funded and may continue to be funded on a so-called "matched funds" basis, and that, accordingly, any prepayment of this Note, in whole or in part, whether voluntary or involuntary, except for any prepayment specifically permitted above, would cause Holder to incur damages the amount of which would be impractical or extremely difficult to ascertain (which, among other things, would include loss of profits, liabilities and expenses incurred by reason of the liquidation or reemployment of funds obtained to fund such loan). If the maturity hereof shall be accelerated for any reason, then a tender of payment by Borrower or by anyone on behalf of Borrower of the amount necessary to satisfy all sums due hereunder made at any time prior to the sale or other conveyance of the Property pursuant to the provisions of the Security Documents, shall constitute an evasion of the payment terms hereof and shall be deemed to be a voluntary prepayment hereunder, and any such payment, to the extent permitted by law, shall require the concurrent payment of the aforesaid prepayment premium, as and for liquidated damages as a result of such evasion.

11. It is agreed that time is and shall be of the essence in the performance of all obligations hereunder and under the Security Documents. It shall be an Event of Default hereunder if Borrower shall fail to make any

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payment hereunder on or prior to the due date thereof ("Monetary Default"), or if any "Event of Default" shall occur under any of the Security Documents. If an Event of Default shall occur, then, or at any time thereafter, Borrower's right to defer interest as provided above shall terminate and the entire principal balance of this Note, irrespective of the Maturity Date, together with the then accrued and unpaid interest thereon and other charges hereunder, including, without limitation, the outstanding Deferred Amount, and, to the extent permitted by law, any prepayment premium provided hereunder, at the election of Holder, and without notice of such election, shall become due and payable immediately. Notwithstanding the foregoing, Holder shall not be entitled to accelerate the maturity of the principal balance of this Note, elect to declare any other sums owing hereunder to be immediately due and payable or exercise any of its other rights or remedies under this Note or any of the Security Documents solely on the basis of a Monetary Default unless such Monetary Default has existed for at least seven (7) days and not been cured by or on behalf of Borrower. The preceding sentence shall in no way impair, prevent or affect Holder's right to treat the indebtedness evidenced hereby as accelerated in the event of a proceeding commenced by or against Borrower or Equest under the Federal Bankruptcy Code.

12. (a) Upon the occurrence of any Event of Default hereunder, or upon maturity hereof (by acceleration or otherwise), the entire outstanding principal balance of this Note, at the option of Holder, shall bear interest, from the date of occurrence of such Event of Default or maturity until payment (including any period of time occurring after judgment), at the "Default Rate," being the lower of (i) the highest rate permitted by the Interest Law (as hereinafter defined) or (ii) (x) prior to the Maturity Date or, if the maturity of this Note shall have extended, the Extended Maturity Date, three percent (3%) in excess of the Interest Rate, or (y) from and after the Extended Maturity Date or, if the maturity of this Note shall not have been extended, the Maturity Date, six percentage points (6%) over the Base Rate (as hereinafter defined), but in no event less than the Default Rate prior to the Extended Maturity Date or the Maturity Date, as the case may be. If any payment under this Note is not paid on or before the date when such payment is due, Borrower shall pay to Holder a late charge equal to five percent (5%) of such payment, to cover the additional expenses involved in handling such overdue payment. Such late charge shall be in addition to, and not in lieu of, any other remedy Holder may have and is in addition to any fees and charges of any agents or attorneys which Holder is entitled to employ upon the occurrence of an Event of Default, whether authorized herein or by law. The aforesaid excess interest and late charge, when and if applicable, shall be due and payable immediately without notice or demand.

(b) The "Base Rate" shall be the higher of (i) the highest rate announced from time to time as the prime rate, prime commercial rate, base rate, corporate base rate, or other similar designation by Citibank, N.A., for prime commercial loans to large business borrowers, as opposed to any so-called "small business" rate, or (ii) the most recent ninety (90) day commercial paper dealer rate, as published from time to time in The Wall Street Journal, "Federal Reserve Report," or otherwise by the Federal Reserve.

(c) It is expressly agreed that the use of the terms "prime rate," "prime commercial rate," "base rate," "corporate base rate" or other

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similar designation is not intended to nor does it imply that said rate of interest is a preferred rate of interest or one which is offered by said financial institution to its most creditworthy customers.

13. If this Note is now, or hereafter shall be, signed by more than one party or person, it shall be the joint and several obligation of all such parties or persons (including, without limitation, all makers, endorsers, guarantors and sureties, if any), and shall be binding on all such parties or persons and their heirs, successors and assigns. Borrower and all makers, endorsers, guarantors and sureties hereof agree jointly and severally that if, and as often as, this Note is placed in the hands of any attorneys for collection or to defend or enforce any of Holder's rights hereunder, then Borrower shall pay to Holder on demand its reasonable attorneys' fees, together with all court costs and other expenses incurred by Holder in connection with such actions.

14. Borrower and all makers, endorsers, guarantors and sureties hereof, if any, and all other persons liable or who shall become liable on this Note, jointly and severally waive demand, presentment, protest, notice of protest, notice of dishonor, diligence in collection, the benefit of any exemption under any homestead exemption laws, if applicable, and any and all other notices and matters of a like nature. Borrower and all makers, endorsers, guarantors and sureties, if any, and all other persons liable or who shall become liable on this Note, consent to (i) any renewal, extension or modification (whether one or more) of the terms of this Note or the Security Documents, including the terms or time of payment under this Note, (ii) the release or surrender, exchange or substitution of all or any part of the security, whether real or personal or direct or indirect, for the payment hereof, (iii) the granting of any other indulgences to Borrower, and (iv) the taking or releasing of other or additional parties primarily or contingently liable hereunder. Any such renewal, extension, modification, release, surrender, exchange or substitution may be made without notice to Borrower and any such makers, endorsers, guarantors, sureties or other persons, and without affecting the liability of said parties hereunder.

15. This Note and the Security Documents are to be construed as one contract and each is hereby referred to, incorporated in and made a part of the other. This Note shall be construed and enforced in accordance with and governed by the laws of the State of Illinois. The proceeds of this Note shall be used for business purposes within the meaning of Illinois Revised Statutes Chapter 17, Paragraph 6404, Section 4(1)(c).

16. This Note may not be modified or terminated orally but only by agreement or discharge in writing and signed by Holder. Any forbearance of Holder in exercising any right or remedy hereunder or under the Security Documents, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any right or remedy. The acceptance by Holder of payment of any sum payable hereunder after the due date of such payment shall not be a waiver of Holder's right to either require prompt payment when due of all other sums payable hereunder or to declare a default for failure to make prompt payment.

17. Whenever Holder is referred to in this Note, such reference shall be deemed to include the successors and assigns of Holder, including, without limitation, any subsequent assignee or holder of this Note, and all covenants, provisions and agreements by or on behalf of Borrower and any makers, endorsers, guarantors and sureties hereof, and any other persons, which are contained herein shall inure to the benefit of the successors and assigns of Holder.

18. It is the intention of Borrower and Holder to conform strictly to the Interest Law (as hereinafter defined). Accordingly, it is agreed that, notwithstanding any provisions to the contrary in this Note, or in any of the documents securing payment hereof or otherwise relating hereto, the aggregate of all interest, and any other charges or consideration constituting interest under the Interest Law, that is taken, reserved, contracted for, charged or received under this Note or under any of the other aforesaid documents or otherwise in connection with this loan transaction shall under no circumstances exceed the maximum amount of interest allowed by the Interest Law. If any excess of interest in such respect is provided for in this Note, or in any of the documents securing payment hereof or otherwise relating hereto, then in such event (a) the provisions of this paragraph shall govern and control, (b) neither Borrower nor Borrower's heirs, legal representatives, successors or assigns shall be obligated to pay the amount of such interest to the extent that it is in excess of the maximum amount of interest allowed by the Interest Law, (c) any excess shall be deemed a mistake and cancelled automatically and, if theretofore paid, shall be credited on this Note by Holder (or if this Note shall have been paid in full, refunded to Borrower), and (d) the effective rate of interest shall be automatically subject to reduction to the Maximum Legal Rate of Interest (as hereinafter defined). To the extent permitted by the Interest Law, all sums paid or agreed to be paid to Holder for the use, forbearance or detention of the indebtedness evidenced hereby shall be amortized, prorated, allocated and spread throughout the full term of this Note. For purposes of this Note, "Interest Law" shall mean any present or future law of the State of Illinois, the United States of America or any other jurisdiction, which has application to the interest and other charges under this Note, or any of the documents securing payment hereof or otherwise relating hereto and to the classification of Borrower under such law. The "Maximum Legal Rate of Interest" shall mean the maximum rate of interest that Holder may from time to time legally charge Borrower by agreement and in regard to which Borrower would be prevented successfully from raising the claim or defense of usury under the Interest Law at now or hereafter construed by courts of appropriate jurisdiction.

19. In the event that any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part, or in any respect, or in the event that any one or more of the provisions of this Note shall operate, or would prospectively operate, to invalidate this Note, then, and in any such event, such provision or provisions only shall be deemed to be null and void and of no force or effect and shall not affect any other provision of this Note, and the remaining provisions of this Note shall remain operative and in full force and effect, shall be valid, legal and enforceable, and shall in no way be affected, prejudiced or disturbed thereby.

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20. Any reference in this Note to any gender shall include any other gender, and the use of the singular shall include the plural and vice versa, unless the context requires otherwise.

21. To the extent permitted by the laws of the State of Illinois, Borrower hereby waives all errors and imperfections in any proceedings which may be instituted by Holder pursuant to this Note or any of the Security Documents, and all benefits of any present or future law, regulation or judicial decision which:

(i) exempts any collateral given as security for this Note from attachment, levy or sale under execution;

(ii) provides for any stay of execution, marshalling of assets, exemption from civil process, redemption, extension of time for payment or valuation or appraisal of any collateral given as security for this Note; or

(iii) conflicts with any covenant, term or provision of this Note or any of the Security Documents.

22. This Note has been executed and delivered by Borrower in substitution for that certain Secured Promissory Note in the stated principal amount of \$2,025,000 made by Borrower in favor of Holder dated June 26, 1984 (the "Replaced Note"). The indebtedness evidenced by the Replaced Note continues outstanding, it being the intention of Borrower and Holder that tendering by Holder of the Replaced Note in exchange for this Note constitutes a substitution of the evidence of such indebtedness. In addition, this Note evidences additional indebtedness advanced, or to be advanced, by Holder to Borrower, as described in the Loan Agreement.

23. This Note is executed by the undersigned Trustee, not personally but solely as Trustee under the terms of that certain agreement dated June 1, 1984, creating Trust No. 61197; and it is expressly understood and agreed by the parties hereto, anything herein to the contrary notwithstanding, that each and all of the covenants, undertakings, representations and agreements herein made are made and intended, not as personal covenants, undertakings, representations and agreements of the Trustee, individually or for the purpose of binding it personally, but this instrument is executed and delivered by American National Bank and Trust Company of Chicago, as Trustee, solely in the exercise of the powers conferred upon it as such Trustee under said agreement and no personal liability or personal responsibility is assumed by, nor shall at any time be asserted or enforced against American National Bank and Trust Company of Chicago, on account hereof, or on account of any covenant, undertaking, representation, warranty or agreement herein contained, either expressed or implied, all such personal liability, if any, being hereby expressly waived and released by the parties hereto or holder

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hereof, and by all persons claiming by or through or under said parties or holder hereof.

Attest:

AMERICAN NATIONAL BANK AND
TRUST COMPANY OF CHICAGO,
not personally but solely
as Trustee as aforesaid

By _____

Its

By _____

Its

[CORPORATE SEAL]

Property of Cook County Clerk's Office

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5 4 - 1 3 9 5 0
2025 E. 175th Street
Lansing, Illinois

THAT PART OF LOT 3 LYING SOUTH OF A LINE DRAWN PERPENDICULAR TO THE WEST LINE OF SAID LOT 3 AND DISTANT 587.34 FEET SOUTH OF THE SOUTHERLY RIGHT OF WAY OF THE KINGERY EXPRESSWAY, AS MEASURED ALONG THE WEST LINE OF SAID LOT 3, AND LYING WEST OF A LINE DRAWN PARALLEL WITH THE WEST LINE OF SAID LOT 3 AND DISTANT 225.21 FEET EAST OF THE WEST LINE THEREOF, AS MEASURED ON THE SOUTH LINE OF SAID LOT 3; ALL OF LOT 4, THE EAST 60 FEET OF THE SOUTH 189.41 FEET OF LOT 5 AND THE NORTH 114 FEET OF THE SOUTH 303.41 FEET OF LOT 5, ALL IN THE SUBDIVISION OF THE NORTH 50 ACRES OF THE WEST 1/2 OF THE SOUTH EAST 1/4 AND THE EAST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 25, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPTING FROM THE EAST 1/2 OF THE SOUTH WEST 1/4 OF SAID SECTION 25, 20 ACRES DESCRIBED AS FOLLOWS: COMMENCING, AT THE SOUTH WEST CORNER OF THE EAST 1/2 OF THE SOUTH WEST 1/4 OF SAID SECTION 25, THENCE RUNNING EAST 6.16 CHAINS; THENCE NORTH 32.47 CHAINS, THENCE WEST 6.16 CHAINS; THENCE SOUTH 32.47 CHAINS TO THE POINT OF BEGINNING), ALL LYING SOUTH OF THE SOUTHERLY RIGHT OF WAY OF THE TRI-STATE EXPRESSWAY ACCORDING TO DOCUMENT NO. 12799661, IN COOK COUNTY, ILLINOIS, ALSO; THAT PART OF THE WEST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 25, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF THE SOUTH 60 RODS OF SAID WEST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 25 SOUTH OF THE SOUTH LINE OF THE NORTH 50 ACRES OF THE WEST 1/2 OF SAID SOUTH EAST 1/4, WEST OF THE EAST LINE OF THE WEST 225.21 FEET OF LOT 3 EXTENDED SOUTH AND EAST OF THE WEST LINE OF THE EAST 60 FEET OF LOT 5 EXTENDED SOUTH; SAID LOTS 3 AND 5 BEING IN THE SUBDIVISION OF THE NORTH 50 ACRES OF THE WEST 1/2 OF THE SOUTH EAST 1/4 AND THE EAST 1/2 OF THE SOUTH WEST 1/4 OF SECTION 25, TOWNSHIP 36 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPTING FROM THE EAST 1/2 OF THE SOUTH WEST 1/4 OF SAID SECTION 25, 20 ACRES DESCRIBED AS FOLLOWS: COMMENCING AT THE SOUTH WEST CORNER OF THE EAST 1/2 OF THE SOUTH WEST 1/4 OF SAID SECTION 25; THENCE RUNNING EAST 6.16 CHAINS; THENCE NORTH 32.47 CHAINS, THENCE WEST 6.16 CHAINS; THENCE SOUTH 32.47 CHAINS TO THE POINT OF BEGINNING) IN COOK COUNTY, ILLINOIS.

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