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MODIFICATION AGREEMENT

70-55-770 D 1

This MODIFICATION AGREEMENT (this "Agreement") is made as of September 8, 1986 between LASALLE NATIONAL BANK, a national banking association, not personally but as trustee ("Trustee") under Trust Agreement dated November 28, 1984 and known as Trust Number 109206 (the "Trust"), GREATER CAPITAL CORPORATION, a California corporation ("Greater Capital"), STEVEN A. COHN, ETHEL L. COHN, MARK F. COHN and ALEXIS LEWIN, all of whose mailing address is c/o Greater Capital Corporation, Burlingame Office Center, 1633 Bayshore Highway, Suite 239, Burlingame, California 94010 (collectively, "Maker") and FOCUS REAL ESTATE FINANCE CO., a Delaware corporation, whose mailing address is 200 West Madison Street, Suite 3000, Chicago, Illinois 60606 ("Holder").

**RECITALS:**

A. Holder disbursed One Million and No/100 Dollars (\$1,000,000.00) to or for the benefit of Maker on July 24, 1986 representing part of a loan in the amount of Two Million and No/100 Dollars (\$2,000,000.00) (the "Loan") contemplated by a certain Mortgage Loan Commitment between Maker and Holder dated May 9, 1986, as amended from time to time (the "Commitment"). Document number 86315016.

B. The Loan is evidenced by a certain Promissory Note dated July 21, 1986 made by Maker in favor of Holder in the principal amount of Two Million and No/100 Dollars (\$2,000,000.00) (the "Note") and secured by a certain Junior Mortgage, Security Agreement and Financing Statement of even date with the Note made by Maker in favor of Holder (the "Mortgage"), covering the real property legally described on EXHIBIT "A" attached hereto and the improvements and personal property thereon, an assignment of Rents and Leases of even date with the Note made by Maker and O'HARE HOTEL INVESTORS, LTD., a California limited partnership, the beneficiary of the Trust ("Beneficiary"), in favor of Holder (the "Assignment of Rents"), a Security Agreement of even date with the Note made by Beneficiary in favor of Holder (the "Security Agreement"), a Collateral Assignment of Management Agreement of even date with the Note made by Beneficiary in favor of Holder ("CAMA") and any other documents now or hereafter evidencing or securing the Loan and all amendments, modifications, replacements and restatements thereof (together with the Note, the Mortgage, the Assignment of Rents, the Security Agreement and the CAMA, the "Loan Documents").

C. The Note provides that Holder would disburse an additional One Million and No/100 Dollars (\$1,000,000.00) if Life Assurance Company of Pennsylvania ("LACOP") were prepared to purchase a participation in the Loan, but LACOP is not prepared to purchase a participation in the Loan.

   *M. S. Miller*  
This instrument prepared by: Barbara S. Miller  
Schwartz & Freeman  
401 N. Michigan Avenue  
Suite 3400  
Chicago, IL 60611

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COOK COUNTY, ILLINOIS  
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D. The parties have agreed that Holder would disburse the additional \$1,000,000, notwithstanding the fact that LACOP is not participating, provided that the Loan Documents are modified in accordance with the terms and provisions hereinafter set forth.

NOW THEREFORE, in consideration of the foregoing recitals and the mutual promises made herein, the parties agree as follows:

1. The above recitals are fully incorporated herein by this reference with the same force and effect as though restated herein.

2. The fourth and fifth sentences of the first grammatical paragraph of the Note and the entire second grammatical paragraph of the Note are deleted and the following substituted therefor:

"On July 24, 1986, Holder shall disburse the principal sum of One Million and No/100 Dollars (\$1,000,000.00) less any applicable holdbacks (the "First Disbursement"). The maturity date of this Note with respect to the First Disbursement (the "First Maturity Date") shall be July 24, 1987, or such earlier maturity date as may be caused by prepayment, agreement, default and acceleration, deed in lieu of foreclosure or otherwise. On September 8, 1986, Holder shall disburse the principal sum of One Million and No/100 Dollars (\$1,000,000.00) less any applicable holdbacks (the "Second Disbursement"). The maturity date of this Note with respect to the Second Disbursement (the "Second Maturity Date") shall be March 8, 1987, or such earlier maturity date as may be caused by prepayment, agreement, default and acceleration, deed in lieu of foreclosure or otherwise. Any accrued, unpaid interest, late charges and all other sums due hereunder (except for the unpaid principal balance of the First Disbursement), under the "Mortgage" (as hereinafter defined) and under the other Loan Documents plus the unpaid principal balance of the Second Disbursement shall be due and payable on the Second Maturity Date. Any accrued, unpaid interest, late charges and all other sums due hereunder, under the Mortgage and under the other Loan Documents plus the unpaid principal balance of the First Disbursement shall be due and payable on the First Maturity Date."

3. The second complete grammatical paragraph on page 4 of the Note, entitled "Extension Right", is deleted and the following substituted therefor:

"Extension Right. Provided there shall be no default under this Note or any of the other Loan Documents, Maker shall have the right to extend the Second Maturity Date for one (1) additional six (6) month period to September 8, 1987 upon the following terms and conditions. Maker must furnish Holder written notice of its election to exercise its extension right at least sixty (60) days prior to the Second Maturity Date. Along with such notice, Maker also must deliver to Holder a nonrefundable extension fee payable to Holder in the amount of Twelve Thousand Five Hundred and No/100 Dollars (\$12,500.00)."

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4. The second sentence of the second grammatical paragraph of the Mortgage is deleted and the following substituted therefor:

"The final payment of that portion of the loan evidenced by the Note (the "Loan") which was disbursed on July 24, 1986 and was in the amount of \$1,000,000, together with all interest accrued on the entire outstanding principal balance of the Note, shall be due July 24, 1987, if not sooner paid. The final payment of that portion of the Loan which was disbursed on September 8, 1986 and was in the amount of \$1,000,000, together with all interest accrued on the entire outstanding balance of the Note, shall be due March 8, 1987, if not sooner paid, unless the extension option provided for in the Note is exercised in which event the final payment of the \$1,000,000 disbursed on September 8, 1986, together with all accrued interest, shall be due September 8, 1987."

5. All references in the Loan Documents to the Note shall be deemed to be references to the Note as hereby modified.

6. Holder acknowledges receipt of a \$25,000 commitment fee in connection with the First Disbursement. Maker agrees that an additional commitment fee in the amount of \$12,500 is due and payable concurrently herewith in connection with the Second Disbursement. No other commitment fee shall be due in connection with the Loan.

7. The terms, conditions and provisions of the Note and the other Loan Documents remain in full force and effect as modified hereby.

8. This Agreement shall be governed by and construed in accordance with the laws, statutes and decisions of the State of Illinois.

9. Maker, on behalf of itself and on behalf of Beneficiary, pursuant to proper authority, hereby (i) reaffirms each and every covenant, condition, obligation and provision set forth in the Note, the Mortgage and the other Loan Documents, as modified hereby, (ii) warrants to Holder that there are no defenses, set-offs, claims or counterclaims whatsoever, in law or in equity, available to Maker or Beneficiary relating to or arising from the First Disbursement, the Second Disbursement, this Agreement, the Commitment, the Note, the Mortgage or the other Loan Documents, as modified hereby, and (iii) represents that this Agreement constitutes the entire agreement of the parties with respect to the modification of the Loan, except for any agreements, warranties, representations, covenants or certifications evidenced by other documents, instruments, certificates, affidavits or letters which may be executed of even date herewith, and that there are no verbal understandings, agreements or representations in connection with the modification of the Loan.

10. Maker, at Maker's sole cost and expense, shall cause an executed counterpart of this Agreement to be recorded in the Office of the Recorder of Deeds of Cook County, Illinois and shall cause an endorsement to Holder's title insurance policy in connection with the Loan reflecting the recording of this Agreement to be issued by Chicago Title Insurance Company.

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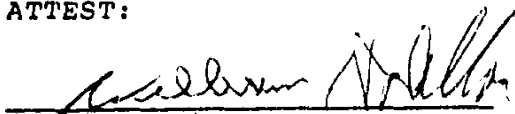
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11. This Agreement is executed by LaSalle National Bank, not personally, but as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee (and LaSalle National Bank warrants that it possesses full power and authority to execute and deliver this instrument). No personal liability shall be asserted or be enforceable against the Trustee or any beneficiary or any other Maker because of or with respect to this Agreement or the making, issue or transfer hereof, all such liability, if any, being expressly waived by each Holder hereof, but nothing herein contained shall modify or discharge the personal liability expressly assumed by any guarantor hereof, and each original and successive Holder of the Note accepts the same upon the express condition that no duty shall rest upon the Trustee to sequester the rents, issues and profits arising from the property described in the Mortgage and other Loan Documents, or the proceeds arising from the sale or other disposition thereof, but that in case of default in the payment of the Note or of any installment thereof, the sole remedy of the Holder against the Trustee shall be by foreclosure of the Mortgage and other Loan Documents given to secure the indebtedness evidenced by the Note in accordance with the terms and provisions in the Mortgage and other Loan Documents set forth, or any other security given for the indebtedness evidenced thereby.

IN WITNESS WHEREOF the undersigned has executed and delivered this Agreement as of the date and year first above written.

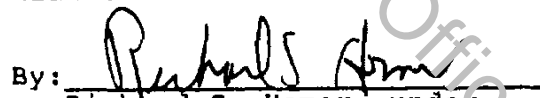
ATTEST:

  
\_\_\_\_\_  
(Assistant) Secretary

LASALLE NATIONAL BANK,  
not personally but solely  
as Trustee as aforesaid

By:   
\_\_\_\_\_  
(Assistant) Vice President

GREATER CAPITAL CORPORATION,  
a California corporation,  
STEVEN A. COHN, ETHEL L.  
COHN, MARK F. COHN AND  
ALEXIS LEWIN

By:   
\_\_\_\_\_  
Richard S. Homer, under  
Power of Attorney dated  
September 5, 1986

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## EXHIBIT A TO MODIFICATION AGREEMENT

### Legal Description

#### PARCEL 1:

THE SOUTH 1/4 OF THE SOUTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART TAKEN FOR MANNHEIM ROAD AND THAT PART CONVEYED TO THE ILLINOIS STATE TOLL HIGHWAY COMMISSION BY DEED RECORDED AS DOCUMENT NUMBER 18-38063), (AND EXCEPT THAT PART TAKEN IN CASE NUMBER 64"L"21589), IN COOK COUNTY, ILLINOIS

#### PARCEL 2:

THAT PART OF THE EAST 1/2 OF THE SOUTH EAST 1/4 OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING WESTERLY OF THE WEST LINE OF MANNHEIM ROAD AND NORTH OF THE NORTH LINE OF THE ILLINOIS TOLL HIGHWAY DRAWN FROM A POINT IN THE EAST LINE OF SAID SOUTH EAST 1/4, 315.2 FEET SOUTH OF THE EAST 1/4 CORNER OF SAID SECTION 32, TO A POINT IN THE NORTH LINE OF SAID EAST 1/2 OF THE SOUTH EAST 1/4, 544.64 FEET MEASURED ON THE SAID NORTH LINE EAST OF THE NORTH WEST CORNER OF SAID EAST 1/2 OF THE SOUTH EAST 1/4 OF SAID SECTION 32, (EXCEPT THAT PART TAKEN IN CASE NUMBER 64"L"21253), IN COOK COUNTY, ILLINOIS

#### PARCEL 3:

LOTS 1 TO 4 IN BLOCK 2 IN OLIVER SALINGER AND COMPANY'S 1ST ADDITION TO GLEN ACRES, BEING A SUBDIVISION OF THE NORTH 3/4 OF THE SOUTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

#### PARCEL 4:

THAT PART OF THE SOUTH 1/2 OF MORSE AVENUE, LOCATED BY DOCUMENT 26239728, LYING NORTH OF AND ADJOINING LOTS 3 AND 4 IN BLOCK 2 IN OLIVER SALINGER AND COMPANY'S 1ST ADDITION TO GLEN ACRES, BEING A SUBDIVISION OF THE NORTH 3/4 OF THE SOUTH EAST 1/4 OF THE NORTH EAST 1/4 OF SECTION 32, TOWNSHIP 41 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Permanent Real Estate  
Index Numbers:

09-32-203-005-0000  
09-32-206-017-0000  
09-32-212-015-0000

Common Address of Property:

J.J. 6810 N. Mannheim Road  
Rosemont, Illinois

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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, JANICE L. WOLODZICKI, a Notary Public in and for  
said County, in the State aforesaid, DO HEREBY CERTIFY,  
that Richard S. Homer, whose name is subscribed to the  
within instrument, appeared before me this day in person  
and acknowledged that he signed and delivered the said  
instrument of writing as his free and voluntary act and  
deed for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day  
of September, 1986.

*Janice L. Wolodzicki*  
Notary Public

My Commission Expires:

*July 31, 1989*

Property of Cook County Clerk's Office

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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

Kathy Pasana

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that James A. Clark, personally known to me to be the Asst. Vice President of LASALLE NATIONAL BANK, a national banking association and William H. Dillen, personally known to me to be the Assistant Secretary of said Bank, whose names are subscribed to the within instrument, appeared before me this day in person and severally acknowledged that as such Asst. Vice President and Assistant Secretary, they signed and delivered the said Instrument of writing as Asst. Vice President and Assistant Secretary of said bank, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of September, 1986.

Kathy Pasana  
Notary Public

My Commission Expires:

6-11-88

Property of Cook County Clerk's Office

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