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MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT made this 28th day of February, 1992, by and between Cosmopolitan National Bank of Chicago, as Trustee under Trust No. 23511 ("Predecessor Trust"), American National Bank and Trust Company of Chicago, Trust No. 114960-07 ("Trust"), Broadmoor Apartments Associates Limited Partnership, an Illinois limited partnership ("Borrower"), and the City of Chicago, Illinois (the "City").

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18404 5 5 * 92-131720
COOK COUNTY RECORDER

RECITALS:

A. The City has previously entered into that certain Construction Rehabilitation Loan Agreement dated April 1, 1985 with Jerry Kozlowski and Kasimir Krasuski, as the predecessors to Borrower, and Community Investment Corporation ("Senior Lender"), pursuant to which the City has made a loan in the amount of \$394,000.00 (the "First Original Loan") to finance a part of the cost of rehabilitation of certain premises legally described on Exhibit A attached hereto (the "Premises"); and

B. Pursuant to said agreement, said predecessors to Borrower, as the sole beneficiaries of Predecessor Trust (being the title holder of the Premises), caused Predecessor Trust to deliver to the City a Note in the original principal amount of \$394,000.00 dated April 24, 1985 evidencing the First Original Loan (the "First Original Note"); and

C. The First Original Note was secured by, inter alia, a mortgage encumbering the Premises dated April 24, 1985 and recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") as Document No. 85012304 (the "First Original Mortgage"); and

D. The First Original Note and the First Original Mortgage and all other documents executed and delivered to the City in connection with the First Original Loan are collectively referred to as the "First Original Loan Documents"; and

E. The City subsequently made a second loan to said predecessors to Borrower, and to evidence said loan (the "Second Original Loan"), Predecessor Trust delivered to the City a Second Promissory Note Secured by a Mortgage in the original principal amount of \$240,000.00 dated November 26, 1986 (the "Second Original Note"); and

F. The Second Original Note was secured by, inter alia, a Junior Mortgage, Assignment of Rents and Security Agreement encumbering the Premises, dated November 26, 1986 from Predecessor Trust to the City recorded with the Recorder's Office as Document No. 87028007 (the "Second Original Mortgage"); and

G. The Second Original Note and the Second Original Mortgage and all other documents executed and delivered to the City in connection with the Second Original Loan are collectively referred to as the "Second Original Loan Documents"; and

H. By that certain Loan Modification and Assumption Agreement dated June 22, 1989, Predecessor Trust and the City, among others, agreed to certain

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modifications to the First Original Loan Documents. Such modifications included without limitation:

1. Approval of the assignment of the beneficial interest in the Predecessor Trust from the original borrowers to Alpha Development Corporation; and
2. Confirmation of the principal balance due as of June 30, 1989 to the City on the First Original Loan and that thereafter interest under the First Original Note would be payable at the rate of zero percent (0%) per annum with final payment of all outstanding principal and interest due on April 24, 2004; and

I. By that certain Loan Modification and Assumption Agreement dated June 22, 1989, Predecessor Trust and the City, among others, agreed to certain modifications to the Second Original Loan Documents. Such modifications included without limitation:

1. Approval of the assignment of the beneficial interest in the Predecessor Trust from the original borrowers to Alpha Development Corporation; and
2. Confirmation that the principal balance due as of June 30, 1989 to the City on the Second Original Loan was \$240,000.00 and that thereafter interest under the Second Original Note would be payable at the rate of zero percent (0%) per annum with final payment of all outstanding principal and interest due on April 24, 2004; and

J. By Loan Modification Agreement dated March 16, 1990, Predecessor Trust and the City, among others, agreed to certain modifications to the First Original Loan Documents and the Second Original Loan Documents. Such modifications included without limitation:

- (1) The deletion of certain provisions of the Second Original Note and the Second Original Mortgage; and
- (2) The reduction in the principal amount of the Second Original Note to \$81,000.00; and

K. Borrower is the sole beneficiary in and to Trust. Borrower has heretofore acquired the sole beneficial interest in and to Predecessor Trust (being the title holder of the Premises), and seeks the approval by the City of such acquisition and the City's agreement to (i) the conveyance of title in and to the Premises from Predecessor Trust to Trust and (ii) the modification of certain of the provisions of the First Original Loan Documents and the Second Original Loan Documents.

NOW THEREFORE, for and in consideration of \$1.00 in hand paid, the mutual covenants contained herein and other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. The City hereby consents to the assignment of the beneficial interest in and to the Predecessor Trust from Alpha Development Corporation to Borrower and the conveyance of title in and to the Premises from Predecessor Trust to

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Trust, and the City agrees not to declare a default or accelerate the balances due under the First Original Loan Documents and/or the Second Original Loan Documents upon such assignment and conveyance.

2. The First Original Loan Documents and the Second Original Loan Documents are hereby modified in the following respects:

(a) Subparagraph (a) of the first grammatical paragraph of the First Original Note is hereby deleted and in lieu thereof the following is inserted:

(a) the principal sum of THREE HUNDRED NINETY-FOUR THOUSAND DOLLARS (\$394,000.00), without interest, with said amount repayable in full, to the extent not sooner repaid, on the first day of the 29th calendar month occurring after the "Payment Date", as that term is defined in that certain Housing Loan Agreement dated February 28, 1992 by and between Lender, American National Bank and Trust Company of Chicago, Trust No. 114960-07 ("Trust") and Broadmoor Apartments Associates Limited Partnership ("Beneficiary"), being the sole beneficiary of Trust (herein, the "Maturity Date"); and

(b) The following is added after the last sentence in the first grammatical paragraph of the First Original Note:

Prior to the maturity hereof (by lapse of time, acceleration or otherwise), principal payments shall be made from and to the extent of twenty-five percent (25%) of Net Cash. "Net Cash" shall mean operating revenues or receipts from tenants of other sources of income at or from the premises secured by the Mortgage (as described below) and residual receipts from capital transactions such as sales, refinancings or condemnation of said premises or casualty insurance proceeds received and not otherwise used for restoration of said premises, as and when received by Maker, Trust and/or Beneficiary, less debt service (including both principal and interest) on senior financing, contributions to a segregated replacement reserve account in an amount not exceeding 5% of gross rental income received from tenants (provided that the amounts so contributed shall thereafter be included as a residual receipt for purposes of calculating Net Cash to the extent any funds are disbursed from such reserve account for purposes not otherwise consented to in writing by the Lender) and other reasonable operating expenses of the premises.

(c) The text of Paragraph A of the First Original Note is hereby deleted and in lieu thereof the following is substituted:
The entire principal balance shall be due on or before the Maturity Date.

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All references to the maturity date contained in the First Original Mortgage and the Second Original Mortgage shall be deemed to refer to the first day of the 29th calendar month occurring after the

(f)

Prior to the maturity hereof (by lapse of time, acceleration or otherwise), principal payments shall be made from and to the extent of twenty-five percent (25%) of Net Cash. The amount of each such principal payment due shall be reduced by the amount of any principal payment on such date under that certain Note ("First Note") in the original principal amount of \$394,000.00, dated April 24, 1985, executed by Jerry Kozlowski and Kasimir Krasuski, payable to the City of Chicago, and as modified by that certain Modification Agreement dated February 28, 1992 among the Lender, the Trust, the Beneficiary, and Cosmopolitan National Bank of Chicago, Trust No. 23511. "Net Cash" shall mean operating revenues or receipts from tenants or other sources or income at or from the premises secured by the Mortgage (as described below) and residual receipts from capital transactions such as sales, refinancings or condemnation of said premises or casualty insurance proceeds received and not otherwise used for restoration or said premises, as and when received by Maker, Trust and/or Beneficiary, less debt service (including both principal and interest) on senior financing (not including the First Note), contributions to a segregated replacement reserve account in an amount not exceeding 3% of gross rental income received from tenants (provided that the amount so contributed shall thereafter be included as a residual receipt for purposes of calculating Net Cash to the extent any funds are disbursed from such reserve account for purposes not otherwise consented to in writing by the Lender) and other reasonable operating expenses of the premises.

The following is added after the last sentence in the first grammatical paragraph of the Second Original Note:

(e)

The principal sum of EIGHTY-ONE THOUSAND DOLLARS (\$81,000), without interest, with said amount repayable in full, to the extent not sooner repaid, on the first day of the 29th calendar month occurring after the "Payment Date," as that term is defined in that certain Housing Loan Agreement dated February 28, 1992 by and between the Lender, American National Bank and Trust Company of Chicago, Trust No. 114960-07 ("Trust") and Broadmoor Apartments Associates Limited Partnership ("Beneficiary"), being the sole beneficiary of Trust, and

(a)

Subparagraph (a) of the first grammatical paragraph of the Second Original Note is hereby deleted and in lieu thereof the following is inserted:

(d)

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6. This Modification Agreement is executed by Cosmopolitan National Bank of Chicago and American National Bank and Trust Company of Chicago, each as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee, and each such Trustee hereby warrants that it possesses full power and authority to execute this instrument; it is expressly understood and agreed that nothing hereby shall be construed as creating any liability on said Trustees personally to pay the indebtedness evidenced hereby or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by the City and by every person now or hereafter claiming any right or security hereunder, and that so far as said Trustees are concerned, the legal holder or holders of the First Original Note and/or the Second Original Note and the owner or owners of any indebtedness accruing hereunder shall look solely

5. In further consideration of the City's execution of this Modification Agreement, Borrower and Trust hereby jointly and severally agree to pay the First Original Note and the Second Original Note, as same may be amended from time to time, in full and in accordance with their respective terms; further, Borrower and Trust hereby jointly and severally assume all of Predecessor Trust's obligations, and all obligations of any predecessor beneficiaries in and to said Predecessor Trust, pursuant to the terms of the First Original Loan Documents and the Second Original Loan Documents, all as amended hereby.

4. Except as herein specifically provided, all terms of the First Original Loan Documents and the Second Original Loan Documents remain in full force and effect and are binding upon the undersigned, their successors, assigns, heirs and representatives. Upon recordation of this Modification Agreement, all predecessors-in-interest to Borrower shall be fully relieved from all obligations under the First Original Loan Documents and the Second Original Loan Documents.

The First Original Mortgage and the Second Original Mortgage, as modified hereby are expressly subordinated to the lien of, and the terms and conditions set forth in, the instruments securing said First Loan, Second Loan and Third Loan. The First Original Loan and the Second Original Loan shall become due upon any Event of Default under the Housing Loan Agreement.

Third Loan: Loan in the original principal amount of \$350,000.00 made by the Illinois Housing Development Authority and evidenced by a certain note dated February 28, 1992 in such amount.

(b) Second Loan: Loan in the original principal amount of \$1,960,629.00 made by the City and evidenced by Note dated February 28, 1992 in such amount.

(a) First Loan: Loan in the original principal amount of \$2,300,000 made by Community Investment Corporation and evidenced by Adjustable Rate Construction Loan Note (Nonrecourse) dated February 1, 1992 in such amount.

3. Repayment of the First Original Loan and the Second Original Loan shall be subordinated to repayment of the following:
"Payment Date", as that term is defined in that certain Housing Loan Agreement dated February 28, 1992 by and between the City, Trust and Borrower (the "Housing Loan Agreement").

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to the property held from time to time by Predecessor Trust and/or Trust. The foregoing shall in no way limit or modify any obligations or liabilities of Borrower or any guarantor of all or any portion of the First Original Loan and/or Second Original Loan.

7. (a) Subject to the terms of Section 7(b) and 7(c) hereof, and notwithstanding any other provision herein to the contrary, it is hereby acknowledged and agreed that Broadmoor Apartments Associates Limited Partnership shall have no personal liability under this instrument for the discharge of the indebtedness evidenced by the First Original Note, Second Original Note, or any of the other First Original Loan Documents or Second Original Loan Documents; provided, however, that the foregoing shall not be construed to limit, prejudice or impair the rights of the City to enforce any and all rights and remedies against any other party from time to time liable for the discharge of such indebtedness or against any property or other collateral mortgaged, pledged, encumbered, assigned, granted and/or delivered to secure payment of such indebtedness (herein the "Collateral") hereunder or under any of the First Original Loan Documents or Second Original Loan Documents.

(b) Notwithstanding paragraph (a) of this Section, nothing herein or in any of the First Original Loan Documents or Second Original Loan Documents shall limit the rights of the City, following any of the events hereinafter described, to take any action as may be necessary or desirable to pursue Broadmoor Apartments Associates Limited Partnership and/or its general partners for any and all losses, costs or damages incurred by the City arising therefrom: (i) a material misrepresentation, fraud made in writing or misappropriation of funds by Broadmoor Apartments Associates Limited Partnership and/or its general partners; (ii) intentional or material waste to any of the Collateral; (iii) any breach, default or other violation of any of the covenants, representations or warranties pertaining to environmental laws or hazardous or toxic materials as provided in any of the First Original Loan Documents or Second Original Loan Documents; (iv) the occurrence of any uninsured casualty to the Collateral for which there has been a failure to maintain insurance coverage as required by the terms and provisions of the First Original Loan Documents or Second Original Loan Documents; or (v) the misappropriation or misapplication of insurance proceeds or condemnation awards relating to the Collateral.

(c) The City waives any and all right to seek or demand any personal deficiency judgment against Broadmoor Apartments Associates Limited Partnership, in conjunction with a foreclosure proceeding, under or by reason of the non-recourse monetary obligations of Broadmoor Apartments Associates Limited Partnership; provided, however, that the foregoing shall not limit or effect the City's right to sue or otherwise seek recourse against Broadmoor Apartments Associates Limited Partnership and/or its general partners in any separate action or proceeding for all losses, costs or damages incurred by the City arising from any of the matters described in Section 7(b) hereinabove.

8. Whenever written notice is delivered by the City to Borrower as required or permitted under the First Original Loan Documents or the Second Original Loan Documents, as modified hereby, the City shall also deliver a copy of such notice to Chicago Equity Fund 1991 Partnership, c/o Chicago Equity Fund, Inc., 24 West Erie Street, Chicago, Illinois 60610, Attention: President.

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IN WITNESS WHEREOF, the parties have executed this Modification Agreement as of the date and year first above written.

BROADMOOR APARTMENTS ASSOCIATES LIMITED PARTNERSHIP,
an Illinois limited partnership

By: **TACH BROADMOOR DEVELOPMENT CORPORATION,** an Illinois not-for-profit corporation and its sole general partner

By: [Signature]
Its: President

ATTEST:
By: [Signature]
Its: Secretary

For full name and address of the partnership, see the certificate of limited partnership which is on file in the office of the Secretary of State.

COSMOPOLITAN NATIONAL BANK OF CHICAGO, as Trustee as aforesaid

ATTEST:
By: [Signature]
Its: Trustee

By: [Signature]
Its: Trustee

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, as Trustee as aforesaid

ATTEST:
By: [Signature]
Its: Gregory S. Kasprzyk, Assistant Secretary

By: [Signature]
Its: Michael Whelan

CITY OF CHICAGO, ILLINOIS

By: [Signature]
Its: First Deputy Commissioner

PREPARED BY:
James McDonald, Esq.
Assistant Corporation Counsel
City of Chicago
Office of Corporation Counsel
121 North LaSalle Street
Room 511
Chicago, Illinois 60602

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Executed and delivered by Cosmopolitan Bank & Trust, not in its individual capacity, but solely in the capacity herein described, for the purpose of binding the herein described property, and it is expressly understood and agreed by the parties hereto, anything herein to the contrary notwithstanding, that each and all of the undertakings and agreements herein made, are made and intended not as personal undertakings and agreements of the Trustee, or for the purpose of binding the Trustee personally, but executed and delivered by the Trustee solely in the exercise of the powers conferred upon it as such Trustee, and no personal liability or personal responsibility is assumed by, or shall at any time be asserted or enforced against said Trustee on account hereof or on account of any undertaking or agreement herein contained, either expressed or implied, all such personal liability, if any, being hereby expressly waived and released by all other parties hereto, and those claiming by, through, or under them.

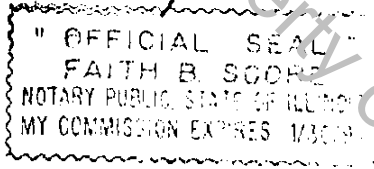
Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that HUGH MURPHY, personally known to me to be the FIRST DEPUTY CME of City of Chicago, Illinois and 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 as such AGREEMENT he/she signed and delivered the said instrument and caused the corporate seal of the City of Chicago, Illinois to be affixed thereto, pursuant to authority given by the Board of Directors of City of Chicago as his/her free and voluntary act, and as the free and voluntary act and deed of City of Chicago for the purposes therein set forth.

GIVEN under my hand and official seal this 28th day of February 1992.



Faith B. Score
Notary Public

(SEAL)

My Commission Expires:

1/30/94

PROPERTY OF COOK COUNTY CLERK'S OFFICE

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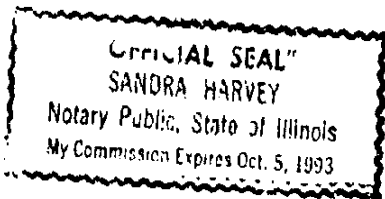
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Sandra Harvey, a Notary Public, in and for said County, in the State aforesaid, do hereby certify, that John M. Buck, Assistant Vice President of the Cosmopolitan National Bank of Chicago, as Trustee, , and Richard W. Meek, Assistant Secretary of said Bank, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice President and Assistant Secretary, respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth; and said Assistant Secretary then and there acknowledged that he, as custodian of the corporate seal of said Bank, did affix the corporate seal of said Bank to said instrument as his own free and voluntary act and as the free and voluntary act of said Bank, as Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 28th day of February, A.D. 1992.

Sandra Harvey
Notary Public



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EXHIBIT A

LEGAL DESCRIPTION:

LOTS 55, 56 AND 57 IN GERMANIA ADDITION TO EVANSTON BEING A SUBDIVISION OF BLOCKS 2 AND 3 OF DREYER'S LAKE SHORE ADDITION TO EVANSTON AND THAT PART OF THE NORTH WEST QUARTER OF SECTION 29, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING NORTH OF INDIAN BOUNDARY LINE AND SOUTH AND WEST OF SAID BLOCKS 2 AND 3 IN COOK COUNTY, ILLINOIS.

ADDRESS COMMONLY KNOWN AS:

1514 West Howard Street

7605-07 North Bosworth Avenue

7609-11 North Bosworth Avenue

All in Chicago, Illinois

PERMANENT INDEX NO.:

11-29-106-010

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