

# UNOFFICIAL COPY

MORTGAGE 54451477

73-36-241 D1

NAME AND ADDRESS OF MORTGAGOR		NAME AND ADDRESS OF MORTGAGEE	
John A. Taylor		Aetna Finance Company, d/b/a ITT Financial Services	
DATE OF MORTGAGE	MATURITY DATE	AMOUNT OF MORTGAGE	FUTURE ADVANCE AMOUNT
3/31, 1994	April 27, 1997	\$197,301.11	-0-

WITNESSETH, That mortgagor, in consideration of a loan from mortgagee evidenced by a Note bearing even date herewith in the amount shown above together with interest thereon, does by these presents mortgage and warrant unto mortgagee, forever, the following described real estate located in Cook County, State of Illinois, hereby releasing and waiving all rights under and by virtue of the homestead exemption laws of Illinois, to wit

See Exhibit A

A copy of the Note secured hereby is attached hereto as Schedule 1. Notwithstanding anything to the contrary herein, the amount secured hereby shall not exceed \$1,000,000.00.

This mortgage shall also secure advances by the Mortgagee in an amount not to exceed the amount shown above as Future Advance Amount Together with all buildings and improvements now or hereafter erected thereon and the rents, issues and profits thereof, and all screens, awnings, shades, storms, sash and blinds, and all heating, lighting, plumbing, gas, electric, ventilating, refrigerating, and air-conditioning equipment used in connection therewith, all of which, for the purpose of this mortgage, shall be deemed fixtures and subject to the lien hereof, and the hereditaments and appurtenances pertaining to the property above described, all of which is referred to hereinafter as the "premises" or the "mortgaged premises"

TO HAVE AND TO HOLD the premises unto mortgagee, its successors and assigns, forever, for the purposes, and upon the conditions and uses herein set forth.

The mortgagor hereby covenants that the mortgagor is seized of a good title to the mortgaged premises in fee simple, free and clear of all liens and incumbrances, except as follows:

See Exhibit B

And the mortgagor will forever warrant and defend the same to the mortgagee against all claims whatsoever. PROVIDED ALWAYS, and these presents are upon this express condition, that if the mortgagor shall pay or cause to be paid to the mortgagee the indebtedness as expressed in the above described Note secured hereby according to the terms thereof and all renewals and extensions thereof, and all other present and future indebtedness of mortgagor to mortgagee (except subsequent consumer credit sales and direct loans made pursuant to the Illinois Consumer Finance Act), all of such indebtedness begin herein collectively referred to as the "indebtedness hereby secured," and shall make all other payments and perform all other terms, conditions, covenants, warranties and promises herein contained, then these presents shall cease and be void.

The mortgagor covenants with the mortgagee that the interests of the mortgagor and of the mortgagee in the premises shall be assessed for taxation and taxed together without separate valuation, and to pay before they become delinquent all taxes and assessments now or hereafter assessed or levied against this mortgage or the indebtedness hereby secured and on the premises described in this mortgage, including every mortgage interest which this mortgage may have or be deemed to have in such premises by reason of this mortgage, and to deliver to the mortgagee or the mortgagee's representative on demand receipts showing the due payment thereof, hereby waiving and releasing all rights of offset or deduction against the indebtedness secured by this mortgage because of the payment of such taxes or assessments.

The mortgagor further covenants with the mortgagee to keep the mortgaged premises insured for fire and extended coverage for the full insurable value thereof, to pay the premiums thereon when due and to comply with coinsurance provisions, if any, in insurance companies approved by the mortgagee, with loss payable to the mortgagee as its interest may appear. All policies covering the mortgaged premises shall be deposited with and held by the mortgagee. Loss proceeds, less expenses of collection, shall, at the mortgagee's option, be applied on the indebtedness hereby secured, whether do or not, or to the restoration of the mortgaged premises.

The mortgagor further covenants with the mortgagee: (1) to pay the indebtedness hereby secured; (2) to keep the mortgaged premises in good tenable condition and repair; (3) to keep the mortgaged premises free from liens superior to the lien of this mortgage; (4) not to commit waste or suffer waste to be committed on the mortgaged premises; and (5) not to do any act which shall impair the value of the mortgaged premises.

In case any such taxes or assessments remain unpaid after they become delinquent, or in case of failure to keep the mortgaged premises so insured, the approved policies deposited, or the insurance premiums paid, or to keep the same in good condition and repair, free from liens and waste, the mortgagee may on its part cure such defaults and all sums advanced for that purpose shall immediately be repaid to the mortgagee and shall, unless so repaid, be added to and deemed part of the indebtedness hereby secured, bear interest at the maximum legal rate allowed by Illinois state and form a lien upon the real estate described herein.

Upon breach or non-performance of any of the terms, conditions, covenants, warranties, or promises by the mortgagor contained herein, in said Note or any other evidence of an indebtedness secured hereby, said Note and all indebtedness hereby secured shall, at the option of the mortgagee and without further notice or demand, become immediately due and payable.

Mortgagor hereby waives all rights to possession of and income from the mortgaged premises for the period following commencement of any action to foreclose this mortgage through expiration of any redemption period. Mortgagor further agrees that upon commencement of an action to foreclose this mortgage, the court may appoint a receiver of the mortgaged premises, including homestead interest, and may empower the receiver to preserve and maintain the mortgaged premises and to collect the rents, issues and profits of said premises during the pendency of said action and until expiration of any redemption period, and may order such rents issued and profits when so collected, be applied first to the receivership expenses, including expenses incurred for necessary repairs, for the payment of insurance premiums, taxes and assessments, and for commissions due the receiver, with the balance thereof being paid to the person entitled to a deed under the certificate of sale, or in reduction of the redemption money if said premises be redeemed as prescribed by law.

Mortgagor agrees to pay all expenses and disbursements paid or incurred in behalf of mortgagee in connection with the foreclosure hereof including without limitation, reasonable attorney's fees, abstracting or title insurance fees, outlays for documentary evidence and all similar expenses or disbursements. All such expenses and disbursements shall be an additional lien upon the mortgaged premises, shall in all cases be costs and included in any decree that may be rendered in such foreclosure proceeding.

If mortgagor is an Illinois corporation or a foreign corporation licensed to do business in the State of Illinois, mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this mortgage fully, on behalf of the mortgagor and, to the extent permitted by law, on behalf of every person or party acquiring any interest in or title to the mortgaged premises subsequent to the date of this mortgage.

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...shall be binding upon the heirs, legal representatives, successors, and assigns of the mortgagor and shall more...

The mortgagee shall be subrogated to the lien of any and all prior incumbrances, liens or charges paid and discharged from the proceeds of the indebtedness hereby secured, and even though said prior liens have been released of record, the repayment of the indebtedness hereby secured shall be secured by such liens on the portions of said premises affected thereby to the extent of such payments, respectively.

Any award of damages under condemnation for injury to, or taking of, any part of said mortgaged premises is hereby assigned to mortgagee with authority to apply or release the moneys received, as above provided for insurance loss proceeds.

IN WITNESS WHEREOF, this mortgage has been executed and delivered this 31 day of March, 1994.

Signed and sealed in the presence of

MORTGAGOR(S):

John K. Taylor

(Type name)

(Type name)

(Type name)

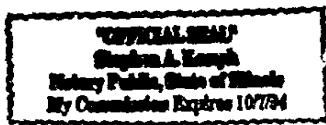
(Type name)

INDIVIDUAL ACKNOWLEDGEMENT

STATE OF ILLINOIS )
County of Cook ) ss.

Personally came before me this 31st day of March, 1994, the above named John Taylor

to me known to be the person(s) who executed the foregoing instrument and acknowledged the same as his (her or their) free and voluntary act, for the uses and purposes therein set forth



Notary Public, Stephen A. Kough, County, Illinois, My Commission expires 10-7-94

CORPORATE ACKNOWLEDGEMENT

STATE OF ILLINOIS )
County of ) ss.

CORPORATE ACKNOWLEDGEMENT FILED FOR RECORD

30 MAY 19 94 10:48 94451477

Personally came before me this \_\_\_ day of \_\_\_, 19\_\_\_, \_\_\_ President, and \_\_\_ Secretary, of the above named

corporation, to be known to be such persons and officers who executed the foregoing instrument and acknowledged that they executed the same as such officers at the free and voluntary deed of such corporation, by its authority, for the uses and purposes therein set forth.

Signed by & mail to:
Charles R. Thomas, 838
Goldberg Klein Sell, Suite 3700
55 E. Monroe St.
Chicago IL 60603

Notary Public, \_\_\_ County, Illinois, My Commission expires \_\_\_

THIS INSTRUMENT WAS DRAFTED BY

BOX 333-CT1

MORTGAGE

to

State of \_\_\_ )

) ss. No. \_\_\_

County) \_\_\_

This instrument was filed for record in the

Recorder's office of

County aforesaid, on the \_\_\_ day of

AD. 19 \_\_\_

at \_\_\_ o'clock \_\_\_ M., and recorded in

book \_\_\_ of

on page

Recorder.

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## Exhibit A

LOT TWENTY EIGHT [28] [EXCEPT THE EAST 72.15 FEET THEREOF] IN BLOCK SEVEN [7] IN THE FOURTH ADDITION TO SHELDON HEIGHTS, A SUBDIVISION OF THE WEST HALF [1/2] OF THE NORTH WEST QUARTER [1/4] OF SECTION TWENTY ONE [21], TOWNSHIP THIRTY SEVEN NORTH, RANGE FOURTEEN [14], EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS AND COMMONLY KNOWN AS 11107-11111 SOUTH EMERALD, CHICAGO, ILLINOIS.

25-21-101-001

Property of Cook County Clerk's Office

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## NOTE

THIS NOTE dated as of 3/31, 1994, is made and executed in Chicago, Illinois by John A. Taylor ("Borrower"), is in the original principal amount of \$197,301.11, with interest as provided herein, and is payable to the order of Aetna Finance Company d/b/a/ ITT Financial Services ("Lender").

## RECITALS

The payment of this Note is secured by a Mortgage dated as of 3/31/94, 1994 (the "Mortgage") executed by Borrower encumbering certain real estate in Cook County, Illinois (the "Mortgaged Property") and an Assignment of Leases and Rents pertaining to the Mortgaged Property. This Note, together with the Mortgage and said Assignment of Leases and Rents and any other documents and instruments now or hereafter executed and delivered in connection with this Note, and any and all amendments, renewals, extensions and replacements hereof and thereof, are hereafter collectively referred to herein as the "Loan Instruments." The terms of the other Loan Instruments are hereby incorporated, by reference, in this Note.

## PAYMENT TERMS

1.1 **The Promise to Pay.** Borrower hereby promises to pay to the order of Lender the principal amount of \$197,301.11, together with interest accruing daily on the principal balance of this Note from time to time outstanding (except that no interest shall accrue on that portion of the outstanding principal balance which is "Capitalized Interest" as hereinafter defined) at a rate per annum equal to thirteen percent (13%) (the "Accrual Rate") in the following manner:

(a) Commencing on April 15, 1994, and on the fifteenth (15th) day of each calendar month occurring thereafter until and including June 15, 1995, an installment of interest only in the amount of \$1,479.76; and

(b) Commencing on July 15, 1995, and on the fifteenth (15th) day of each calendar month occurring thereafter until and including June 15, 1996, an installment of interest and principal in the amount of \$3,007.66; and

(c) Commencing on July 15, 1996, and on the fifteenth (15th) day of each calendar month occurring thereafter until and including April 15, 1997, an

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installment of interest and principal in the amount of \$3,507.66; and

(d) On April 27, 1997 (the "Maturity Date"), the entire outstanding principal balance of this Note (including all Capitalized Interest) and all accrued but unpaid interest thereon, together with all fees and charges payable under the Loan Instruments.

Each of the monthly installments payable in accordance with subparagraphs (a), (b) and (c) above is hereinafter referred to as a "Monthly Installment". Each fifteenth (15th) day of a calendar month is hereinafter referred to as a "Monthly Installment Due Date." Each Monthly Installment shall be applied first to accrued interest, then to principal. Any interest which has accrued, but either (i) has not been paid in full or (ii) has not theretofore been added to the outstanding principal balance of this Note, shall, on the next succeeding Monthly Installment Due Date, be added to the outstanding principal balance of this Note (the aggregate amount of all interest added to the outstanding principal balance of this Note being hereinafter referred to as "Capitalized Interest"). Capitalized Interest shall not bear interest. Nothing herein shall be construed as relieving Borrower of its obligation to pay each Monthly Installment on the due date thereof. All payments except for the Monthly Installments shall be applied first to any fees and charges payable under the Loan Instruments, then to accrued interest and then to principal in the inverse order of maturity. Interest shall be computed on the basis of a three hundred sixty (360) day year and charged for the actual number of days elapsed.

1.2 **Prepayment.** Borrower may prepay the Loan, in whole or in part, without premium or penalty, at any time.

1.3 **Place and Manner of Payment.** The payment of all amounts due under this Note shall be deemed received only when actually received by Lender at 605 Highway 169 North, Minneapolis, Minnesota 55441.

1.4 **Late Payment Fee.** In the event any payment due hereunder is not made when due, Lender, at its option and in addition to any other remedy available to Lender, may impose a late payment fee, which Borrower covenants to pay upon demand calculated at the rate of five percent (5%) of the amount of such delinquent payment or deposit.

## II

### ADDITIONAL COVENANTS

2.1 **Acceleration.** If any payment due under this Note is not made on the due date thereof, such failure to pay shall be an

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"Event of Default" under this Note. If a default or an Event of Default shall occur hereunder or under and as defined in any of the Loan Instruments, or if the right to foreclose the Mortgage shall accrue to the holder thereof (whether or not foreclosure proceedings have been commenced), then, at the election of the holder of this Note and without notice, the unpaid principal sum, together with accrued interest thereon, shall at once become due and payable and, notwithstanding anything to the contrary herein, shall bear interest at eighteen percent (18%) (the "Default Rate").

2.2 **Waivers.** Borrower and any other parties hereafter liable for the debt (including, without restricting the foregoing, any endorsers, sureties and guarantors) represented by this Note, hereby (a) waive presentment for payment, notice of dishonor, protest and notice of protest, and (b) agree that the time of payment of that debt or any part thereof may be extended from time to time without modifying or releasing the lien of the Loan Instruments or the liability of Borrower or any such other parties, the right of recourse against any such parties being hereby reserved by the holder hereof.

2.3 **Collection.** In the event of a default in the payment of any amount due hereunder, the holder hereof may exercise any remedy or remedies, in any combination whatsoever, available by operation of law or under any instrument given as security for this Note and such holder shall be entitled to collect its reasonable costs of collection, including attorneys' fees, which shall be additional indebtedness hereunder. For purposes of the preceding sentence, Lender's attorneys' fees shall be deemed to include compensation to staff counsel, if any, of Lender in addition to the fees of any other attorneys engaged by Lender.

2.4 **Governing Law.** This Note is executed and delivered in Chicago, Illinois and shall be governed by and construed in accordance with the law of the State of Illinois.

2.5 **Severability.** If any term, restriction or covenant of this instrument is deemed illegal or unenforceable, all other terms, restrictions and covenants and the application thereof to all persons and circumstances subject hereto shall remain unaffected to the extent permitted by law; and if any application of any term, restriction or covenant to any person or circumstance is deemed illegal, the application of such term, restriction or covenant to other persons and circumstances shall remain unaffected to the extent permitted by law.

2.6 **Notices.** All notices, requests, reports, demands or other instruments required or contemplated to be given or furnished under this Note to Borrower or Lender shall be directed to Borrower or Lender as the case may be at the following addresses:

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If to Lender: Aetna Finance Co. d/b/a  
ITT Financial Services  
605 Highway 169 North  
Minneapolis, Minnesota 55441

If to Borrower: John A. Taylor  
c/o Law Office of Gregory K. Stern  
53 W. Jackson Boulevard, Suite 1442  
Chicago, Illinois 60604

Notices shall be either: (i) personally delivered to the offices set forth above, in which case they shall be deemed delivered on the date of delivery to said offices, (ii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered three (3) business days after deposit in the U.S. mail, postage prepaid, or (iii) sent by air courier (Federal Express or like service), in which case they shall be deemed delivered on the date of actual delivery. Either party may change the address to which any such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other party in compliance with the foregoing provisions.

2.7 **Business Loan.** Borrower represents that the proceeds of the indebtedness evidenced by this Note will be used to further the business purposes and business objectives of Borrower in connection with a parcel of real estate owned and operated by it in Chicago, Illinois. Borrower further represents that the loan evidenced by this Note and secured by the Mortgage is a business purpose loan in accordance with 815 ILCS 205/4(1)(c), Illinois Compiled Statutes, and that this loan is a business loan as in such case made and provided.

2.8 **WAIVER OF TRIAL BY JURY.** TO INDUCE LENDER TO MAKE THE LOAN, BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES ANY AND ALL RIGHTS WHICH BORROWER MAY HAVE TO TRIAL BY JURY IN RESPECT OF ANY LEGAL PROCEEDINGS IN WHICH BORROWER AND LENDER ARE ADVERSE PARTIES, IN CONNECTION WITH THIS NOTE, THE MORTGAGE OR ANY OF THE OTHER LOAN INSTRUMENTS.

2.9 **CONSENT TO JURISDICTION, SERVICE OF PROCESS.** TO INDUCE LENDER TO MAKE THE LOAN, BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY AGREES THAT ALL ACTIONS ARISING DIRECTLY OR INDIRECTLY AS A RESULT OF THIS NOTE, THE MORTGAGE OR ANY OF THE OTHER LOAN INSTRUMENTS SHALL BE INSTITUTED AND LITIGATED ONLY IN COURTS HAVING SITUS IN THE CITY OF CHICAGO, ILLINOIS, AND BORROWER HEREBY CONSENTS TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED AND HAVING SITUS IN SAID CITY OF CHICAGO, AND WAIVES ANY OBJECTION BASED ON FORUM NON CONVENIENS. BORROWER HEREBY KNOWINGLY, VOLUNTARILY, INTENTIONALLY AND IRREVOCABLY WAIVES PERSONAL SERVICE OF ANY AND ALL PROCESS, AND CONSENTS THAT, AT LENDER'S OPTION, ALL SUCH SERVICE OF PROCESS MAY BE MADE BY CERTIFIED MAIL, RETURN RECEIPT

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REQUESTED, DIRECTED TO BORROWER AT THE ADDRESS FOR BORROWER  
INDICATED IN SECTION 2.6 ABOVE.

IN WITNESS WHEREOF, the undersigned has executed this  
Note as of the date first above written.

  
John A. Taylor

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**UNOFFICIAL COPY**  
 IN THE UNITED STATES BANKRUPTCY COURT  
 FOR THE NORTHERN DISTRICT OF ILLINOIS  
 EASTERN DIVISION

IN RE:	)	Chapter 11
	)	
JOHN A. TAYLOR,	)	Case No. 92 B 26208
	)	
Debtor.	)	Hon. David Coar

ORDER CONFIRMING PLAN OF REORGANIZATION

The Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code filed by John A. Taylor on October 8, 1993, as modified by Amendment To Plan Of Reorganization allowed February 7, 1994, having been transmitted to creditors and parties in interest; and

It having been determined after hearing on notice that:

1. The requirements for confirmation set forth in 11 U.S.C. Section 1129(a) have been satisfied;

IT IS HEREBY ORDERED:

1. The Plan of Reorganization filed by John A. Taylor on October 8, 1993, as modified by Amendment To Plan Of Reorganization allowed February 7, 1994 (hereinafter referred to collectively as the "Plan"), is confirmed. A copy of the confirmed Plan of Reorganization and the Amendment To Plan Of Reorganization is attached.

2. The Effective Date of the Plan shall be the date on which this Order Confirming Plan Of Reorganization becomes final and non-appealable and the Term of the Plan is extended to April 27, 1997.

3. John A. Taylor capital contribution of \$20,000.00 shall be funded \$10,000.00 on the date of confirmation and \$10,000.00 from proceeds received in a workers compensation case known as John Taylor v. Illinois Department of Revenue, case number 91 WC 14994.

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4. John A. Taylor will contribute such additional capital, if any, that may be required from time to time to fund the Plan and will contribute the net proceeds from the sale of a certain 1984 Cadillac Coupe Ville, motor vehicle number 1G6AM4783E9091430, which is to be sold as soon as possible. The additional capital, if necessary, will be funded through John A. Taylor's retirement income and other sources.

5. The Debtor shall redeem the 1989 real estate taxes in the amount of \$16,595.99, on or before February 25, 1994, by payment of \$16,595.99 to David D. Orr, Cook County Clerk, for the benefit of First Lien Company and the Cook County Clerk.

6. Commencing on the fifteenth (15th) day of the month following the Effective Date of the Plan, the Debtor shall redeem the 1990 real estate taxes in the amount of \$22,918.42, by monthly payments of \$1,527.90, until paid in full, paid to David D. Orr, Cook County Clerk, for the benefit of National Indemnity Corp. and the Cook County Clerk.

7. On the twenty-first (21st) day of the month following the Effective Date of the Plan, the Debtor shall redeem the 1991 second installment of real estate taxes in the amount of \$5,725.47, by payment of \$5,725.47 to David D. Orr, Cook County Clerk.

8. On the twenty-first (21st) day of the month following the Effective Date of the Plan, the Debtor shall redeem the 1992 first installment of real estate taxes in the amount of \$5,826.77, by payment of \$5,826.77 to David D. Orr, Cook County Clerk, for the benefit of National Indemnity Corp. and the Cook County Clerk.

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9. The above named Debtor is released from all dischargeable debts.

10. Any judgment heretofore or hereafter obtained in any court other than this Court is null and void as a determination of the personal liability of the Debtor with respect to any of the following:

- (a) debts dischargeable under 11 U.S.C. Section 523;
- (b) unless heretofore determined by order of this Court to be nondischargeable, debts alleged to be excepted from discharge under clauses (2), (4) and (6) of 11 U.S.C. Section 523(a);
- (c) debts determined by this Court to be discharged.

11. All creditors whose debts are discharged by this order and all creditors whose judgments are declared null and void pursuant to paragraph 6 above are enjoined from instituting or continuing any action or employing any process or engaging in any action or employing any process or engaging in any act to collect such debts as personal liabilities of the above-named Debtor.

12. The Bankruptcy Court shall retain jurisdiction over the Chapter 11 proceedings after the effective date for the following purposes:

- (a) To hear and determine all controversies relating to the classification, allowance or satisfaction of claims;
- (b) To hear and determine all adversary proceedings contested matters, applications and motions, including applications for compensation;
- (c) To liquidate or estimate all disputed, contingent or unliquidated claims;
- (d) To enforce the Terms of the Amended Plan;
- (e) To enforce the terms of the confirmation order;
- (f) To hear and determine any claims asserted by or against the Debtor;

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(g) To modify the Amended Plan or to remedy any defect or omission or reconcile any inconsistency in the Amended Plan or confirmation order; and,

(h) To make such orders as are necessary or appropriate to carry out the provisions of the Amended Plan.

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DAVID COAR, BANKRUPTCY JUDGE

Dated: February 24, 1994

ENTERED

FEB 24 1994

DAVID H. COAR  
BANKRUPTCY JUDGE

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

RECEIVED

OCT - 8 1993

DAVID H. COAR  
BANKRUPTCY JUDGE

IN RE: ) Chapter 11  
JOHN A. TAYLOR, )  
Debtor. ) Case No. 92 B 26208  
Hon. David Coar

## PLAN OF REORGANIZATION

JOHN A. TAYLOR, Debtor and Debtor In Possession herein, hereby proposes his Plan of Reorganization ("Plan"), pursuant to the provisions of Chapter 11 of the United States Bankruptcy Code ("Bankruptcy Code").

### PREAMBLE

On November 24, 1992, the Debtor filed a Voluntary Petition for Relief under Chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court, for the Northern District of Illinois, Eastern Division. Since the filing, the Debtor has managed his financial affairs as Debtor In Possession, pursuant to Sections 1107 and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in this case, nor has a committee of unsecured creditors been appointed pursuant to 11 U.S.C. Section 1102.

The Debtor's Plan of Reorganization contemplates distribution to the holders of allowed claims and interests from the ongoing operations of the Debtor's business. A complete discussion of the mechanics of this Plan of Reorganization is set forth in the Disclosure Statement filed concurrent herewith.

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## ARTICLE I

### CONSTRUCTION

Unless stated otherwise, the words and phrases used herein shall have the meaning ascribed thereto in the Bankruptcy Code and the Rules of Procedure in Bankruptcy ("Bankruptcy Rules").

## ARTICLE II

### DEFINITIONS

For purposes of this Plan of Reorganization, the following terms shall have the respective meanings set forth below (such meanings to be equally applicable to the singular and plural forms of the terms defined, unless the context otherwise requires):

1. "Administrative Claim" shall mean a claim under Section 503(b) of the Bankruptcy Code which is entitled to priority under Section 507(a) (1) of the Bankruptcy Code.

2. "Allowed Claims" shall mean that portion of a claim which has been scheduled by the Debtor or filed with the Bankruptcy Court as to which no objection to the allowance thereof has been interposed within the period of time fixed by the Bankruptcy Code, the Bankruptcy Rules or an Order of the Bankruptcy Court, or as to which the Bankruptcy Court has entered a final order allowing such claim or any portion thereof.

3. "Bankruptcy Code" shall mean Title 11 of the United States Code; 11 U.S.C. Section 101 et seq.

4. "Bankruptcy Court" shall mean the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division.

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5. "Causes of Action" shall mean all causes of action of any kind held by the Debtor, whether or not such causes in action are the subject of presently pending lawsuits, contested matters, adversary proceedings, or appeals, including without limitation, all (a) causes in action belonging to the Debtor as of the petition date, (b) causes in action belonging to the Debtor which arose between the Petition Date and the Effective Date, and (c) rights belonging to the Debtor pursuant to Sections 363(n), 506, 510, 542, 543, 544, 545, 547, 548, 549, 550 or 553 of the Bankruptcy Code and like State laws.

6. "Chapter 11 Case" shall mean the above-captioned case commenced by the entry of an order for relief under Chapter 11 of the Bankruptcy Code.

7. "Claim" shall mean a claim as defined in Section 101(5) of the Bankruptcy Code, including, without limitation, claims asserted under Section 502 of the Bankruptcy Code, unsecured claims, secured claims, administrative claims, and claims of affiliated entities.

8. "Class" shall mean a class of holders of claims or interests as described in the Plan of Reorganization.

9. "Confirmation Date" shall mean the date upon which the order confirming the Plan becomes final and non-appealable.

10. "Confirmation Order" shall mean the final non-appealable order confirming this Plan.

11. "Disclosure Statement" shall mean that certain Disclosure Statement approved in this Chapter 11 Case and accompanying the Plan.

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12. "Disputed Claim" shall mean any claim (other than an allowed claim) which is either (a) scheduled as disputed by the Debtor pursuant to the Bankruptcy Code or Bankruptcy Rules, or (b) asserted as disputed in accordance with the provisions of the Bankruptcy Rules as to which, a timely objection to the allowance thereof has been interposed but not yet determined by a final order of the Bankruptcy Court.

13. "Effective Date" shall mean December 15, 1993, or such other date specified by the Debtor in the Confirmation Order.

14. "Final Order" shall mean an order or judgment which has not been stayed and as to which order or judgment the time to appeal or seek review or rehearing has expired or as to which order or judgment an appeal has been properly perfected.

15. "Interest" shall mean an interest as that term is used in Section 501(a) of the Bankruptcy Code, including, without limitation, interests under Sections 1122 and 1129 of the Bankruptcy Code.

16. "Plan of Reorganization" or "Plan" shall mean this Plan of Reorganization and any amendments or modifications thereto.

17. "Priority Claim" shall mean an allowed claim which is entitled to priority under Section 507(a)(3), (4) and (6) of the Bankruptcy Code.

18. "Priority Tax Claim" shall mean an allowed claim which is entitled to priority under Section 507(a)(7) of the Bankruptcy Code.

19. "Property of the Estate" shall mean property of the Debtor's estate, as defined in Section 541 of the Bankruptcy

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Code, including but not limited to causes of action, if any.

20. "Secured Claim" shall mean a claim secured by either a security interest, mortgage or lien or any combination thereof on real or personal property of the Debtor, limited to the amount of the value of a creditor's interest in the estate's interest in such real or personal property.

21. "Term of the Plan" shall mean the duration of time over which the Debtor shall execute his Plan of Reorganization, which term shall not exceed two (2) years, unless extended by further order of the Bankruptcy Court. The first year of the Plan shall conclude on December 31, 1994, or such other date as is set forth in the Confirmation Order; subsequent years of the Plan shall conclude on December 31 of each successive year, the final year concluding on December 31, 1995. In the event that the Debtor disburses his final dividend to Class 5 claimants at an earlier date than set forth herein, the term of the Plan shall conclude on such earlier date and the Plan shall have been fully consummated.

22. Unless otherwise specified all other terms shall be deemed as defined in 11 U.S.C. Section 101, if applicable.

ARTICLE III

CLASSIFICATION AND DESIGNATION OF CLAIMS AND INTERESTS

Administrative Claims - These claims are comprised of the claims of Gregory K. Stern and Margaret R. O'Brien, counsel for the Debtor.

Debtor In Possession Operating Expenses and Trade Claims - These claims are comprised of the post-petition operating costs,

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expenses, obligations and trade claims incurred and paid in the ordinary course of the Debtor's business and include the Debtor's post-petition living costs and expenses.

Priority Tax Claims - There are no known priority tax claims known to the Debtor, other than the claim of Cook County for real property taxes which are dealt with in Class 1(a).

Priority Claims - These claims are comprised of the allowed priority claims of claimants (other than Priority Tax Claims) reflected in Appendix A attached hereto and incorporated herein. These claimants assert priority claims pursuant to: Section 507(a)(6) for claims of individuals, to the extent of \$900.00 for each such individual, arising from the deposit of money in connection with the purchase, lease, or rental of property.

Class 1 - Class 1(a) claims consist of the secured claims of First Lien Company, National Indercorp and Cook County, through its duly authorized and empowered official, the Cook County Clerk, for real property taxes for the real property commonly known as 11107 - 11111 South Emerald, Chicago, Illinois (the "Emerald Property").

Class 1(b) claims consist of the allowed secured claims of the Aetna Finance Co., d/b/a ITT Financial Services (hereinafter "ITT"), arising out of a Disclosure Statement, Note and Security Agreement and a Mortgage in and against the Emerald Property.

Class 1(c) claims consist of the secured claims of Mozel Barnes ("Barnes"), arising out of an Installment Note and a Mortgage in and against the Emerald Property.

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Class 1(d) claims consist of the secured claims of Lynne Jenkins ("Jenkins"), arising out of an Installment Note and a Trust Deed in and against the Emerald Property.

Class 1(e) claims consist of the secured claims of the City of Chicago, arising out of a statutory lien in and against the Emerald Property.

Class 2 - Class 2(a) claims consist of the secured claims of the United States Department of Agriculture, arising out of a Promissory Note and a Real Estate Mortgage For Louisiana in and against certain real property located in Union Parish, Louisiana (the "Louisiana Property"). The legal description of the Louisiana Property is set forth in Appendix B attached hereto and incorporated herein.

Class 2(b) claims consist of the secured claims of the D'Arbonne Bank, arising out of Promissory Notes and Mortgages in and against the Louisiana Property.

Class 2(c) claims consist of the secured claims of the Farmers Home Administration, arising out of Promissory Notes and a Mortgage in and against the Louisiana Property.

Class 3 claims consist of allowed General Unsecured Claims, other than allowed Administrative Claims, Debtor In Possession Operating Expenses and Trade Claims, Priority Tax Claims, Priority Claims and those claims specified in Classes 1 and 2 of this Plan, and, including without limitation, creditors whose Class 3 claims arise out of and in conjunction with the repayment of preferences within the ninety (90) days prior to November 24, 1992.

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Class 4 - Class 4 claims consist of the claims and interests of the Debtor, John A. Taylor.

## ARTICLE IV

### TREATMENT OF CLAIMS NOT IMPAIRED UNDER THE PLAN

#### Treatment of Administrative Claims

On the Effective Date, or as soon thereafter as a claim becomes an Administrative Claim, the Debtor shall pay the holder of each Administrative Claim the amount of such claim in full, unless such holder has agreed to a different treatment. This class consists of the administrative claims of Gregory K. Stern and Margaret P. O'Brien, counsel for the Debtor.

The Debtor's attorneys, Gregory K. Stern and Margaret R. O'Brien, will be seeking an initial allowance of interim compensation in an amount reasonably estimated to be between \$6,000.00 and \$8,000.00, plus costs of approximately \$500.00, for professional services rendered from on or about November 24, 1992, through the filing of the Plan, and additional allowances of interim and, or final compensation, reasonably estimated to be between \$3,000.00 and \$6,000.00, plus costs in an unknown amount, for the balance of professional services to be rendered on behalf of the Debtor.

#### Treatment of Debtor In Possession Operating Expenses and Trade Claims

The Debtor has paid all Debtor In Possession operating costs, expenses, obligations and living costs and expenses as they became due, pursuant to the credit terms established between the Debtor and each of his suppliers. These costs, expenses,

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obligations and living costs and expenses include, but are not limited to, bank debt, real property taxes, insurance, utilities and maintenance expenses. No Debtor In Possession operating costs, expenses, obligations, trade claims or living costs and expenses survive confirmation, other than those operating costs, expenses or obligations and trade claims or living costs and expenses which are due in the ordinary course of the Debtor's business. Any unknown operating costs, expenses, obligations and living costs and expenses shall be paid on the Effective Date of the Plan to the extent that they become known prior thereto and are due pursuant to the established credit terms, or as they become known and due.

## Treatment of Priority Claims

Priority Claims allowed and entitled to priority under Section 507(a)(6) of the Bankruptcy Code, consist of the claimants reflected on Appendix A. Priority Claims, allowed and entitled to priority pursuant to Section 507(a)(6), who have tendered security deposits shall be treated in accordance with Illinois law, and the terms and conditions of the claimants' respective lease or other occupancy agreements. Security deposit refunds, if the claimant is entitled thereto, shall be paid as they become due and owing in the ordinary course of the Debtor's business.

Class 2 - Class 2(a) claims consist of the secured claims of the United States Department of Agriculture in the principal amount of \$28,610.39, as of May 27, 1993. The Promissory Note, dated September 11, 1979, is in the original amount of

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\$38,000.00, with interest at the rate of three percent (3%) per annum and annual payments of interest and principal in the amount of \$1,645.00. The Note matures and is due in full forty (40) years from September 11, 1979. The United States Department of Agriculture is the holder of a Real Estate Mortgage For Louisiana, recorded on September 11, 1979, in Book 127 Page 288 of the Mortgage Records of Union Parish, Louisiana, which collateralizes the United States Department of Agriculture's Promissory Note with a valid enforceable first priority mortgage and security interest in and against Louisiana Property.

The Debtor will continue to make all payments required under the Promissory Note. All terms and conditions of the Promissory Note and Real Estate Mortgage For Louisiana shall remain in full force and effect and the United States Department of Agriculture will retain its perfected first priority mortgage with the same relative validity and priority as held pre-petition.

Class 2(b) claims consist of the secured claims of the D'Arbonne Bank, arising out of a Promissory Note, dated September 10, 1980, in the original principal amount of \$15,000.00, a Promissory Note, dated April 24, 1981, in the original principal amount of \$25,000.00, and, a Promissory Note dated January 11, 1984, in the original principal amount of \$24,654.80. The D'Arbonne Bank asserts that the Promissory Notes were in the principal amount of \$2,729.34 as of August 4, 1993. D'Arbonne Bank is the holder of Mortgages, recorded on September 10, 1980, in Book 135, Page 131 of the Mortgage Records of Union Parish, Louisiana, on April 24, 1981, in Book 144, Page 35 of the



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against the Louisiana Property.

The Debtor will continue to make all payments required under the Promissory Notes. All terms and conditions of the Promissory Notes and Mortgage shall remain in full force and effect and the Farmers Home Administration will retain its perfected third priority mortgage with the same relative validity and priority as held pre-petition.

Class 2 claims are unimpaired under the Plan.

ARTICLE V

TREATMENT OF CLAIMS  
IMPAIRED UNDER THE PLAN

Treatment of Class 1 Claims

Class 1(a) claims consist of the secured claims of First Lien Company, National Indercorp and Cook County, through its duly authorized and empowered official, the Cook County Clerk, for the first and second installment of 1989 and 1990 real property taxes, the 1991 second installment and 1992 first installment of real property taxes for the Emerald Property. The 1989 real estate taxes were sold pre-petition to First Lien Company. The 1990 real estate taxes were sold pre-petition to National Indercorp. The 1991 second installment and 1992 first installment of real estate taxes are unpaid.

The Debtor shall redeem the 1989 real estate taxes in the amount of \$16,595.99, within twenty-one (21) days of the Effective Date of the Plan. The Debtor shall redeem the 1990 real estate taxes in the amount of \$22,918.42, with monthly payments in the amount of \$1,527.90, commencing on the fifteenth (15th) day of the month following the Effective Date of the Plan



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and each fifteenth (15th) of the month thereafter, until paid in full. The Debtor shall pay the delinquent 1991 second installment of real estate taxes in the amount of \$5,725.47, within twenty-one (21) days of the Effective Date of the Plan. The Debtor shall pay the delinquent 1992 first installment of real estate taxes in the amount of \$5,510.23, within twenty-one (21) days of the Effective Date of the Plan. The Debtor may seek a determination of tax liabilities pursuant to 11 U.S.C. Section 505. All other real estate taxes have been paid and all future real estate taxes will be paid by the Debtor as they become due.

Class 1(b) claims consist of the allowed secured claims of ITT, arising out of a Disclosure Statement, Note and Security Agreement, in the original principal amount of \$168,603.37, amortized over a fifteen (15) year term, with an annual interest rate of eighteen percent (18.00%) per annum and monthly payments of interest and principal in the amount of \$2,715.22, commencing April 27, 1989. ITT is the holder of an Assignment of Rents and Wage Assignment and a Mortgage recorded as document no. 85214223, on October 1, 1985, with the Recorder of Deeds of Cook County, and which collateralizes the Indebtedness with a valid enforceable first priority mortgage and security interest in and against the Emerald Property.

On August 20, 1992, a Judgment of Foreclosure and Sale was entered in ITT's pending foreclosure proceeding, awarding judgment to ITT in the total judgment amount of \$185,147.22. Interest accrues on the Judgment of Foreclosure and Sale at the rate of nine percent (9%) per annum. ITT asserts that the

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principal amount of the Note, as of August 20, 1993, is \$185,147.22, plus accrued interest, advances, attorneys fees and costs in the amount of \$21,713.28 (the "Default") and that the Debtor has paid eight (8) payments of \$2,715.22 totaling \$21,721.76 through July 31, 1993.

The Debtor's post-petition monthly payments to ITT, which commenced December 8, 1992, will be applied first to the Default and then to the Judgment. The Note will be reinstated as current, in the principal amount of \$185,138.74, with an annual interest rate of nine percent (9%) per annum and will be due in full on April 27, 1999. On the fifteenth (15th) of the month following the Effective Date of the Plan, and each fifteenth (15th) of the month thereafter, the Debtor will make monthly interest payments of \$1,388.54 to ITT. All other terms and conditions of the Disclosure Statement, Note and Security Agreement and Mortgage shall remain in full force and effect and ITT will retain its perfected first mortgage and security interest with the same relative validity and priority as held pre-petition. The restructuring of the Note will require ITT and the Debtor to execute such loan documentation as may be reasonably necessary to effectuate the restructuring.

Class 1(c) claims consist of the secured claims of Mozell Barnes ("Barnes"), arising out of an Installment Note, dated October 1, 1985, in the original principal amount of \$22,836.95, which has accrued interest annually at the rate of twelve percent (12.00%) since October 30, 1985 and calls for interest and principal payments in the amount of \$23,065.31 on November 30,

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1985. Barnes is the holder of a Mortgage recorded as document no. 86026623, on January 21, 1986, with the Recorder of Deeds of Cook County, and which collateralizes the Installment Note with a valid enforceable second priority mortgage and security interest in and against the Emerald Property.

The Debtor asserts that Barnes is owed \$24,837.00 as of July 15, 1993. On the fifteenth (15th) of the month following the Effective Date of the Plan, and each fifteenth (15th) of the month thereafter, the Debtor will make a payment to Barnes in the amount of \$258.72 to pay, in full, the Installment Note, over a ninety-six (96) month term, at which time the Installment Note will be cancelled as paid in full and returned to the Debtor. All default interest and late charges will be waived. All other terms and conditions of the Installment Note and Mortgage shall remain in full force and effect and Barnes will retain his perfected second mortgage and security interest with the same relative validity and priority as held pre-petition.

Class 1(d) claims consist of the secured claims of Lynne Jenkins ("Jenkins"), arising out of an Installment Note, in the original principal amount of \$10,000.00, which accrued interest annually at the rate of eighteen percent (18.00%) and had monthly payments of interest and principal in the amount of \$350.00. Jenkins is the holder of a Trust Deed recorded on January 27, 1987, with the Recorder of Deeds of Cook County, as document no. 87053673, which collateralizes the Installment Note with a valid enforceable third priority trust deed and security interest in and against the Emerald Property.

The Debtor asserts that the principal amount of the Installment Note, as of July 10, 1993, is \$8,753.51. On the fifteenth (15th) of the month following the Effective Date of the Plan, and each fifteenth (15th) of the month thereafter, the Debtor will make a payment to Jenkins in the amount of \$180.00 until paid in full, at which time the Installment Note will be cancelled as paid in full and returned to the Debtor. All default interest and late charges will be waived. All other terms and conditions of the Installment Note and Trust Deed shall remain in full force and effect and Jenkins will retain her perfected third priority trust deed and security interest with the same relative validity and priority as held pre-petition.

Class 1(e) claims consist of the secured claims of the City of Chicago, arising out of a statutory lien, in the amount of \$8,678.21, recorded as document number 9025109 on May 3, 1990, with the Recorder of Deeds of Cook County, and which lien is disputed by the Debtor. The statutory lien of the City of Chicago will be compromised for a payment of \$3,000.00 in full and final satisfaction thereof. The \$3,000.00 will be paid through monthly payments in the amount of \$100.00, commencing on the fifteenth (15th) of the month following the Effective Date of the Plan, and each fifteenth (15th) of the month thereafter until paid in full, at which time the City of Chicago shall release its statutory lien.

Class 1 Claims are impaired under the Plan.

Treatment of Class 3 Claims

Class 3 claims consist of allowed claims which are General

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Unsecured Claims, and includes all other claims of whatever kind that are not specifically dealt with elsewhere in the Plan.

General Unsecured Claims aggregate approximately \$11,500.00. Class 13 claims will receive a pro rata distribution of deferred cash payments, from a fund of \$12,000.00 ("General Unsecured Creditors Fund") which fund shall be created from the operation of the Debtor's business. The cash dividends will be made, as follows:

- (a) One (1) payment of \$2,500.00 on June 1, 1994;
- (b) One (1) payment of \$2,500.00 on December 31, 1994;
- (c) One (1) payment of \$3,250.00 on June 1, 1995; and,
- (d) One (1) payment of \$3,150.00 on December 31, 1995.

In the event that the Debtor demonstrates an ability to disburse any portion or all of the General Unsecured Creditors Fund of \$12,000.00 at some earlier date while maintaining his business operations, payment(s) to Class 3 claimants may be prepaid without penalty or discount. Further, in the event that the allowed Class 3 claims aggregate less than \$12,000.00, such lesser amount shall be the total amount paid to Class 3 claimants. Upon the Debtors' payment of \$12,000.00 or such lesser amount of the aggregate of Class 3 claims, into the General Unsecured Creditors Fund, the Plan will conclude and be fully consummated. Class 3 Claims are impaired under the Plan.

Treatment of Class 4 Claims and Interests

Class 4 claims consist of the claims and interests of John A. Taylor in and to the property of the estate. Class 4 claims shall receive no distributions under the Plan. The Debtor shall

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contribute new value totaling at least \$7,500.00 of exempt property for his retention of his interests. Class 4 claims are impaired under the Plan.

ARTICLE VI

EXECUTORY CONTRACTS

Any contract which is executory, in whole or in part, which has not been assumed, assigned, rejected or terminated prior to confirmation or pursuant to the provisions of the Plan, shall be deemed accepted as of the Effective Date of the Plan.

ARTICLE VII

COVENANTS OF THE DEBTOR

From the Confirmation Date until such time that the provisions of the Plan pertaining to Class 3 claimants have been consummated, the Debtor shall be bound by the following covenants, unless excused therefrom for cause by order of the Bankruptcy Court:

a. The Debtor shall maintain adequate books and records and shall file their annual tax returns.

b. The Debtor shall timely pay any and all tax liabilities, federal, state and/or local, incurred after the Confirmation Date, except to the extent that such tax is being contested in good faith and by appropriate procedures.

c. The Debtor shall maintain insurance coverage in substantial conformity with the coverage in effect on the Confirmation Date.

ARTICLE VIII

PROVISIONS FOR EXECUTION OF THE PLAN

8.1. Class 3 distributions will be disbursed by the Debtor

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8.3. The Debtor will make the distributions required by the Plan to the holders of all allowed claims and interests from funds realized from the ongoing operations of the Debtor's business. See "Debtor's Projected Statement Of Cash Flow For The Year Ended December 31" for the years 1993 through 1995, which is attached to the Disclosure Statement as Exhibit A. Additionally, the Debtor shall contribute the remaining proceeds, i.e. approximately \$20,000.00, for the payment of the Class 1(a) real property tax claims that the Debtor proposes to pay within twenty-one (21) days following the Effective Date hereof.

8.4. Notwithstanding any other provision of this Plan, the amount of a disputed claim or claims, if any, to which an objection to allowance has been filed will be retained in the escrow account, until such time as this Court enters a final order resolving said objection.

8.5. As of the Effective Date of the Plan, and subject to the terms and conditions of the Plan, the Debtor shall be re-vested with all of his property, subject only to outstanding liens as provided by this Plan. The Debtor shall be entitled to manage his affairs without further order of this Court, subject only to the restrictions set forth in this Plan.

8.6. The Debtor may, at any time after the Effective Date of the Plan, refinance any or all of the secured debt on the Emerald Property and/or Louisiana Property.

ARTICLE IX

UNCLAIMED PROPERTY

The right of any claimant to any funds distributed to the

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holders of allowed claims that remain unclaimed by such claimants for four (4) months after disbursement are extinguished and thereafter said funds shall if payments on Class 1, 2 and 3 claims become the property of the Debtor. Any claimant having failed to claim property distributed under the Plan will not recoup such property in subsequent distributions and will be deemed barred from any future claim in law or equity.

ARTICLE X

RETENTION OF CLAIM OBJECTIONS  
AND CAUSES OF ACTION

The right to bring all claim objections and causes of action are expressly preserved and the sole right to bring claim objections and all adversary proceedings to enforce Causes of Action are expressly reserved and shall be retained by the Debtor.

Claim objections to the allowance of any claim, shall be filed with the Court on or before January 31, 1994. Any party in interest, notwithstanding the Debtor's objections, if any, may file an objection to any claim not reconciled or settled by the Debtor. If any such objection is pending on June 1, 1994, then no distribution shall be made to such claimant until an Order determining the validity and amount of such claim or interest is entered by the Court. The Escrowee, or the Debtor, if appropriate, shall continue to hold, for the claimants asserting such disputed claims, the amount that would be required to be disbursed thereto within the provisions of this Plan, as if each disputed claim were to be allowed in full. After entry of an Order allowing, in whole or in part, a claim which has been the

subject of an objection, the Escrowee, or the Debtor, if appropriate, shall disburse, not more than thirty (30) days following the entry of the Order allowing the claim, to the holder of such allowed claim the amount that is finally allowed. Objections not filed within the time periods set forth herein shall be deemed waived and shall be forever barred.

Any and all other causes of action of the Debtor are expressly preserved and shall be retained by the Debtor. The Debtor reserves the right to prosecute said causes of action after confirmation of this Plan in order to use any recoveries therefrom to make the payments proposed herein. To the best of their knowledge, the Debtor does not have any outstanding causes of action against any parties.

ARTICLE XXI

SECURED CLAIMS RETENTION OF LIENS

Classes 1 and 2 holders of allowed secured claims shall receive fair and equitable treatment with respect to each allowed secured claim provided for by the Plan, as follows:

- A. Either the holder of such claim has accepted the Plan, and shall receive the treatment specified herein; or
- B. The holder of such claim retain the lien securing such claim and the value, as of the effective date of the Plan, of property to be distributed under the Plan on account of such claim is not less than the allowed amount of such claim; or
- C. The Debtor surrenders the property securing such claim to such holder.

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ARTICLE XIII

DISCHARGE

Except as otherwise provided in the Plan or in the Confirmation Order, the Confirmation Order acts as a discharge, effective as of the Effective Date, of any and all claims, obligations and debts of the Debtor which arose prior to the Confirmation Date, pursuant to 11 U.S.C. Section 1141(d)(1). The Debtors discharge shall be given full effect pursuant to 11 U.S.C. Section 524.

Any judgment heretofore or hereafter obtained in any court other than the United States Bankruptcy Court, for the Northern District of Illinois, Eastern Division, is null and void as a determination of the personal liability of the Debtor with respect to the following:

- (a) debts dischargeable under 11 U.S.C. Section 523;
- (b) unless heretofore or hereafter determined by order of this Court to be non-dischargeable, debts alleged to be excepted from discharge under 11 U.S.C. Section 523(a)(2), (4) and (6);
- (c) debts determined by the Court to be discharged.

ARTICLE XIV

RETENTION OF JURISDICTION

The Bankruptcy Court shall retain jurisdiction over the Chapter 11 proceedings after the effective date for the following purposes:

- (a) To hear and determine all controversies relating to the classification, allowance or satisfaction of claims;
- (b) To hear and determine all adversary proceedings,

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contested matters, applications and motions, including applications for compensation;

(c) To liquidate or estimate all disputed, contingent or unliquidated claims;

(d) To enforce the terms of this Plan;

(e) To enforce the terms of the Confirmation Order;

(f) To hear and determine any claims asserted by the Debtor or asserted against the Debtor;

(g) To modify this Plan or to remedy any inconsistency in this Plan or Confirmation Order; and

(h) To make such orders as are necessary or appropriate to carry out the provisions of this Plan.

## ARTICLE IV

### GENERAL PROVISIONS

1. The proponent of this Plan reserves the right, in accordance with the Bankruptcy Code, to amend or modify the Plan prior to the Confirmation Date. After the Effective Date, the Debtor may, upon order of the Bankruptcy Court, in accordance with Section 1127(b) of the Bankruptcy Code, reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purposes and intent of this Plan.

2. All holders of claims or interests receiving a distribution pursuant to the terms and conditions of the Plan shall take such actions as may be reasonably necessary to evidence and effectuate the terms and conditions of the Plan. When the foregoing conditions have been satisfied or met, the

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distributions completed by the Plan will be made and the Plan will be deemed to have been consummated.

ARTICLE XVI

OTHER MATERIALS

The attention of holders of claims and interests is directed to the Disclosure Statement.

Dated: August 24, 1993

JOHN A. TAYLOR

BY: 

\_\_\_\_\_  
Gregory K. Stern,  
One of his Attorneys

Law Offices of Gregory K. Stern  
53 West Jackson Boulevard  
Suite 1442  
Chicago, Illinois 60604  
(312) 427-1558

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## APPENDIX A

Claimants	Amount of Claim	Basis for Priority
(a) Jerry Gladney	\$500.00	507(a)(6)
(b) Lonell Jackson	450.00	507(a)(6)
(c) Vincy Nichols	450.00	507(a)(6)
(d) Robert Campbell	500.00	507(a)(6)
(e) Margret Waites	450.00	507(a)(6)
(f) Marvin Thomas	325.00	507(a)(6)
(g) Gloria Winn	325.00	507(a)(6)
(h) Venetta Thompson	350.00	507(a)(6)
(i) L. & G. Garrett	350.00	507(a)(6)
(j) Lenon Caldwell	350.00	507(a)(6)
(k) L. Williams	350.00	507(a)(6)
(l) James Lenton	350.00	507(a)(6)

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## APPENDIX B

The Southeast Quarter of the Northwest Quarter (SE1/4 of NW1/4), Section 13, Township 19 North, Range 1 East, Union Parish, Louisiana, containing 40 acres, more or less;

and

The Northwest Quarter of the Southwest Quarter (NW1/4 of SW1/4) of Section 13, Township 19 North, Range 1 East, and the Southwest Quarter of the Northwest Quarter (SW1/4 of NW1/4) of Section 13, Township 19 North, Range 1 East, LESS AND EXCEPT: 17 acres across the North side being 563.5 feet North and South by 1320 feet East and West, containing 23 acres, more or less, and containing in the aggregate 63 acres, more or less, situated in Union Parish, Louisiana,

and

The Northwest Quarter of the Northeast Quarter (NW1/4 of NE1/4) of Section 14, Township 19 North, Range 1 East, LESS AND EXCEPT a certain tract of land located in the Northwest Quarter of the Northeast Quarter (NW1/4 of NE1/4) of Section 14, Township 19 North, Range 1 East, more particularly described as beginning at a point in the center of Union Parish Public Road No. 5561, said point being located 675 feet South and 235 feet East of the Northwest corner of the Northwest Quarter of the Northeast Quarter (NW1/4 of NE1/4) of said Section 14, thence along said road South 50 degrees 00 minutes East 208.71 feet, thence North 40 degrees 00 minutes East 208.71 feet, thence parallel to said road North 50 degrees 00 minutes West 208.71 feet, thence South 40 degrees 00 minutes West 208.71 feet to the point of beginning, containing one (1) acre, more or less, together with all improvements situated thereon and thereto belonging, leaving an aggregate of 39 acres, more or less, situated in Union Parish, Louisiana.

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IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ILLINOIS  
EASTERN DIVISION

IN RE: ) Chapter 11  
JOHN A. TAYLOR, )  
Debtor. ) Case No. 92 B 26208  
Kon. David Coar

AMENDMENT TO PLAN OF REORGANIZATION

Class 1(b) claims consist of the allowed secured claims of ITT, arising out of a Disclosure Statement, Note and Security Agreement, in the original principal amount of \$168,603.37, amortized over a fifteen (15) year term, with an annual interest rate of eighteen percent (18.00%) per annum and monthly payments of interest and principal in the amount of \$2,715.22, commencing April 27, 1989. ITT is the holder of an Assignment of Rents and Wage Assignment and a Mortgage recorded as document no. 85214223, on October 1, 1985, with the Recorder of Deeds of Cook County, and which collateralizes the Indebtedness with a valid enforceable first priority mortgage and security interest in and against the Emerald Property.

On August 20, 1992, a Judgment of Foreclosure and Sale was entered in ITT's pending foreclosure proceeding, awarding judgment to ITT in the total judgment amount of \$185,147.22. Interest accrues on the Judgment of Foreclosure and Sale at the rate of nine percent (9%) per annum. ITT asserts that the principal amount of the Note, as of August 20, 1993, is \$185,147.22, plus accrued interest, advances, attorneys fees and

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costs in the amount of \$21,713.28 (the "Default") and that the Debtor has paid eight (8) payments of \$2,715.22 totaling \$21,721.76 through July 31, 1993.

The Debtor's post-petition monthly payments to ITT, which commenced December 8, 1992, will be applied first to the Default and then to the Judgment. The Note will be redocumented in the form of a New Note, in a principal amount to be agreed to by the Debtor and ITT but which amount approximates \$196,049.01, with an annual interest rate of thirteen percent (13%) per annum and will be due, in full, on or before April 27, 1997.

On the fifteenth (15th) day of the month following the Effective Date of the Plan, and each fifteenth (15th) of the month thereafter the Debtor will make monthly payment under the New Note to ITT as follows:

Months After Effective Date	Interest Accrued	Interest Pay Rate	Unpaid Interest Added to Principal	Principal Payment
1 - 15	13%	9%	4%	no
16 - 27	13%	13%	5%	yes
28 - End	13%	13%	0%	yes

Commencing in the first month following the Effective Date of the Plan through the fifteenth (15th) month following the Effective Date of the Plan, the Debtor shall make monthly payments of interest only ("Initial Payment") based upon the principal amount of the New Note which amount will be agreed to by the Debtor and ITT but which amount approximates \$196,049.01. Commencing in the sixteenth (16th) month following the Effective Date of the Plan, the monthly payment that the Debtor makes to ITT shall be increased by \$1,527.90 over the Initial Payment

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amount, and in the twenty eighth (28th) month following the Effective Date of the Plan, the Debtor's monthly payments to ITT shall be increased by \$2,027.90 over the Initial Payment amount.

The Debtor will execute a new Disclosure Statement, Note and Security Agreement (the "New Note") and a mortgage (the "New Mortgage") in favor of ITT. All other terms and conditions of the Disclosure Statement, Note and Security Agreement and Mortgage shall be substantially incorporated into the New Note and New Mortgage and ITT will retain its perfected first mortgage and security interest with the same relative validity and priority as held pre-petition. The restructuring of the Note will require ITT and the Debtor to execute the New Note, New Mortgage and such loan documentation as may be reasonably necessary to effectuate the restructuring. In the event of a conflict between the terms of the Plan or Note or Mortgage and the terms of the New Note or New Mortgage, the terms of the New Note and New Mortgage will prevail.

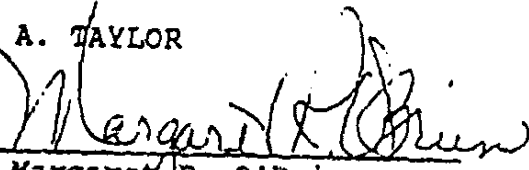
If, at any time after the Effective Date of the Plan, a default occurs under the terms of the New Note or the New Mortgage, which default shall not be cured within the time required under the New Note and New Mortgage, or if the Debtor fails to pay the outstanding principal balance on April 27, 1997, in addition to any remedies provided for in the New Note and New Mortgage, ITT may, in its sole discretion file a motion to conduct a sale of the Emerald Property pursuant to 11 U.S.C. Section 363(k). The Debtor waives the right to modify the Plan

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with regard to the treatment of ITT's claims or the Debtor's or ITT's rights under the New Note or New Mortgage, without ITT's written consent. The Debtor's Plan shall not be substantially consummated until the Debtor has paid ITT's claim in full or until a sale of the Emerald Property has been conducted, as described above, and the proceeds therefrom distributed.

JOHN A. TAYLOR

BY:

  
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One of his Attorneys

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