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FOURTH MODIFICATION OF NOTE, MORTGAGE, COLLATERAL ASSIGNMENT, ASSIGNMENT OF LEASE, ENVIRONMENTAL INDEMNITY AND MANAGER'S SUBORDINATION AGREEMENT

This Fourth Modification of Note, Mortgage, Collateral Assignment, Assignment of Lease, Environmental Indemnity and Manager's Subordination Agreement (the "Fourth Modification") is made and entered into this 24th day of October, 1994, to become effective October 31, 1994 (the "Effective Date") by and among AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally but solely as Trustee under Trust Agreement dated January 1, 1985 and known as Trust No. 63290 ("Phase II Trust"), LAKE-COOK/TOLLWAY FUTURE PHASE ASSOCIATES, an Illinois limited partnership ("Beneficiary") and BANK LEUMI LE-ISRAEL B.M., Chicago Branch ("Lender").

RECITALS:

DEPT-01 RECORDING
11/04/94 11:11:50
COOK COUNTY RECORDER

A. Phase II Trust and American National Bank and Trust Company of Chicago, not personally but solely as Trustee under Trust Agreements dated January 1, 1985 and known as Trust Nos. 63291 and 63292 (collectively, the "Original Borrower") have heretofore executed that certain Mortgage Note, dated September 29, 1989 (the "Note") payable to the order of Lender in the principal amount of Six Million and no/100 Dollars (\$6,000,000.00) (the "Loan"), which Note was secured by a Mortgage; Assignment of Rents, Leases and Profits; and Security Agreement (the "Mortgage") of even date therewith and recorded on October 4, 1989 by the Cook County Recorder of Deeds as Document No. 89-469700, which Mortgage affected the real estate (the "Original Premises") legally described on Exhibit A attached thereto.

B. In connection with the Loan, the Original Borrower and Beneficiary, as the case may be, also executed and delivered other loan documents including, but not limited to the following documents (collectively with the Note and the Mortgage, the "Original Loan Documents"): (i) Collateral Assignment of Beneficial Interest, dated September 29, 1989 from Beneficiary relating to the beneficial interest in the Phase II Trust ("Phase II Collateral Assignment"), (ii) Collateral Assignment of Beneficial Interest, dated September 29, 1989 from Beneficiary relating to the Phase III Trust ("Phase III Collateral Assignment"), (iii) Collateral

Prepared by and after
Recording Return to:

William A. Zolla, Esq.
Rudnick & Wolfe
203 North LaSalle Street
Suite 1800
Chicago, Illinois 60601

Property Address:

South Side of Lake-Cook Road,
Deerfield, Illinois

Permanent Index No.: 04-05-100-011

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Assignment of Beneficial Interest, dated September 29, 1989 from Beneficiary relating to the Hotel Trust ("Hotel Trust Collateral Assignment") (collectively, the Phase II Collateral Assignment, the Phase III Collateral Assignment, and Hotel Trust Collateral Assignment are hereinafter referred to as the "Collateral Assignments"), (iv) Assignment of Lease, dated September 29, 1989 executed by Hotel Trust together with a Joinder, dated September 29, 1989 executed by Beneficiary ("Assignment of Lease"), (v) Environmental Indemnity, dated September 29, 1989 executed by Beneficiary ("Environmental Indemnity") and (vi) Manager's Subordination Agreement, dated September 29, 1989 between Stein & Company Management, Inc. (now known as Stein & Company Asset Services, Inc.) and Lender ("Manager's Subordination Agreement").

(now known as Stein & Company Asset Services, Inc.)

C. Pursuant to (i) that certain Extension Agreement dated October 4, 1991, and (ii) that certain First Modification of Note, Mortgage, Collateral Assignment, Assignment of Lease, Environmental Indemnity and Manager's Subordination Agreement of even date therewith recorded with the Recorder of Deeds of Cook County, Illinois as Document No. 91-624473 (collectively, the "First Modification Documents"), Lender, Original Borrower and Beneficiary modified the Loan and the Original Loan Documents as follows: (a) to extend the Maturity Date of the Loan from October 4, 1991 to April 4, 1992, (b) to change the interest rate payable under the Note from one-half percent (1/2%) plus the Designated Rate (as defined in the Note) to one percent (1%) plus the Designated Rate and to delete the option of Borrower to elect a LIBOR based interest rate, (c) to acknowledge the full disbursement of the Loan and (d) such other terms and conditions as are therein contained.

D. The portions of the Original Premises which are commonly known as Phase III and Phase IV at the ArborLake Centre have been sold, and in connection therewith Lender released said portions of the Original Premises from the lien and effect of the Original Loan Documents, as modified by the First and Second Modification Documents. The Original Premises, less and except the portions released as aforesaid, are legally described on Exhibit A attached hereto and by this reference made a part hereof (the "Premises"). The sale proceeds were used, in part, to reduce the outstanding principal balance of the Loan and to establish a cash escrow account at the Lender in the name of Beneficiary to provide a source for payment of debt service on the Loan and certain expenses incurred in connection with the Premises.

E. Pursuant to (i) that certain Second Extension Agreement dated as of May 20, 1992, and (ii) that certain Second Modification of Note, Mortgage, Collateral Assignment, Assignment of Lease, Environmental Indemnity and Manager's Subordination Agreement, recorded with the Recorder of Deeds of Cook County, Illinois as Document No. 92-442262 (collectively the "Second Modification Documents"), Lender, Phase II Trust and Beneficiary modified the Loan and the original Loan Documents as follows: (a) to extend the Maturity Date of the Loan from April 4, 1992 to October 31, 1993; (b) to acknowledge the curtailment of the Loan from \$6,000,000 to \$1,200,000; and (c) to acknowledge the creation and pledge to Lender of a cash escrow account with Lender in the name of Beneficiary, Account No. 300526610-6,

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(the "Account") to provide a source for payment of interest expense on the Loan, and certain expenses incurred in connection with the Premises.

F. Pursuant to (i) that certain Third Extension Agreement dated as of October 31, 1993 and (ii) that certain Third Modification of Note, Mortgage, Collateral Assignment, Assignment of Lease, Environmental Indemnity and Manager's Subordination Agreement, dated as of October 31, 1993 and recorded with the Recorder of Deeds of Cook County, Illinois, as Document No. 94-465069 (collectively the "Third Modification Documents"), Lender, Phase II Trust and Beneficiary modified the Loan and the Original Loan Documents, as amended, as follows:

- (a) to extend the Maturity Date from October 31, 1993 to October 31, 1994;
- (b) to evidence the requirement that Beneficiary begin to make monthly payments of principal;
- (c) to increase the Default Rate on the Note from 2½% to 3% in excess of the Floating Interest Rate; and
- (d) to make certain other changes with respect to the Account and its funding.

G. Lender, Phase II Trust and Beneficiary now desire to modify the Loan, as heretofore modified, as follows: (i) to extend the maturity date of the Loan from October 31, 1994 to April 30, 1995; (ii) to continue the requirement that Beneficiary make monthly principal payments of \$25,000; (iii) to provide for additional funding of the Account; and (iv) such other terms and conditions as are herein contained.

NOW, THEREFORE, in consideration of the mutual promises set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower agree as follows:

1. **Recitals.** The Recitals set forth above are incorporated herein and by this reference made a part hereof. All capitalized terms which are not otherwise defined herein shall have the same meanings herein as in the Original Loan Documents, as heretofore modified by the First, Second and Third Modification Documents.

2. **Effective Date.** This Fourth Modification shall become effective from and after the Effective Date.

3. **Acknowledgment of Principal Balance and Floating Interest Rate.** As of the Effective Date, the outstanding principal balance of the Loan is Nine Hundred Seventy Five Thousand and no/100 Dollars (\$975,000.00). The Floating Interest Rate during the extension

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period shall continue to be one percent (1%) over the Designated Rate changing as said Designated Rate changes from time to time. Interest on the unpaid principal balance from time to time shall be payable monthly in arrears and be due on the first day of each month during the extension period. Borrower confirms that there is no Libor Election Option available during the extension period.

4. **Modification to Note.**

(a) Section 2(c) of the Note is hereby deleted in its entirety and the following is substituted therefor:

"2(c) The entire outstanding principal balance and accrued interest thereon shall be due and payable on April 30, 1995 (the "Maturity Date") (or on the first Business Day thereafter, if said date is not a Business Day), unless due and payable earlier by reason of the acceleration of the maturity of this Note."

5. **Modification to Mortgage.** The reference to "October 31, 1994" in the last line of the second paragraph on page 1 of the Mortgage, as amended by the First, Second and Third Modification Documents, is hereby deleted and "April 30, 1995" is substituted therefor.

6. **Collateral Account.** The Loan Documents are hereby modified to reflect that Borrower has heretofore created and funded the Account with Lender, the funding of which has been utilized for the purposes set forth above. On or before October 31, 1994, Borrower shall deposit in the Account an amount sufficient to increase the balance therein to Fifty Thousand Dollars (\$50,000.00), which shall be utilized to pay interest on the Loan and other expenses relating to the Premises during the extended term. At such time as the funds in the Account have been depleted, Borrower shall from time to time replenish the Account with funds sufficient to pay interest on the Loan for the remainder of the extended term.

7. **Modification and Ratification of Loan Documents.** All references in the Note, Mortgage, Collateral Assignments, Environmental Indemnity and Manager's Subordination Agreement to the Note, Mortgage or Collateral Assignments shall mean the Note, Mortgage or Phase II Collateral Assignment as heretofore amended and as amended by this Fourth Modification. The terms, covenants and conditions of the Note, Mortgage, Phase II Collateral Assignment, Environmental Indemnity and Manager's Subordination Agreement, as heretofore and hereby amended, are hereby ratified and confirmed. Except as amended hereby, the Note, Mortgage, Phase II Collateral Assignment, Environmental Indemnity and Manager's Subordination Agreement shall be and shall remain in full force and effect in accordance with their respective terms.

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8. Trustee Exculpation. This Fourth Modification is executed by American National Bank and Trust Company of Chicago, not personally but solely as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such trustee (and said trustee hereby warrants in its individual capacity that it possesses full power and authority to execute this instrument). No personal liability shall be asserted or be enforceable against the bank personally because or in respect of this Fourth Modification or the making, issue or transfer hereof, all such personal liability, if any, being expressly waived by each transferee hereof; provided however that nothing contained herein shall limit, modify or reduce any liability of any other party under any document or instrument securing the Loan. The sole remedies of Lender (or its successors or assigns) as to the bank, as trustee, shall be as provided in the Mortgage and the other documents given to secure the indebtedness evidenced by the Note, in accordance with the terms and provisions contained therein, and/or by action to enforce the personal liability of the guarantors, if any, for the payment or for the performance of any other agreements or undertakings made in connection with the indebtedness evidenced by the Note.

9. General Partner Exculpation. Notwithstanding anything to the contrary contained herein, Lender, for itself and its successors and assigns, agrees that this Fourth Modification is subject to the condition that it shall assert no personal liability under this Fourth Modification against any present or future general or limited partner of Beneficiary for any default by Borrower in the performance of any terms, conditions or obligations under the Note, Mortgage or any other Loan Documents securing the Note but shall look solely to the Premises, to Borrower's interest in the Premises and to any other collateral for the Note for satisfaction of any and all remedies which it may have by reason of any default hereunder or thereunder. Nothing herein contained shall impair any right, remedy or security of Lender in respect to the Premises or Borrower's interest therein, including without limitation any right, remedy or security under the Loan Documents, including but not limited to the right to assert personal liability against any of the Guarantors under his respective Limited Guaranty dated September 29, 1989 running in favor of Lender, whether or not any of such Guarantors are partners of Beneficiary.

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IN WITNESS WHEREOF, the undersigned have, through its duly authorized officers, executed this Fourth Modification as of the day and year first above written.

Bank Leumi Le-Israel B.M.,
Chicago Branch

By: _____
Its: _____

The undersigned hereby joins in this Fourth Modification for the sole purpose of making the Manager's Subordination Agreement subject to the terms and conditions of this Fourth Modification.

Stein & Company ^{Investor} Asset Services, Inc.

By: [Signature]
Its: [Signature]

American National Bank and Trust
Company of Chicago, as trustee
under trust agreement dated
January 1, 1985 and known as
Trust No. 63290

By: [Signature]
Its: VP

Lake-Cook/Tollway Future Phase
Associates, an Illinois Limited Partnership

By: ~~Arbor Lakes Future Phase Corp., its
General Partner~~

By: [Signature]
Richard A. Stein, Chairman VP

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IN WITNESS WHEREOF, the undersigned have, through its duly authorized officers, executed this Fourth Modification as of the day and year first above written.

Bank Leumi Le-Israel B.M.,
Chicago Branch

By: _____

Its: _____

American National Bank and Trust
Company of Chicago, as trustee
under trust agreement dated
January 1, 1985 and known as
Trust No. 63290

By: _____

Its: _____

The undersigned hereby joins in this
Fourth Modification for the sole
purpose of making the Manager's
Subordination Agreement subject to
the terms and conditions of this
Fourth Modification.

Lake-Cook/Tollway Future Phase
Associates, an Illinois Limited Partnership

Stein & Company Asset Services, Inc.

By: Arbor Lakes Future Phase Corp., its
General Partner

By: _____

Its: _____

By: _____

Richard A. Stein, Chairman

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STATE OF

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) SS.

COUNTY OF

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I, _____, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that _____ as general partner of Lake-Cook/Tollway Future Phase Associates, a limited partnership of the State of Illinois, 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 to me that he, being thereunto duly authorized, signed and delivered said instrument as the free and voluntary act of said partnership and as his own free and voluntary act, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this ____ day of _____, 1994.

Notary Public

STATE OF

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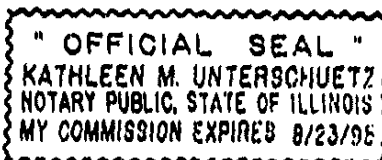
COUNTY OF

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I, KATHLEEN M. UNTERSCHUETZ, a Notary Public, in and for said County, in the State aforesaid, do hereby certify, that TOH A. DORNSCHILD, VICE PRESIDENT of Bank Leumi Le-Israel B.M., Chicago Branch, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such VICE PRESIDENT, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said Bank for the uses and purposes therein set forth; and said TOH A. DORNSCHILD 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 for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 26 day of OCTOBER, A.D. 1994.

Kathleen M. Unterschuetz
Notary Public



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STATE OF)
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COUNTY OF)

I, Margaret J. Johnson, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY that Richard A. Stein, as general partner of Lake-Cook/Tollway Future Phase Associates, a limited partnership of the State of Illinois, 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 to me that he, being thereunto duly authorized, signed and delivered said instrument as the free and voluntary act of said partnership and as his own free and voluntary act, for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 26 day of October, 1994.

Margaret J. Johnson
Notary Public

STATE OF)
) SS.
COUNTY OF)



I, _____, a Notary Public, in and for said County, in the State aforesaid, do hereby certify, that _____ of Bank Leumi Le-Israel B.M., Chicago Branch, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, as such _____, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act and as the free and voluntary act of said Bank for the uses and purposes therein set forth; and said _____ 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 for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this ____ day of _____, A.D. 1994.

Notary Public

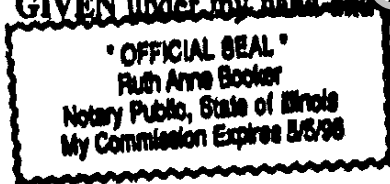
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STATE OF)
) SS.
COUNTY OF)

I, RUTH ANNE BOOKER, a Notary Public, in and for said County, in the State aforesaid, do hereby certify, that J. Michael Whelan, VICE PRESIDENT of American National Bank & Trust Company of Chicago, as Trustee, under Trust Agreement dated January 1, 1985 and known as Trust Number 63290 who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such VICE PRESIDENT, appeared before me this day in person and acknowledged that he signed and delivered 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; and 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 26 day of OCT, A.D. 1994.



Ruth Anne Booker
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, MARTHA HALE, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY, that KARLIE PROKUN, personally known to me to be the SEC/TREAS of Stein & Company Asset Services, Inc., a corporation of the State of Illinois whose name is subscribed to the within Instrument, appeared before me this day in person and severally acknowledged that as such S he signed and delivered the said Instrument as SEC/TREAS of said Corporation as his free and voluntary act and as the free and voluntary act and deed of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal, this 2nd day of Nov, A.D. 1994.

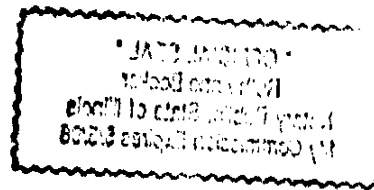


Martha Hale
Notary Public

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EXHIBIT A

PHASE II LAND DESCRIPTION

Lot 2 in ArborLake Centre, being a Subdivision in Sections 5 and 6, Township 42 North, Range 12, East of the Third Principal Meridian, in Cook County, Illinois, according to the plat thereof recorded March 14, 1985 as Document 27475383, in Cook County, Illinois.

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