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AMENDMENT OF
MORTGAGE, LOAN
AGREEMENT AND
OTHER LOAN
DOCUMENTS

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COOK COUNTY RECORDER

THIS AMENDMENT OF MORTGAGE, LOAN AGREEMENT AND OTHER LOAN DOCUMENTS ("Amendment") is made as of December 26, 1995, by and among MAYFAIR PARTNERS, L.P., an Illinois limited partnership ("Borrower"), BRUCE ABRAMS ("Guarantor") (Borrower and Guarantor are sometimes hereinafter referred to collectively as the "Obligors") and LASALLE NATIONAL BANK, a national banking association ("Lender").

RECORDS:

BOX 333-CTI

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A. Lender has heretofore agreed to loan to Borrower up to the maximum principal amount of \$25,000,000 outstanding at any given time (the "Mayfair Loan") pursuant to and subject to the terms and conditions set forth in that certain Construction Loan Agreement (the "Mayfair Loan Agreement") dated July 6, 1995 by and between Lender and Borrower. (All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Mayfair Loan Agreement.) The Mayfair Loan is evidenced by a certain Revolving Credit Mortgage Note dated July 6, 1995 (the "Mayfair Note") and is secured by, among other things, (1) a certain mortgage dated July 6, 1995 (the "Mayfair Mortgage") as more particularly described below) made by Borrower encumbering that certain real property commonly known as 181 East Lake Shore Drive, Chicago, Illinois, together with all improvements thereon (collectively, the "Mayfair Property", as more particularly described below), and that certain real property commonly known as 180-190 East Walton Street, Chicago, Illinois, together with

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This instrument was prepared by
and, after recording, return to:

Schwartz Cooper Greenberger & Krauss
Chartered
180 North LaSalle Street
Suite 2700
Chicago, Illinois 60601
Attn: René Ghadimi, Esq.

Permanent Real Estate

Tax Index Nos.:
17-03-208-003-0000
17-03-208-009-0000
17-03-208-010-0000
17-03-208-011-0000

Common Address:

181 East Lake Shore Drive, Chicago, Illinois
and
180-190 East Walton Street, Chicago, Illinois

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all improvements thereon and thereunder (collectively, the "Walton Property", as more particularly described below), and (2) a guaranty dated July 6, 1995 (the "Mayfair Guaranty") made by Guarantor for the benefit of Lender. The Mayfair Note, the Mayfair Mortgage, the Mayfair Guaranty, the Mayfair Loan Agreement, and all of the other documents executed pursuant to the Mayfair Loan Agreement in favor or for the benefit of Lender which evidence, secure or are otherwise executed and delivered in connection with the Mayfair Loan, including but not limited to those documents set forth in Paragraph B below (but specifically excluding the Regent Loan Documents [as defined below]), are hereinafter referred to collectively as the "Mayfair Loan Documents".

B. The Mayfair Note is secured by the following documents, all of which are dated as of July 7, 1995 and references to each of which shall hereinafter be deemed to refer to each such document as amended by this Amendment:

(i) The Mayfair Mortgage recorded in the Cook County Recorder's Office on July 7, 1995, as Document No. 95-441537 creating a first mortgage lien on the Mayfair Property and the Walton Property, each located in Cook County, Illinois, and legally described in Exhibit A hereto;

(ii) Assignment of Rents and Leases made by Borrower to Lender and recorded in the Recorder's Office on July 7, 1995, as Document No. 95-441538;

(iii) Security Agreement made by Borrower, as Debtor, to Lender, as Secured Party;

(iv) Assignment of Sales Contracts made by Borrower in favor of Lender;

(v) Assignment of Licenses, Permits, Plans, Specifications and Contracts made by Borrower in favor of Lender;

(vi) Collateral Assignment of Developer/Declarant's Rights made by Borrower in favor of Lender; and

(viii) UCC-1 and UCC-2 financing statements made by Borrower as Debtor, to Lender, as Secured Party and filed with the Office of Secretary of State of Illinois as document no. 95-1910259 and with the Office of the Cook County Recorder as document no. 95 U08904, respectively.

C. The Mayfair Loan proceeds have been utilized in the refinancing by Borrower of the Mayfair Property and the acquisition of the Walton Property and in the subsequent renovation and conversion of the Mayfair Property into condominium units in accordance with and subject to the terms and conditions contained in the Mayfair Loan Agreement.

D. The Mayfair Loan Documents require that the net proceeds from the sale of all Unit Interests of the Project (hereinafter referred to as the "Mayfair Project") and all other receipts realized or received by Borrower in connection with the Mayfair Project be applied to the

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payment of the outstanding principal balance of the Mayfair Loan and all interest thereon and to the payment of all other amounts payable to Lender under the Mayfair Loan Documents (the payment of all principal, interest and other amounts payable to Lender, and the performance of all of Borrower's other obligations, under the Mayfair Loan Documents being hereinafter collectively referred to as the "Mayfair Loan Obligations").

E. The Agreement of Limited Partnership of Mayfair Partners, L.P. dated May 9, 1995 (the "Mayfair Partnership Agreement"), creating and governing Borrower, requires that the net cash flow distribution of Borrower, after payment of the Mayfair Loan Obligations and all expenses of Borrower be distributed to the limited partners of Borrower in an aggregate amount of \$4,200,000 (the "Mayfair Investor Distribution"), which amount represents a return to each limited partner of his, her or its initial capital contribution to Borrower together with a 40% preferred return on such contribution.

F. Borrower intends to convey the Walton Property to Walton Associates, L.L.C., an Illinois limited liability company ("Walton"), in order that Walton may construct, on the Walton Property, a seven story building containing 17 luxury residential condominium units situated above ground floor commercial and/or retail space (the "Regent Building"). Borrower has agreed to construct an underground parking garage at the Walton Property (the "Parking Facility") containing 95 parking spaces using proceeds from the Mayfair Loan, for the benefit of both Borrower and Walton. The Parking Facility shall be developed as a condominium project with ownership of some of the individual condominium parking units to be offered to purchasers of residential condominium units at both the Mayfair Property and the Walton Property.

G. Lender has agreed to loan to Walton a principal amount not to exceed \$11,733,000 (the "Regent Loan") pursuant to and in accordance with the terms and provisions of a certain Construction Loan Agreement (the "Regent Loan Agreement") of even date herewith between Lender and Walton in order to finance the acquisition of the Walton Property and the construction of the Regent Building. The Regent Loan shall be evidenced by a certain Mortgage Note of even date herewith (the "Regent Note") made by Walton payable to Lender in the principal amount of \$11,733,000 and shall be secured by, among other things, a mortgage of even date herewith (the "Regent Mortgage") made by Walton encumbering the Walton Property, and a guaranty of even date herewith (the "Regent Guaranty") made by Guarantor in favor of Lender. The Regent Note, the Regent Mortgage, the Regent Guaranty, the Regent Loan Agreement, and all of the other documents executed pursuant to the Regent Loan Agreement in favor or for the benefit of Lender which evidence, secure or are otherwise executed in connection with the Regent Loan (but specifically excluding the Mayfair Loan Documents) are hereinafter referred to collectively as the "Regent Loan Documents".

H. A condition precedent to Lender making the Regent Loan is that the Mayfair Loan Documents be amended (i) to secure, in addition to the Mayfair Loan Obligations, the amount of \$2,350,000 (plus costs of collection thereof) of the obligations of Walton payable under the Regent Loan Documents (said amount of the obligations payable under the Regent Loan Documents being hereinafter referred to as the "Regent Loan Payment Obligation"), (ii) to provide for the payment of the Regent Loan Payment Obligation from the Net Sales Proceeds

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(as defined in the Mayfair Loan Agreement) and other income derived from the Mayfair Project, which payment from the Net Sales Proceeds and other income shall at all times be subordinate and subject to the payment of the Mayfair Loan Obligations and the Mayfair Investor Distribution, and (iii) as otherwise set forth in this Amendment.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Guarantor and Lender hereby agree as follows:

1. **Incorporation of Recitals.** The Recitals set forth above are incorporated herein as though fully restated below and are made a part hereof.

2. **Repayment of Loan and Application of Mayfair Project Income.** Borrower acknowledges and agrees that, notwithstanding anything to the contrary contained in the Mayfair Note, the Mayfair Loan Agreement or any of the other Mayfair Loan Documents, all Net Sales Proceeds (less deposits to the Income Tax Account described in Section 13.5 of the Mayfair Loan Agreement) payable with respect to the sale of all or any of the Unit Interests owned by Borrower in excess of the amount required to fully pay the Mayfair Loan Obligations and the Mayfair Investor Distribution shall be paid to Lender and applied to the payment of the Regent Loan Payment Obligation in accordance with the provisions of the Regent Loan Agreement and this Amendment in the manner more specifically described below. Accordingly, the Mayfair Loan Agreement is modified as follows:

(a) Section 8.16 of the Mayfair Loan Agreement is amended by inserting the words ", the termination of Lender's obligation to make further Loan Advances, the payment in full of the Mayfair Investor Distribution (as defined in Section 13.2 below) and the payment in full of the Regent Loan Payment Obligation (as defined in Section 13.2 below), subject, however, to the provisions of subsection 13.2(b)(ii) of this Agreement" after the words "repayment of the Loan" appearing in the parenthetical clause in the nineteenth line of said paragraph.

(b) Section 8.17 of the Mayfair Loan Agreement is hereby amended by deleting the words "used for the purpose of paying the Release Fee and repaying the Loan, as more fully described in the Note and Section 13.2 of this Loan Agreement" in the fourth, fifth and sixth lines thereof and substituting therefor the following words: "used and applied as described in Section 13.2 of this Agreement".

(c) Section 13.2 of the Mayfair Loan Agreement is hereby deleted in its entirety and the following provision is substituted therefor:

13.2 **Release of Liens: Application of Net Sales Proceeds.**

(a) Provided that all of the conditions described in Section 13.1 above have been satisfied in form and substance acceptable to Lender and no Event of Default then exists, Lender will issue a partial release of lien of its Loan Documents covering any Unit Interest as long as the Net Sales Proceeds resulting

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from the sale of such Unit Interest are distributed and applied in accordance with the following provisions of this Section 13.2. The Net Sales Proceeds payable to Borrower with respect to the sale of all Unit Interests shall be applied and paid in the following priority: (i) first, to pay the Release Fee applicable to the release of such Unit Interest, (ii) second, to pay the deposit into the Income Tax Account, subject to and in accordance with the terms and conditions set forth in Section 13.5 below, (iii) third, to repay to Lender the Principal Balance and all other amounts payable under the Loan Documents until the Loan is repaid in full and Lender's obligation to make any further Loan Advances is terminated (as evidenced by a written statement of termination delivered by Borrower to Lender or as provided in subsection 13.2(b)(i) below), (iv) fourth, after the Loan is repaid in full and the Lender's obligation to make further Loan Advances is terminated, to pay the amount of \$4,200,000 (the "Mayfair Investor Distribution") to the limited partners of Borrower, which represents a return to each limited partner of his, her, or its initial capital contribution to Borrower, together with a 40% preferred return on such contribution (which amounts may, with Lender's consent, which consent shall not be unreasonably withheld, be accumulated and held by Borrower pending a single or multiple distributions to the limited partners), and (v) fifth, after payment in full of the Mayfair Investor Distribution, to pay to Lender the amount of \$2,350,000, plus the costs of collection thereof (the "Regent Loan Payment Obligation"), to be applied by Lender to the amounts payable to Lender pursuant to the Regent Loan Agreement (as defined in Section 11), the "Note" and other "Loan Documents", as each such term is defined in the Regent Loan Agreement; provided, however, that the payment of amounts described in clauses (iii), (iv) and (v) above shall be subject to the provisions of subsections 13.2(b)(i) and (ii) below.

(b) Notwithstanding the provisions of subsection 8.16, 13.2(a), or other provisions of this Agreement or any of the other Loan Documents to the contrary:

(i) If, upon the sale of a Unit Interest, the Principal Balance has been reduced to zero (either before or as a result of the application of the Net Sales Proceeds attributable to the sale of such Unit Interest pursuant to the provisions of subsection (a) above), but Lender's obligation to make further Loan Advances pursuant to the terms of the Loan Agreement has not been terminated, then after applying any such Net Sales Proceeds toward the applicable Release Fee and Income Tax Account deposit pursuant to clauses (i) and (ii) of subsection (a) above, but prior to applying any such Net Sales Proceeds toward the Mayfair Investor Distribution or the Regent Loan Payment Obligation pursuant to clauses (iv) and (v) of subsection (a) above, such Net Sales Proceeds shall be deposited into an interest-bearing account maintained by Lender (the "Sales Proceeds Account"), until the balance of funds in such Sales Proceeds Account equals the total unpaid Project Costs, excluding the General Contractor Fee and the Developer Fee described in Section 8.16

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above (the "Fees"). At such time as the funds in the Sales Proceeds Account equals the total unpaid Project Costs (excluding the Fees), no further fundings of such account shall be required (except in the event and to the extent that Project Costs, excluding the Fees, are thereafter increased) and all Net Sales Proceeds subsequently payable to Borrower shall be applied in accordance with the provisions of clauses (i) - (v) of subsection (a) above. The Sales Proceeds Account and the funds therein and proceeds thereof are hereby pledged to Lender as additional collateral to secure the full payment and performance of all of Borrower's obligations under the Loan Documents and the payment of the Regent Loan Payment Obligation (such payment of the Regent Loan Payment Obligation to be subordinate to the payment of the Mayfair Investor Distribution), and Lender shall have full dominion and control over the Sales Proceeds Account, subject only to its obligations hereunder. The funds in the Sales Proceeds Account shall be used solely to pay Project Costs (excluding the Fees) and shall be disbursed by Lender subject to and in accordance with the same terms and conditions as set forth in Section 6 of the Loan Agreement (subject to any modification thereto approved by Lender, in its reasonable discretion, based on the fact that the disbursement consists of proceeds of the Sales Proceeds Account and not proceeds of the Loan). Borrower shall be required to draw funds from the Sales Proceeds Account, bringing the balance of said account to zero, before being eligible to resume drawing additional Loan Advances. Inasmuch as all disbursements of the Sales Proceeds Account shall be used to pay Project Costs (excluding the Fees), each such disbursement shall reduce the amount payable from proceeds of the Loan, thereby reducing, dollar for dollar, Lender's obligation to make further Loan Advances. At such time as the funds in the Sales Proceeds Account equals the remaining unpaid Project Costs (excluding the Fees), Lender's obligation to make further Loan Advances shall automatically terminate; provided, however, that such termination shall not affect Lender's right to require all further disbursements from the Sales Proceeds Account to be made in accordance with the provisions of Section 6 of the Loan Agreement (subject to modification, as noted above). In the event that any funds remain in the Sales Proceeds Account after payment of all Project Costs (excluding the Fees), such remaining funds shall be disbursed in accordance with clauses (iv) and (v) of subsection (a) above.

(ii) Borrower and Lender mutually acknowledge that, subject to the following provisions, the Fees shall not be payable until all other Project Costs, all amounts payable to Lender under the Loan Documents, the Mayfair Investor Distribution and the Regent Loan Payment Obligation are fully paid and Lender's obligation to make further Loan Advances is terminated. Notwithstanding the deferral of the Fees described above or the provisions of subsection (b)(i) above to the contrary, Lender agrees that if at any time: (A) the Principal Balance has been reduced to zero,

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(B) no Event of Default has occurred and is continuing, (C) the further availability of aggregate Loan Advances does not exceed \$7,000,000 and (D) Borrower has provided to Lender evidence reasonably satisfactory to Lender that sufficient Net Sales Proceeds will be generated from the sale of Unit Interests then under contract to pay in full all Project Costs (other than the Fees), the Mayfair Investor Distribution, the Regent Loan Payment Obligation and the Fees, then, in such event and regardless of whether Lender's obligation to make further Loan Advances has been terminated, the Fees may be payable out of Net Sales Proceeds from the subsequent sale of Unit Interests after the payment of the Release Fee and Income Tax Account deposit payable with respect to such sale and the then Principal Balance, but prior to the payment of the items described in clauses (iv) and (v) of subsection (a) above notwithstanding anything set forth in subsection (b)(i) that may appear to be to the contrary. In connection with the foregoing, Borrower hereby certifies to Lender that such priority of payment of the Fees ahead of the Mayfair Investor Distribution is permitted under Borrower's partnership agreement.

(c) Paragraph 16 of the Mayfair Mortgage is hereby amended by (i) inserting the words "other than the Regent Loan Payment Obligation" after the words "evidenced by the Note" appearing in the seventh line of said paragraph, and (ii) striking the words "and fourth" in the ninth line of said paragraph and substituting the following in lieu thereof:

fourth, to pay the Mayfair Investor Distribution, fifth to pay the Regent Loan Payment Obligation, and sixth

(d) Paragraph 19(c) of the Mayfair Mortgage is hereby deleted in its entirety and the following substituted therefor:

to the payment of any indebtedness secured hereby, including the Regent Loan Payment Obligation (subject to the provisions of Paragraph 16) and any deficiency which may result from any foreclosure sale.

(e) Paragraph 4(c) of the Mayfair Note is hereby amended by: (i) deleting the entire remainder of the first grammatical paragraph of said Paragraph (c) after the words "to be paid" in the fifth line, and substituting therefor the words "in accordance with the provisions of Section 13.2 of the Loan Agreement (including as a repayment of the principal balance of the Note, to the extent provided therein), without premium or penalty, except as hereinafter provided;" and (ii) deleting the words: "If the Net Sales Proceeds from any sale of a Unit Interest (less the Release Fee and Income Tax Account deposit applicable thereto)" in the second, third and fourth lines of the second grammatical paragraph of such Paragraph (c), and substituting therefor the words "If the Net Sales Proceeds from any sale of a Unit Interest that are to be applied to the principal balance of this Note pursuant to Section 13.2 of the Loan Agreement."

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3. Cross Default/Cross Collateralization With Regent Loan.

(a) All of the liens, security interests and other encumbrances created by or under the Mayfair Mortgage or any of the other Mayfair Loan Documents are hereby modified to secure the Regent Loan Payment Obligation in addition to the Mayfair Loan Obligations which are now secured thereby; provided, however, that the right to receive any payment of the Regent Loan Payment Obligation from the proceeds of enforcement of such liens, security interests and other encumbrances shall be subject and subordinate to the payment in full of the Mayfair Loan Obligations and the Mayfair Investor Distribution. The payment of the Mayfair Investor Distribution shall be subject and subordinate to the payment and performance of the Mayfair Loan Obligations.

(b) Borrower hereby agrees that an Event of Default under the Regent Loan Documents shall constitute an Event of Default under the Mayfair Loan Documents. Accordingly, the Mayfair Loan Agreement is hereby amended by adding the following provision to the end of Section 11:

(o) The occurrence of any "Event of Default" as defined in that certain Construction Loan Agreement dated December 26, 1995 between Lender and Walton Associates, L.L.C. (the "Regent Loan Agreement").

(c) Notwithstanding any provision of the Mayfair Mortgage or any of the other Mayfair Loan Documents to the contrary, except for partial releases of the Mayfair Loan Documents pursuant to Section 13.2 of the Mayfair Loan Agreement and subject to the provisions of Paragraph 6 hereunder, Lender shall not be required to release any of the liens, security interests or other encumbrances created by the Mayfair Loan Documents or any of the covenants, conditions, obligations or liabilities of Borrower which would otherwise be required to be released upon payment and satisfaction of all of the Mayfair Loan Obligations, unless and until the Regent Loan Payment Obligation is paid in full.

(d) The words "the Regent Loan Payment Obligation and" are hereby inserted into Paragraph 32 of the Mayfair Mortgage after the words "this Mortgage secures" appearing in the fourth line of said Paragraph, and the words "but with respect to the Regent Loan Documents, this Mortgage only secures the Regent Loan Payment Obligation" are hereby inserted at the end of said paragraph.

(e) Borrower expressly acknowledges and agrees that the Assignment of Licenses (which now also secures the Regent Loan Payment Obligation) includes, without limitation, an assignment of Borrower's right to and interest in, to and under all construction, architectural and engineering contracts in which Borrower has an interest with respect to the construction or design of the Parking Facility, including those contracts in which Borrower and Walton are co-owners with respect to the construction or design of the Parking Facility and the Regent Building, respectively. Without intending to limit any of Lender's remedies upon the occurrence of an Event of Default, Borrower acknowledges and agrees that Lender shall have the right to enforce its rights

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and remedies under the Assignment of Licenses to acquire and enforce all of Borrower's rights under said construction and design contracts in order to complete the construction of the Parking Facility, subject, however, to the provisions of Paragraph (f) below.

(f) Notwithstanding anything set forth in the foregoing provisions of this Section 3 or anything else set forth herein or in the Mayfair Mortgage or any of the other Mayfair Loan Documents to the contrary, until such time as the Mayfair Investor Distribution is fully paid, Lender agrees not to exercise any of its rights or remedies under the Mayfair Loan Documents upon the occurrence of any "Regent Only Default"; provided, however, that Lender may exercise its right to retain 10% of any amount owing to Mayfair Condominium, L.L.C. under the Construction Contract (as defined in the Mayfair Loan Agreement) upon the occurrence of a Regent Only Default in accordance with the provisions of Section 6.5 of the Mayfair Loan Agreement, and Lender may, in its sole discretion, refuse to permit the payment of the General Contractor Fee or the Developer Fee ahead of the other specified payments pursuant to subsection 13.2 (b) (ii) of the Mayfair Loan Agreement upon the occurrence of a Regent Only Default. For purposes hereof, a "Regent Only Default" shall mean the occurrence of an event or circumstance that constitutes an Event of Default under Paragraph (o) of Section 11 of the Mayfair Loan Agreement (as added to said agreement pursuant to Paragraph 3(b) above) and does not constitute an Event of Default under any of Paragraphs (a) through (n) of Section 11 of the Mayfair Loan Agreement. The provisions of this Paragraph (f) shall not, under any circumstances, limit, impair or otherwise affect in any manner Lender's rights and remedies under the Assignment of Partnership Interest described in Paragraph 4 below upon the occurrence of a Regent Only Default, or any of its rights and remedies upon the occurrence of an Event of Default under Paragraphs (a) through (n) of Section 11 of the Mayfair Loan Agreement. The provisions of this Paragraph (f) shall terminate and be of no further force or effect upon the payment in full of the Mayfair Investor Distribution, and, in connection therewith, Borrower acknowledges and agrees that Lender, at its option and in its sole discretion, shall have the right, but not the obligation, at any time after the occurrence of a Regent Only Default, to pay the Mayfair Investor Distribution, in which event such payment shall be deemed to be a Loan Advance of the Mayfair Loan (regardless of whether any or sufficient proceeds remain available for distribution pursuant to the Mayfair Loan Agreement) increasing the Principal Balance thereof for all purposes under the Mayfair Loan Documents.

4. Proceeds of General Partnership Assignment. Notwithstanding anything contained herein to the contrary, the amount of the Regent Loan Payment Obligation shall be deemed to be reduced, on a dollar for dollar basis, by all proceeds of the "Collateral" (as defined in the Collateral Assignment of Partnership Interest described below) paid to Lender, as a payment of the Regent Loan Payment Obligation, pursuant to that certain Collateral Assignment of Partnership Interest of even date herewith (the "Assignment of Partnership Interest") made by Mayfair Condominium, L.L.C. in favor of Lender. Under no circumstances, however, shall any payment or proceeds received by Lender pursuant to any of the Regent Loan Documents (other than said Collateral Assignment of Partnership Interest) reduce the Regent Loan Payment Obligation for purposes of this Amendment.

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5. **No Zoning Default.** Paragraph 40(c) of the Mayfair Mortgage is hereby amended by adding the following to the end of said paragraph:

Notwithstanding the foregoing, Mortgagee acknowledges that the Premises consists of two properties with distinct legal descriptions and addresses, commonly known as 181 East Lake Shore Drive, Chicago, Illinois (the "Mayfair Property") and 180-190 East Walton Place, Chicago, Illinois (the "Walton Property"), which together may constitute one zoning lot and may mutually rely on the Parking Facility for compliance with various zoning and/or municipal parking requirements and acknowledges that such facts do not constitute a violation of the foregoing representations and warranties. However, nothing herein is intended to or shall be construed as limiting any warranty or representation set forth in the Loan Agreement relating to the zoning of the Premises or of either the Mayfair Property or the Walton Property, including, without limitation, warranties and representations pertaining to compliance with parking requirements.

6. **Agreement Relating to Parking.** Borrower acknowledges that Walton and Lender have entered into certain agreements regarding the ownership of, and liens and encumbrances on, the Parking Unit Interests as more fully provided in Section 8.23 of the Regent Loan Agreement. Notwithstanding the provisions of Section 13.4 of the Mayfair Loan Agreement to the contrary, Borrower and Lender hereby agree to execute all documents and take all other actions relating to the Mayfair Property, the Mayfair Loan and the Mayfair Loan Documents described in the provisions of said Section 8.23 of the Regent Loan Agreement (which provisions, to the extent they are applicable to the Mayfair Property, the Mayfair Loan or the Mayfair Loan Documents are hereby incorporated into the Mayfair Loan Agreement as obligations of Borrower and Lender thereunder). In connection therewith, but not in limitation thereof, Borrower agrees to perform and enforce all of the requirements under the Parking Conveyance Agreement (as defined in the Regent Loan Agreement) and not to terminate or otherwise amend the Parking Conveyance Agreement without Lender's prior written consent, which consent shall not be unreasonably withheld, and Lender agrees to furnish all of the required partial releases of the Mayfair Loan Documents and of the Regent Loan Documents described in paragraph (c) of said Section 8.23.

7. **Cross-Easement Agreement.** Borrower acknowledges that Walton and Lender have entered into certain agreements regarding the execution, delivery and performance of one or more easement agreements to be entered into between Borrower and Walton (which are defined, collectively, in the Regent Loan Agreement as the "Mayfair-Regent Reciprocal Easement Agreement") as more fully provided in Section 8.24 of the Regent Loan Agreement. Borrower agrees (a) to execute, deliver and record the Mayfair-Regent Reciprocal Easement Agreement, (b) not to terminate, amend or otherwise modify said Mayfair-Regent Reciprocal Easement Agreement, (c) to cause the Title Company to endorse the Title Policy and (d) to comply and enforce with said Mayfair-Regent Reciprocal Easement Agreement, all in accordance with and subject to the requirements set forth in said Section 8.24. Any breach of the foregoing agreements by Borrower shall be deemed to be a breach of covenant under the Mayfair Loan Agreement. Notwithstanding any other provision of the Mayfair Loan Documents, as amended

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by this Amendment, except for the partial releases described in Paragraph 6 of this Amendment above, under no circumstances shall any of the liens, security interests or encumbrances created by the Mayfair Loan Documents be released until the execution, delivery and recording of the Mayfair-Regent Reciprocal Easement Agreement, regardless of whether the Mayfair Loan Obligations and the Regent Loan Payment Obligation are paid in full, it being understood and agreed by Borrower that said easement agreements are essential to the proper use and operation of the Walton Property.

8. Change in Certain Definition. The Mayfair Loan Agreement is hereby amended by inserting the words, "such total incremental cost to finish a Residential Unit as an Unfinished Unit being hereinafter referred to as" at the beginning of the parenthetical clause containing the definition of "Incremental Unfinished Cost" set forth in the 44th line of Section 6.8 of said agreement and by inserting the words, "such total incremental cost to finish a Residential Unit as a Finished Unit being hereinafter referred to as" at the beginning of the parenthetical clause containing the definition of "Incremental Finished Cost" set forth in the 45th line of Section 6.8 of said agreement.

9. Environmental Indemnity Modification. The parties hereto acknowledge and agree that, in accordance with Paragraph 3 above, the Mayfair Property and other assets securing the Mayfair Loan and the General Partnership Interest (as defined in the Regent Loan Agreement) pledged pursuant to the Assignment of Partnership Interest are also collateral for the Regent Loan Payment Obligation and, further, that Borrower and Guarantor have executed and delivered a certain Environmental Indemnity Agreement dated as of July 6, 1995 (the "Mayfair Indemnity Agreement") for the benefit of Lender in connection with the Mayfair Loan. Borrower and Guarantor hereby agree that, with respect to the Mayfair Property only, the Mayfair Indemnity Agreement shall now protect Lender in its capacity as lender under both the Regent Loan Documents and the Mayfair Loan Documents and shall survive the repayment of the Mayfair Loan and the Regent Loan and any transfer of the Mayfair Property as more fully described in Paragraph 2(f) of the Mayfair Indemnity Agreement.

10. Construction Escrow Agreement; Title Date-Downs.

(a) Subsection 6.3(b) of the Mayfair Loan Agreement is hereby modified to provide that: (i) in addition to the endorsement to the Title Policy described therein, prior to any disbursement of the Mayfair Loan, the Title Company must also be prepared to issue an endorsement to the title policy issued to Lender in connection with the Regent Loan, updating such policy to the date of such disbursement and insuring the Regent Mortgage to be superior to all defects in title (including inchoate mechanics' liens) other than the "Permitted Exceptions" described in the Regent Loan Agreement and other exceptions hereafter approved by Lender in writing; and (ii) upon each disbursement of the Regent Loan, Borrower shall cause the Title Company to issue to Lender an endorsement to the Title Policy updating the same to the date of such disbursement and insuring the lien of the Mayfair Mortgage to be superior to all defects in title (including inchoate mechanics' liens) other than the Permitted Exceptions and other exceptions approved by Lender after the date of the Mayfair Loan Agreement.

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(b) Subsection 6.9(a) of the Mayfair Loan Agreement is hereby modified to provide that the construction escrow agreement governing the construction escrow through which Loan Advances are made shall be modified to provide assurances to Lender against mechanics' liens arising against the Parking Parcel in connection with the construction of the Regent Building, including, without limitation, the issuances of the date-down endorsements to the Title Policy upon disbursement of the Regent Loan, as more fully provided in Subsection 6.3(b) of the Mayfair Loan Agreement, as modified above.

11. **Restriction on Transfer of Loan.** Section 14.7 of the Mayfair Loan Agreement is hereby modified by adding the following clause at the end thereof:

"and (c) that it shall only sell a portion of or interest in the Loan simultaneously with the sale of substantially the same proportionate portion or interest in the \$11,733,000 loan governed by the Regent Loan Agreement."

12. **Release of Further Covenants Regarding Walton Parcel Air Rights.** Lender acknowledges and agrees that subject to and in accordance with the terms and conditions of Section 8.23 of the Regent Loan Agreement and Paragraph 6 of this Amendment, Lender will release from the Mayfair Loan Documents, upon the occurrence of the Parking Condominium Creation Event (as defined in the Regent Loan Agreement), all of the land and all of the air rights above and improvements on or above the land constituting the Walton Property (collectively, the "Walton Air Rights"), together with any liens or encumbrances on the Designated Regent Parking Unit Interests, but excluding any Parking Unit Interests other than the Designated Regent Parking Unit Interests. Notwithstanding that such release will not occur until the Parking Condominium Creation Event occurs, Lender agrees that Borrower shall not be required to perform or observe any of its covenants, representations or warranties hereafter accruing under the Mayfair Loan Documents solely to the extent such covenants, representations and warranties apply to the "Walton Air Rights" from and as of the date hereof as if the Walton Air Rights had been released from the Mayfair Loan Documents simultaneously with the execution and delivery of this Amendment; provided, however, that the foregoing provisions of this Paragraph 12 shall not affect Walton's obligations under the Regent Loan Documents or Borrower's obligations with respect to the Mayfair Property or the Parking Facility that may impact the Walton Air Rights in any respect. In addition, Lender agrees that notwithstanding anything contained herein or in the Mayfair Loan Documents to the contrary, Lender shall not use or apply proceeds of the Mayfair Loan or proceeds, rents, profits or avails from the Mayfair Property to the payment of taxes, insurance premiums or other costs and expenses relating to the ownership, operation or management of the Walton Air Rights, except to the extent such proceeds, rents, profits or avails are used for the payment of the Regent Loan Payment Obligation as described and provided for herein.

13. **Miscellaneous Modifications.** Borrower and Lender mutually acknowledge the following in connection with the transactions contemplated hereunder:

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(a) Under certain circumstances, as more fully provided in Paragraph 2(c) of this Amendment, the General Contractor Fee and Developer Fee described therein will not be deferred until the Loan is fully repaid as contemplated under Section 6.8 of the Mayfair Loan Agreement, and, concurrently herewith, Borrower is infusing \$2,750,000 of additional equity into the Mayfair Project as a result of the sale of the Walton Property to Walton and the application of such sale proceeds to the payment of the Mayfair Loan. Accordingly, the provisions of Section 6.8 of the Mayfair Loan Agreement governing the "Balancing Exceptions" shall be deemed to be modified to take into account such change in circumstances (i.e. there is no longer a Progress Equity Deficiency and the Balancing Exception regarding the deferral of the General Contractor Fee and Developer Fee shall also be eliminated if such fees are paid before the repayment of the Mayfair Loan and termination of Lender's obligation to make additional advances of the Mayfair Loan).

(b) Section 13.4 of the Mayfair Loan Agreement is no longer effective as the release of the Parking Parcel described therein (i.e. the Walton Property) is now governed by Paragraph 6 of this Amendment and Section 8.23 of the Regent Loan Agreement.

14. **References.** All references to the Mayfair Note, the Mayfair Mortgage, the Mayfair Guaranty and the other Mayfair Loan Documents contained in any of the Mayfair Loan Documents shall be deemed to refer to each of such documents as amended by this Amendment; provided, however, that the term "Loan Documents" as used in the Mayfair Loan Documents shall not be deemed to include the Regent Loan Documents.

15. **No Defaults.** Borrower and Guarantor each represents and warrants to Lender that as of the date hereof, no Event of Default or, to its knowledge an event or condition which could become an Event of Default with the giving of notice or passage of time, or both, exists under any of the Mayfair Loan Documents.

16. **No Defenses.** Borrower and Guarantor each represents and warrants to Lender that there is not any condition, event or circumstance existing, or any litigation, arbitration, governmental or administrative proceedings, actions, examinations, claims or demands pending or, to Borrower's and Guarantor's knowledge, threatened affecting Borrower or Guarantor or the Mayfair Property, and which would prevent Borrower or Guarantor from complying with or performing his or its respective obligations under the Mayfair Note or the other Mayfair Loan Documents.

17. **Authority to Execute Amendment; No Conflict.** Borrower and Guarantor each represents and warrants to Lender that he or it has full power and authority to execute and deliver this Amendment and to perform his or its respective obligations hereunder. Upon the execution and delivery hereof, this Amendment shall be valid, binding and enforceable upon the Obligors in accordance with its terms. Execution and delivery of this Amendment does not and will not contravene, conflict with, violate or constitute a default under any applicable law, rule, regulation, judgment, decree or order binding on Obligors or any agreement, indenture or instrument to which any Obligor is a party or is bound.

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18. **Ratification of Liability; Exculpation.** Each Obligor hereby ratifies and confirms his or its respective liabilities and obligations under the Mayfair Note, the Mayfair Guaranty and the other Mayfair Loan Documents and the liens and security interests created thereby, and acknowledges that he or it has no defenses, claims or set-offs to the enforcement by Lender of their respective obligations and liabilities under said documents. Nothing herein is intended or shall be construed as affecting, increasing or otherwise modifying the Guarantor's obligations beyond those set forth in the Mayfair Guaranty or the Environmental Indemnity Agreement delivered to Lender in connection with the Mayfair Loan. Furthermore, by execution of this Amendment, neither Borrower nor Guarantor shall be deemed to incur liability for, or be a guarantor of, the Regent Loan or of the performance of Walton's obligations under the Regent Loan Documents; provided, however, that the foregoing is not intended to limit or otherwise affect Guarantor's obligations under the Regent Guaranty, the environmental indemnity agreement executed by Guarantor in connection with the Regent Loan or any other liability that Guarantor may have or incur with respect to the Regent Loan separate and apart from this Amendment, nor is it intended to limit or otherwise affect any of Lender's rights or remedies against the Mayfair Property as collateral security for the Regent Loan Payment Obligation.

19. **Amendment Binding.** This Amendment shall be binding on and inure to the benefit of the parties hereto and their respective heirs, legatees, legal representatives, successors and permitted assigns, subject to Section 14.7 of the Mayfair Loan Agreement.

20. **Continued Effectiveness.** Except as expressly provided herein, the Mayfair Loan Documents shall remain in full force and effect in accordance with their respective terms.

21. **Counterparts.** This Amendment may be executed in counterparts, and all said counterparts when taken together shall constitute one and the same Amendment.

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Signature Page Follows

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IN WITNESS WHEREOF, this Amendment has been entered into as of the date first above written.

LENDER:

**LaSALLE NATIONAL BANK, a
national banking association**

By: _____
Title: _____

BORROWER:

**MAYFAIR PARTNERS, L.P.,
an Illinois limited partnership**

By: Mayfair Condominium, L.L.C.,
Its General Partner

By: 
Bruce Abrams
Manager/Member

GUARANTOR:



BRUCE ABRAMS

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IN WITNESS WHEREOF, this Amendment has been entered into as of the date first above written.

LENDER:

LaSALLE NATIONAL BANK, a
national banking association

By: [Signature]
Title: Assistant Vice President

BORROWER:

MAYFAIR PARTNERS, L.P.,
an Illinois limited partnership

By: Mayfair Condominium, L.L.C.,
Its General Partner

By: _____
Bruce Abrams
Manager/Member

GUARANTOR:

BRUCE ABRAMS

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EXHIBIT A

LEGAL DESCRIPTION OF PROPERTIES

Legal Description of Mayfair Property

THE WEST 17 FEET OF LOT 11, AND ALL OF LOTS 12, 13 IN FITZ SIMON'S ADDITION TO CHICAGO BEING A SUBDIVISION OF THAT PART OF BLOCK 8 IN CANAL TRUSTEES' SUBDIVISION OF THE SOUTH FRACTIONAL QUARTER OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF LINCOLN PARK BOULEVARD, EXCEPT THAT PART OF THE SOUTH 134 FEET THEREOF LYING EAST OF A LINE PARALLEL TO AND 750 FEET EAST OF THE EAST LINE OF LINCOLN PARK BOULEVARD, ALL IN COOK COUNTY, ILLINOIS.

P.I.N.: 17-03-208-003-0000

Property Address: 181 East Lake Shore Drive
Chicago, Illinois

Legal Description of Walton Property

ALL OF LOTS 30 AND 31 AND THE WEST 35 FEET OF LOT 32 IN FITZ SIMON'S ADDITION TO CHICAGO BEING A SUBDIVISION OF THAT PART OF BLOCK 8 IN CANAL TRUSTEES' SUBDIVISION OF THE SOUTH FRACTIONAL QUARTER OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE EAST LINE OF LINCOLN PARK BOULEVARD, EXCEPT THAT PART OF THE SOUTH 134 FEET THEREOF LYING EAST OF A LINE PARALLEL TO AND 750 FEET EAST OF THE EAST LINE OF LINCOLN PARK BOULEVARD, ALL IN COOK COUNTY, ILLINOIS.

P.I.N.: 17-03-208-009-0000
17-03-208-010-0000
17-03-208-011-0000

Property Address: 180-190 East Walton Street
Chicago, Illinois

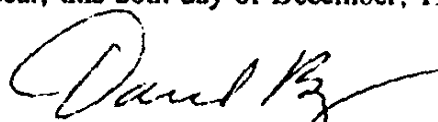
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

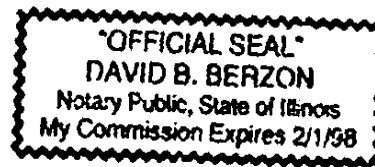
I, David Berzon, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Myles Milek, an Assistant Vice President of LaSalle National Bank, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument in such capacity, appeared before me this day in person and acknowledged that he signed and delivered the 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 26th day of December, 1995.


NOTARY PUBLIC

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

(SEAL)

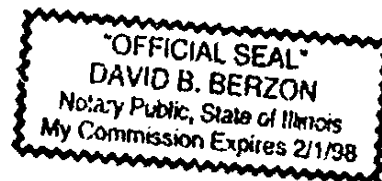


I, David Berzon, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Bruce Abrams, both individually and in his capacity as manager/member of Mayfair Condominium, L.L.C., the general partner of Mayfair Partners, L.P., an Illinois limited partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument in such capacities, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary acts of said limited liability company and limited partnership for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 26th day of December, 1995.


NOTARY PUBLIC

(SEAL)



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