

7057206 APR 1997

When Recorded Mail to:

Herbert J. Kramer  
Carlisle, McNellie & Rini Co., L.P.A.  
25200 Chagrin Blvd., Suite 240  
Cleveland, Ohio 44122  
Loan No. \_\_\_\_\_

41

FHLMC Loan Number: 704680718

**ASSUMPTION AGREEMENT**

THIS ASSUMPTION AGREEMENT, is made effective as of the 10<sup>th</sup> day of November, 1997, by and among AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, NOT PERSONALLY OR INDIVIDUALLY BUT SOLELY AS TRUSTEE OF TRUST NO. 110084-06 dated December 28, 1989 and 869 W. BUENA LIMITED PARTNERSHIP (collectively, the "Borrower") and BUENA APARTMENTS LIMITED PARTNERSHIP (the "New Borrower"); and the FEDERAL HOME LOAN MORTGAGE CORPORATION ("Noteholder").

**RECITALS**

A. Borrower obtained a mortgage loan (the "Loan") from GREAT LAKES FINANCIAL GROUP LIMITED PARTNERSHIP, a limited partnership organized and existing under the laws of the state of Delaware, ("Lender"), which loan is secured by certain real property and improvements thereon (the "Property"), known as Chesterton Apartments, located in the City of Chicago, County of Cook and State of Illinois, as more particularly described in Exhibit A, attached to and made a part of this Agreement by this reference.

B. The Borrower executed a Note evidencing the Loan dated December 1, 1995, in the original principal amount of \$3,320,000.00, payable to Lender.

C. To secure repayment of the Loan, Borrower executed and delivered to Lender a Multifamily Mortgage, Assignment of Rents and Security Agreement (the "Security Instrument") of even date with the Note, naming Lender as Beneficiary, which is recorded as Document 95848780 and rerecorded as Document 96113333 in the Official Records of the Cook County, Illinois Recorder.

D. Lender sold the Note and assigned the Security Instrument to the Noteholder, which is now the owner and holder of the Note.

E. By Deed dated Oct. 4, 1997, and recorded among the Official Records of the County of Cook, State of Illinois (as Instrument No. 97856541), Borrower transferred all of its right, title, and interest in and to the Property to the New Borrower.

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F. The Note, Security Instrument and every other document executed by Borrower in connection with the Note and Security Instrument are referred to collectively in this Agreement as the "Loan Documents".

G. The New Borrower desires to assume all the Borrower's rights, obligations, and liabilities created or arising under the Loan Documents; however, Borrower shall not thereby be released from any of Borrower's obligations or liabilities under the Loan Documents.

H. Subject to the full satisfaction of all conditions set forth below, the Noteholder has agreed to consent to the New Borrower's assumption of the Loan

NOW, THEREFORE, in consideration of these premises, the mutual covenants contained in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Assumption of Obligations, Rights of Noteholder.

a. The New Borrower covenants, promises and agrees that the New Borrower shall jointly and severally unconditionally assume and be bound by all terms, provisions, and covenants of the Loan Documents as if the New Borrower had been the original maker of the Note and Security Instrument, and New Borrower shall pay all sums to be paid and otherwise perform each and every obligation to be performed by the Borrower in accordance with the terms and conditions of the Loan Documents; provided, however, that Borrower shall not be released from, and shall remain fully liable for the payment of all sums and the performance of all obligations in accordance with the terms of the Loan Documents.

b. The Noteholder may resort to either or both of the Borrower or New Borrower, in any order, for payment of the sums due and/or performance of the obligations required under the Loan Documents. Nothing contained herein or otherwise shall prevent the Noteholder from pursuing concurrently or successively all rights and remedies available to it pursuant to the Loan Documents or at law or in equity and against any persons, firms, or entities whatsoever, and the exercise of any of its rights or the completion of any of its remedies shall not constitute a discharge of any obligation of the Borrower on the New Borrower hereunder.

c. If at any time all or any part of any payment which has been applied by the Noteholder to payment of the Loan is or must be rescinded, repaid or returned by the Noteholder for any reason whatsoever (including, without limitation, the application of any bankruptcy, insolvency or other law), for purposes of this Assumption Agreement, to the extent that such payment is or must be rescinded, repaid or returned, such payment shall be deemed to have continued to be due and payable, notwithstanding such application by the Noteholder and this Assumption Agreement shall continue to be effective as to such payment all as though such application by the Noteholder had not been made. The Borrower and New Borrower shall each remain liable to the Noteholder for the amount so rescinded, repaid, or returned to the same extent as if such amount had never originally been received by the Noteholder, notwithstanding any cancellation of the Note, release or satisfaction of the Security Instrument, or the cancellation of any other Loan Document.

2. Affirmation by New Borrower. The New Borrower agrees that the Loan Documents are and shall be and remain in full force and effect, enforceable in accordance with

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their terms. The Property shall remain subject to the lien, charge and encumbrance of the Security Instrument, and nothing contained in this Agreement or done pursuant to this Agreement shall affect or be construed to affect the lien, charge and encumbrance of the Security Instrument or the priority of the Security Instrument over other liens, charges and encumbrances, or to release or affect the liability of any party or parties who may now or hereafter be liable under or on account of the Note and the Security Instrument, except as expressly provided in this Agreement. The New Borrower shall be wholly personally liable, jointly and severally, for payment of all sums and the performance of every obligation required under the Loan Documents.

3. Subordination of Rights of Borrower and New Borrower. Any indebtedness of Borrower to New Borrower, or of New Borrower to Borrower, now or hereafter existing, together with any interest thereon, is hereby subordinated to any indebtedness of Borrower or New Borrower to the Noteholder under the Loan Documents, any collection or receipts with respect to any such indebtedness of Borrower to New Borrower, or of New Borrower to Borrower shall be collected, enforced and received by New Borrower or Borrower (as applicable) in trust for the benefit of the Noteholder, and shall be paid over to the Noteholder on account of the indebtedness of Borrower and New Borrower to the Noteholder, but without impairing or affecting in any manner the liability of the Borrower or New Borrower under the other provisions of the Loan Documents and this Assumption Agreement.

4. Modification of Note and Security Instrument. As a material element of the consideration for Noteholder consenting to the assumption of the Loan by the New Borrower, the New Borrower agrees that the provisions of the Note and Security Instrument are hereby modified as follows:

a. The New Borrower shall not be personally liable for the repayment of sums due under the Note, except to the extent set forth and as provided in Exhibit B, attached to and incorporated into this Agreement by this reference (the "Exemption Rider"). As used in Exhibit B, the term "Borrower" shall be deemed to refer to New Borrower, and the term "Lender" shall be deemed to refer to the Noteholder.

5. Tax and Insurance Escrow. Intentionally deleted.

6. Guaranty Requirements.

a. New Guaranty. On or prior to the execution of this Agreement, and in consideration for Noteholder consenting to the assumption of the Loan by New Borrower, Ralph Robbins, Allen Shechtman and Sheldon Ashman (together/collectively, the "New Guarantor") shall execute and deliver to Noteholder a Guaranty (FHLMC Form [4194]) (the "Guaranty"), in the form set forth in Exhibit D-2 attached to and incorporated into this Agreement by this reference, under which the New Guarantor, jointly and severally, if more than one, guarantees the full and punctual payment when due of the "Guaranteed Obligations" (as such term is defined in the Guaranty) under the Loan. The Guaranty shall provide that the New Guarantor is personally liable for Zero percent (0.00%) of the outstanding principal balance of the Loan; however, the New Guarantor automatically becomes liable for one hundred percent (100%) of all amounts payable under the Loan Documents upon the occurrence of certain events more specifically set forth in the Guaranty.

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b. Ratification of Original Guaranty. By signing the Acknowledgment and Consent to this Agreement where indicated below, Howard Fink and Leslie M. Hefter (together/collectively the "Original Guarantor") hereby:

i. ratifies the Guaranties executed by Original Guarantors dated as of December 1, 1995 under which Original Guarantors guaranteed payment of certain amounts under the Loan Documents, as more particularly set forth therein (the "Original Guaranties");

ii. acknowledges that the Original Guaranties remain in full force and effect without any exoneration;

iii. agrees that the Loan Documents as assumed by the New Borrower and modified hereunder shall continue to be guaranteed by the Original Guarantor as and to the full extent provided in the Original Guaranties; and

iv. agrees that twenty-four (24) months after the date of this document, Original Guarantors may request, in writing, that Noteholder release the Original Guaranties. Upon such written request, Noteholder shall release Original Guarantors from their respective obligations under the Original Guaranties provided (i) no default has occurred under the Loan Documents during the twenty-four (24) months preceding the date of Original Guarantor's written request for release, (ii) Lender has determined (in Lender's sole discretion) that the Property has achieved an average Debt Coverage Ratio of 1.35:1 for the two consecutive 12 month periods preceding the written request, and (iii) the loan to value ratio on the Property shall be no greater than seventy-five percent (75%) at the time of release. "Debt Coverage Ratio" means the ratio of the Net Operating Income from the Property for the applicable 12 month period to the sum of all payments of principal and interest due under the Note during such 12 month period. "Net Operating Income" means the Property's Effective Gross Income less expenses for the applicable 12 month period. "Effective Gross Income" means the lesser of (a) the current rent roll annualized, less a 5% vacancy factor or (b) actual collected income for such 12 month period. Expenses shall be calculated as the greater of current taxes for a full year, plus \$2,950.00 per dwelling unit per year, or (ii) actual expenses for such 12 month period.

7. Representations. Borrower hereby represents and warrants to Noteholder:

a. As of the date hereof, the amount of the unpaid indebtedness under the Note is Three Million Two Hundred Thirty Four Thousand Seven Hundred Fifty One and 64/100 Dollars (\$3,234,751.64).

b. Interest at the rate set forth in the Note has been paid to Noteholder in full through and until October 31, 1997.

c. All of the representations and warranties in the Loan Documents are true as of the date on which Borrower executes this Agreement

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d. No event of default (or event which, with the giving of notice or the passage of time or both, would be an event of default) has occurred or is continuing under the Loan Documents.

e. Borrower has no claims, offsets, defenses, or counterclaims of any kind to its performance under, or Noteholder's enforcement of, the Note and the other Loan Documents; and to the extent any such counterclaims, setoffs, defenses or other causes of action may exist, whether known or unknown, Borrower waives all such items. Borrower acknowledges that all of Noteholder's actions in connection with the Loan have been in compliance with the terms of the applicable Loan Documents, and Borrower acknowledges and agrees that the Noteholder has not breached or failed to perform any duty or obligation that Noteholder may owe Borrower.

f. There are no suit or actions threatened or pending which affect the enforcement or validity of the Note, the Security Instrument and/or the Loan Documents.

8. Additional Transfers. Notwithstanding the Noteholder's consent to the conveyance of the Property to the New Borrower, the New Borrower understands and agrees that such consent shall in no way limit or operate as a waiver of the Noteholder's continuing rights under Uniform Covenant 19 of the Security Instrument. New Borrower further understands and agrees that the within transaction constitutes the one-time transfer contemplated by the Security Instrument.

9. Additional Obligations. New Borrower, in consideration for Noteholder consenting to the assumption of the Loan by New Borrower, shall execute, acknowledge and deliver a Rider to Multifamily Security Agreement- Single Asset Borrower Requirement (Exhibit E, attached to and incorporated into this Agreement by this reference), Collateral Agreement (Exhibit C, attached to and incorporated into this Agreement by this reference) and UCC Financing Statements and such other documents as Noteholder or Lender may require to document the transactions described in this Agreement. The failure of the New Borrower to comply with the foregoing additional obligations shall constitute a default under the Loan Documents, and the Noteholder shall be entitled to exercise all remedies available to it under the terms of the Loan Documents.

10. Continuing Obligations.

a. To induce the Noteholder to consent to the New Borrower's assumption of the Loan, in addition to the covenants and agreements set forth in the Loan Documents, the New Borrower agrees that (1) the New Borrower shall assume and continue Borrower's obligations under the existing Replacement Reserve Agreement dated December 1, 1995 between Borrower and Lender, (2) Lender shall continue to collect monthly payments for real estate taxes and insurance in the amounts provided in Covenant 2 of the Security Instrument, and (3) notwithstanding anything to the contrary contained in the Loan Documents, Lender reserves the right to require the replacement of the management of the property with a third party management company. Any such replacement may be made at the sole discretion of Noteholder regardless of the monetary status of the loan

b. The failure of the New Borrower to comply with the foregoing continuing obligation shall constitute a default under the Loan Documents, and the Noteholder shall be entitled to exercise all remedies available to it under the terms of the Loan Documents.

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11. Expenses. The New Borrower's execution of this Agreement shall constitute the New Borrower's agreement to pay all expenses incurred by the Noteholder (and Lender) in connection with this assumption, including without limitation the payment of any title endorsement costs, attorney's fees, and/or assumption fees required by the Noteholder.

12. Miscellaneous.

a. This Agreement shall be binding upon and shall inure to the benefit of the parties to the Agreement and their respective heirs, successors and permitted assigns.

b. Except as expressly modified by this Agreement, the Note, the Security Instrument and all other Loan Documents shall be unchanged and remain in full force and effect, and are hereby expressly approved, ratified and confirmed. No provision of this Agreement that is held to be inoperative, unenforceable or invalid shall affect the remaining provisions, and to this end all provisions hereof are hereby declared to be severable.

c. Time is of the essence of this Agreement.

d. This Agreement may not be changed orally, but only by an agreement in writing, signed by the party against whom enforcement of any waiver, change, modification or discharge is sought.

e. This Agreement shall be construed in accordance with the laws of the jurisdiction in which the Property is located.

f. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same document.

g. All notices given pursuant to the Agreement or any of the Loan Documents must be in writing and will be effectively given if personally delivered or, if mailed, postage prepaid, certified or registered mail, return receipt requested, to the addresses of the parties set forth below or to such other address as any party subsequently may designate in writing.

h. An executed original of this Agreement shall be (i) attached permanently to the Note as an amendment thereto, and (ii) recorded in Official Records of the Cook County, Illinois Recorder as a modification to the Security Instrument.



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(signatures continued from previous page)

**NEW BORROWER:**

**BUENA APARTMENTS LIMITED PARTNERSHIP**

By: The Legend Group, L.L.C., its General Partner



Name: Robert Robbins

Title: Managing Director

Address for Notice to New Borrower:

5400 K... ..  
... ..  
... ..

**CONSENTED TO BY NOTEHOLDER:**

**FEDERAL HOME LOAN MORTGAGE CORPORATION**

By: 

Name: Douglas V. Brenyo

Title: Assistant Treasurer

Address for Notice

8200 Jones Branch Drive  
McLean, Virginia 22102-3110

(IF LOAN IS GUARANTEED: signature page follow)



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ACKNOWLEDGED AND CONSENTED TO:

ORIGINAL GUARANTOR:

  
\_\_\_\_\_  
Howard Fink

Date: 11-10-97

Address for Notice to Original Guarantor:

8430 Gross Point Road  
Skokie, Illinois 60077  
\_\_\_\_\_

ORIGINAL GUARANTOR:

\_\_\_\_\_  
Leslie M. Hefter

Date: \_\_\_\_\_

Address for Notice to Original Guarantor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

[signature continued on following page]

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ACKNOWLEDGED AND CONSENTED TO:

ORIGINAL GUARANTOR:

\_\_\_\_\_  
Howard Fink

Date: \_\_\_\_\_

Address for Notice to Original Guarantor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

ORIGINAL GUARANTOR:

\_\_\_\_\_  
*Leslie M. Heffer*  
Leslie M. Heffer

Date: \_\_\_\_\_

Address for Notice to Original Guarantor:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

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[signature continued on following page]

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[signatures continued from previous page]

NEW GUARANTOR:


  
\_\_\_\_\_  
Ralph Robbins

Date: 11-10-97

Address for Notice to New Guarantor:

540 W. Roscoe St. #274  
Chicago, IL 60657  
\_\_\_\_\_

NEW GUARANTOR:


  
\_\_\_\_\_  
Allen Shechtman

Date: \_\_\_\_\_

Address for Notice to New Guarantor:

540 W. Roscoe St. #274  
Chicago, IL 60657  
\_\_\_\_\_

NEW GUARANTOR:

  
\_\_\_\_\_  
Sheldon Ashman

Date: 11/10/97

Address for Notice to New Guarantor:

540 W. Roscoe St.  
#274  
Chicago, IL 60657  
\_\_\_\_\_

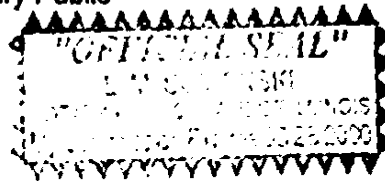
# UNOFFICIAL COPY

State of Illinois, Cook County

The foregoing instrument was acknowledged before me this Nov. 10, 1997 by \_\_\_\_\_ of American National Bank and Trust Company of Chicago, not personally or individually but solely as Trustee of Trust No. 110084-06 dated December 28, 1989, a \_\_\_\_\_ corporation, on behalf of the corporation.

My Commission Expires:

[Signature]  
Notary Public



State of Illinois, Cook County

The foregoing instrument was acknowledged before me this Nov. 10, 1997 by Howard Fark, general partner on behalf of 869 W. Buena Limited Partnership, a limited partnership.

My Commission Expires:

[Signature]  
Notary Public  
LYNN A. NICHOLS  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXPIRES 12/28/2000

State of Illinois, Cook County

The foregoing instrument was acknowledged before me this Nov. 10, 1997 by [Signature] of Legend Group, L.L.C., general partner on behalf of Buena Apartments Limited Partnership, a limited partnership.

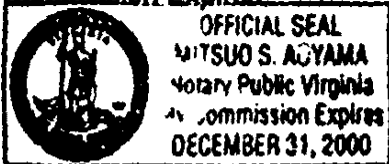
My Commission Expires:

[Signature]  
Notary Public  
LYNN A. NICHOLS  
NOTARY PUBLIC STATE OF ILLINOIS  
MY COMMISSION EXPIRES 12/28/2000

State of Virginia County of Fairfax

The foregoing instrument was acknowledged before me this November 6, 1997 by Douglas V. Brenyo Assistant Treasurer of Federal Home Loan Mortgage Corporation, a United States corporation, on behalf of the corporation.

My Commission Expires:



[Signature]  
Notary Public

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State of Illinois, Cook County

I, the undersigned, a Notary Public in and for said county and state, due hereby certify that Howard Fink personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 10<sup>th</sup> day of November, 1997.

My Commission Expires:



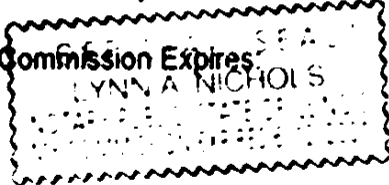
Lynn A. Nichols  
Notary Public

State of Illinois, Cook County

I, the undersigned, a Notary Public in and for said county and state, due hereby certify that Leslie M. Hefter personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 10<sup>th</sup> day of November, 1997.

My Commission Expires:



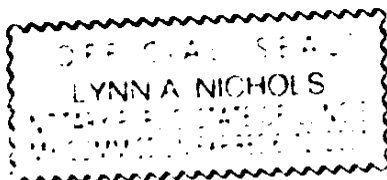
Lynn A. Nichols  
Notary Public

State of Illinois, Cook County

I, the undersigned, a Notary Public in and for said county and state, due hereby certify that Ralph Robbins personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 10<sup>th</sup> day of November, 1997.

My Commission Expires:



Lynn A. Nichols  
Notary Public

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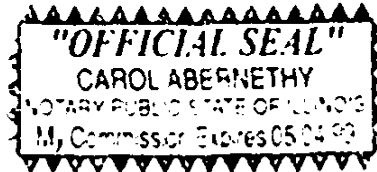
State of Illinois, Cook County

I, Carol Abernethy, a Notary Public in and for said county and state, due hereby certify that Allen Schechtman personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 11 day of <sup>November</sup>~~October~~, 1997.

My Commission Expires:

11/11/99  
Notary Public



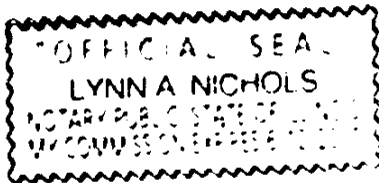
State of Illinois, Cook County

I, Lynn A. Nichols, a Notary Public in and for said county and state, due hereby certify that Sheldon Ashman personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 11 day of <sup>November</sup>~~October~~, 1997.

My Commission Expires:

11/11/99  
Notary Public



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## EXHIBIT "A"

LOTS 1, 2 AND 4 IN OWNER'S DIVISION OF LOTS 3, 4, 5, 6, 7, 8, 9 AND PART OF LOTS 2 AND 10 LYING NORTH OF A LINE THAT IS 187 FEET SOUTH OF AND PARALLEL TO THE SOUTH LINE OF BUENA AVENUE, ALL IN ZEESE'S ADDITION TO BUENA PARK OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 13, 1925 AS DOCUMENT 8973387 IN COOK COUNTY, ILLINOIS.

Common Address: 869 W. Buena  
Chicago, Illinois

Permanent Index Number: 14-17-414-001-0000

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## Exhibit B

### (MODIFICATION TO NOTE AND MORTGAGE)

- (a) Except as provided in Paragraphs (b), (c) and (d), any judgment for any amount due under the Note shall not be enforceable personally against Borrower.
- (b) Borrower shall be personally liable for all of the following:
- (1) Repayment of principal and interest due under the Note in an amount not to exceed 0% of the original principal balance of the Note.
  - (2) Repayment of all principal and interest due under the Note if (A) there occurs a transfer of the Property or any interest in the Property or Borrower which violates Covenant 19 of the Security Instrument; or (B) Borrower voluntarily creates or consents to any subordinate mortgage or lien on the Property in violation of Covenant 4 of the Security Instrument; or (C) Borrower acquires any real or personal property other than the Property and assets (such as accounts) related to the operation or maintenance of the Property, or operates any business other than the management or operation of the Property. The provisions of the preceding clause (b)(2)(C) shall apply only if, and to the extent that, the Security Instrument expressly prohibits Borrower from acting in a manner that gives rise to Borrower's personal liability under such clause.
  - (3) Repayment of principal and interest due under the Note in an amount equal to any loss, damage or cost to Lender resulting from fraud or intentional material misrepresentation or intentional material omission by Borrower, its employees or agents in connection with applying for or obtaining the loan evidenced by the Note.
  - (4) Repayment of principal and interest due under the Note in an amount equal to any loss, damage or cost to Lender resulting from any failure of Borrower, during the existence of any monetary or other material default under the Note or Security Instrument, to deliver to Lender upon written demand all books and records relating to the Property.
  - (5) Repayment of principal and interest due under the Note in an amount equal to (A) any rents or revenues of the Property received by Borrower after the occurrence of any monetary or other material default under the Note or Security Instrument (whether such default is intentional or unintentional, and regardless of whether Lender has notified Borrower of such default) which have been used for any purpose other than to pay the costs and expenses of operating and maintaining the Property, unless the amount of all such rents and revenues not so used is deposited in the Property's bank account within ten days after written demand by Lender and is thereafter used only to pay such costs and expenses; and (B) any insurance proceeds, condemnation awards or tenant security deposits which are applied by Borrower in a manner not permitted by the Security Instrument and applicable law. For the purposes of this paragraph (b)(5), the costs and expenses of operating and maintaining the Property shall include, without limitation, the payment of principal, interest and any other amounts payable under the Note or Security Instrument.





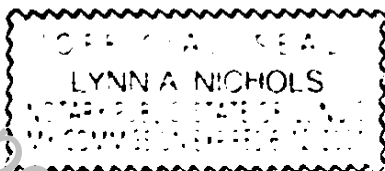
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State of Illinois, Cook County

The foregoing instrument was acknowledged before me this Nov 10 1997 by James M. Nichols of Legend Group, L.L.C., general partner on behalf of Buena Apartments Limited Partnership, a limited partnership.

My Commission Expires:

Lynn A. Nichols  
Notary Public



Property of Cook County Clerk's Office

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## COLLATERAL AGREEMENT

This COLLATERAL AGREEMENT ("Agreement") is made this \_\_\_\_\_ day of November, 1997, by Buena Apartments Limited Partnership, an Illinois limited partnership ("Borrower"), on one hand, and Federal Home Loan Mortgage Corporation ("Lender"), on the other hand.

### WITNESSETH:

WHEREAS, Lender is the owner and holder of a certain Multifamily Note and Multifamily Mortgage, Assignment of Rents and Security Agreement and other documents dated December 1, 1995 ("Loan Documents");

WHEREAS, Borrower is desirous of assuming the obligations of the Loan Documents ("Assumption");

WHEREAS, Lender would not allow Borrower to assume the obligations of the Loan Documents unless Borrower agreed to establish a cash reserve to be secured by this Collateral Agreement; and

WHEREAS, Borrower has agreed to establish such a cash reserve.

NOW, THEREFORE, for and in consideration of the Assumption, the mutual promises and covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lender and Borrower agree as follows:

1. Upon the execution hereof, the parties shall establish a Cash Reserve Account ("CSA") and Borrower shall pay to Lender, or its servicing agent, the sum of Six Thousand Two Hundred Eighty Five and 59/100 Dollars (\$6,225.59) each and every month for 24 months together with the payment of each and every installment of principal and interest due under the Loan Documents beginning on December 1, 1997.

2. Borrower and Lender agreed that all monies paid to Lender for deposit into the CSA shall at all times remain under the control of Lender but shall be held by a depository selected by Lender, in an interest-bearing account insured by the Federal Deposit Insurance Corporation. Lender shall not be responsible for the failure, insolvency or suspension of the depository. All interest earned on the account of the CSA shall be added to the principal balance of the CSA and shall be held for potential disbursement in accordance with the provisions of this Agreement. Lender shall not be responsible for any losses resulting from the investment of the CSA or for obtaining any specific level or percentage of earnings on such investment.

3. If Borrower defaults in the performance of its obligations under this Agreement or under any Loan Document, Lender and its successors and assigns shall have all remedies available to them under Article 9 of the Uniform Commercial Code of the State of Illinois and under any other applicable law. In addition, Lender may retain all money in the CSA, including interest, and Lender may apply such amounts, without restriction and without any specific order of priority, to the payment of any and all indebtedness or obligations of Borrower set forth in any Loan Documents, including, but not limited to, principal, interest, taxes, insurance, attorneys' fees actually incurred, repairs to the Property and any expenses of collection and/or foreclosure.

4. Funds held in the CSA shall be released to Borrower provided that the following conditions are satisfied:

(i) Lender has received a written request from Borrower; and

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(ii) Howard Fink and Leslie M. Hefter ('Original Guarantors') have been released of their obligations under those certain Guaranties dated as of December 1, 1995, executed by Original Guarantors under which they guaranteed payment of certain amounts under the Loan Documents, as more particularly set forth therein (the 'Original Guaranties' and the date of Original Guarantors' release from their obligations under the Original Guaranties hereinafter called the 'Original Guarantors' Release Date'); and

(iii) a minimum of twenty-four (24) months has passed from the Original Guarantors' Release Date; and

(iv) no default has occurred under the Loan Documents during the twenty-four (24) months preceding the date of Borrower's request for release of the CSA; and

(v) Lender has determined (in Lender's sole discretion) that the Property has achieved an Average Debt Coverage Ratio of 1.35:1 for the two consecutive twelve (12) month periods preceding the date of Borrower's request for release of CSA; and

(vi) the loan to value ratio on the Property shall be no greater than seventy-five percent (75%) at the time of the release of the CSA.

For purposes of this Agreement, 'Debt Coverage Ratio' means the ratio of the Net Operating Income from the Property for the applicable 12 month period to the sum of all payments of principal and interest due under the Note during such 12 month period. 'Net Operating Income' means the Property's Effective Gross Income less expenses for the applicable 12 month period. 'Effective Gross Income' means the lesser of (a) the current rent roll annualized, less a 5% percent vacancy factor, or (b) actual collected income for such 12 month period. Expenses shall be calculated as the greater of current taxes for a full year, plus \$3,125.00 per dwelling unit per year, or (ii) actual expenses for such 12 month period.

5. Lender, or its servicing agent, shall administer the CSA and shall maintain all necessary records.

6. In the event of default in or under any of the Loan Documents, Borrower agrees that Lender, as Borrower's Attorney-in-Fact, coupled with an interest is authorized and directed to pay the full amount in the CSA, without notice to the Borrower, to Lender to be applied, in Lender's sole discretion, to any and all sums due to it as the holder of the Loan Documents. The application of the funds of the CSA by Lender shall not be deemed to have cured any such default and shall not be restricted and may include, but may not be limited to, principal and/or interest reduction, monthly installments of debt service, repairs to or maintenance of the property secured by the Loan Documents, any other or future obligations of Borrower under the Loan Documents and/or Lender's legal fees and litigation expenses incurred as a result of such default. Such application of funds shall not limit or cutoff any other obligations of Borrower to fund the CSA pursuant to the provisions of paragraph 1 hereof.

7. This Agreement may be assigned by Lender to another lender and upon written notice from such lender of an assignment hereof, Borrower agrees to recognize such lender as the Lender, as so designated herein.

8. This Agreement shall be binding on and inure to the benefit of Lender and its successors and assigns and to the Borrower and such successors and permitted assigns of Borrower as may be allowed and approved by Lender pursuant to the terms of the Loan Documents.

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9. Borrower hereby conveys, pledges, transfers and grants to Lender a security interest pursuant to the Uniform Commercial Code of the State of Illinois or any other applicable law in and to all money in the CSA, as that may increase or decrease from time to time.

10. Any taxes due on any interest accruing on any moneys held in accordance with this Agreement shall be the sole obligation of Borrower, whether or not such moneys and interests are ultimately paid to or on behalf of the Borrower.

11. Nothing contained in this Agreement shall be construed to amend, modify, alter, change or supersede the terms and provisions of any other Loan document. If there is a conflict between the terms and provisions of this Agreement and those of any other Loan Document, then the terms and provisions of such other Loan Document shall control.

12. Borrower covenants and agrees that, in performing any of its duties under this Agreement, neither Lender nor its successors and assigns shall be liable for any losses, costs or damages which may be incurred as a result of such performance, except for any losses, costs or damages arising out of the willful misconduct or gross negligence of such party.

13. By executing this Agreement Borrower agrees to indemnify and hold harmless Lender and its successors and assigns from and against any and all losses, claims, damages, liabilities and expenses including, without limitation, attorney's fees and disbursements, which may be imposed or incurred in connection with this Agreement.

14. This Agreement shall be construed and enforced in accordance with the laws of the State of Illinois.

15. In the event that Lender or its successors or assigns shall engage the services of an attorney to enforce the provisions of this Agreement against Borrower, then Borrower shall pay all costs of such enforcement, including attorneys' fees actually incurred.

16. If Borrower defaults under this Agreement, Lender may exercise all or any one or more of its rights and remedies available under this Agreement, the Loan Documents, at law or equity. Such rights and remedies shall be cumulative and concurrent, and may be enforced separately, successively or together, and Lender's exercise of any particular right or remedy shall not in any way prevent Lender from exercising any other right or remedy available to Lender. Lender may exercise any such remedy from time to time as often as may be deemed necessary by Lender.

17. In any instance where the consent or approval of Lender may be given or is required, or where any determination, judgment or decision is to be rendered by Lender under this Agreement, the granting, withholding or denial of such consent or approval and the rendering of such determination, judgment or decision shall be made or exercised or by Lender (or its designated representative) at its sole and executive option and in its sole and absolute discretion.

18. Nothing contained in this Agreement shall constitute Lender as a joint venturer, partner or agent of Borrower, or render Lender liable for any debts, obligations, acts, omissions, representations or contracts of Borrower.

19. For the purpose of this Agreement, whenever Borrower is required to notify Lender, deliver documentation or other items to Lender, obtain Lender's consent or approval, or otherwise communicate with the Lender, such notification, delivery, requests and communications shall be made to Lender at the address provided in Exhibit 'B' of this Agreement, or such other address notified of in writing.

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20. This writing constitutes the entire agreement of the parties relative to the CSA. Any modification or amendment of this Agreement shall be ineffective unless in writing and signed by Lender and Borrower.

IN WITNESS WHEREOF, the parties hereto have executed this Collateral Agreement as of the \_\_\_\_\_ day of November, 1997.

BUENA APARTMENTS LIMITED PARTNERSHIP  
By: Legend Group, L.L.C., its General Partner

\_\_\_\_\_  
Name: \_\_\_\_\_

Title: \_\_\_\_\_

FEDERAL HOME LOAN MORTGAGE CORPORATION

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Property of Cook County Clerk's Office

# UNOFFICIAL COPY

State of Illinois, Cook County

The foregoing instrument was acknowledged before me this \_\_\_\_\_ by \_\_\_\_\_ of Legend Group, L.L.C., general partner on behalf of Buena Apartments Limited Partnership, a limited partnership.

My Commission Expires:

\_\_\_\_\_  
Notary Public

State of Illinois, Cook County

The foregoing instrument was acknowledged before me this \_\_\_\_\_ by \_\_\_\_\_ of Federal Home Loan Mortgage Corporation, a \_\_\_\_\_ corporation, on behalf of the corporation.

My Commission Expires:

\_\_\_\_\_  
Notary Public

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## EXHIBIT B

### Address for Notice

Federal Home Loan Mortgage Corporation  
8200 Jones Branch Drive  
McLean, Virginia 22102-3110

Property of Cook County Clerk's Office



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## EXHIBIT D-2

### GUARANTY

This GUARANTY, made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by Sheldon Ashman \_\_\_\_\_, ("Guarantor") for the benefit of FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation chartered under the laws of the United States ("Lender"), its successors and assigns.

#### PRELIMINARY STATEMENT:

WHEREAS, American National Bank and Trust Company of Chicago, ("Original Borrower") obtained a mortgage loan (the "Loan") from Great Lakes Financial Group Limited Partnership, a Delaware limited partnership ("Original Lender"), which loan is secured by certain real property and improvements thereon (the "Property") known as Chesterton Apartments, located in Chicago, Illinois City/County, Cook County, as more particularly described in Exhibit A attached to this Guaranty and incorporated by reference; \*not personally or individually but solely as Trustee of Trust No. 110034-06 dated December 28, 1989 and 969 W. Buena Limited Partnership

WHEREAS, Original Borrower executed a note evidencing the Loan dated December 1, 1995, in the original principal amount of \$ 3,320,000.00 ("Note"), payable to Original Lender and secured by a Mortgage, Deed of Trust or Deed to Secure Debt ("Security Instrument") bearing the same date, encumbering the Property. (The Note and Security Instrument and other related documents are collectively referred to in this Guaranty as the "Loan Documents");

WHEREAS, Original Lender sold the Note and assigned the Security Instrument to Lender, which is now the owner and holder of the Note;

WHEREAS, Original Borrower has requested that Lender consent to the assumption of the Loan by Buena Apartments Limited Partnership ("Borrower");

WHEREAS, subject to the full satisfaction of all conditions set forth in the Assumption and Modification Agreement of even date herewith by and among Original Borrower, Borrower and Lender, Lender has agreed to consent to the assumption of the Loan by Borrower;

WHEREAS, as a condition to approval of the assumption of the Loan by Borrower, Lender is requiring Guarantor to jointly and severally guaranty the payment of certain amounts outstanding with respect to the Loan;

NOW THEREFORE, to induce Lender to approve the assumption of the Loan to Borrower, Guarantor agrees as follows:

1. Guarantor (jointly and severally, if more than one) absolutely and unconditionally guarantees to Lender the full and punctual payment when due of all of Borrower's obligations under the Loan Documents, whether by acceleration or otherwise. Guarantor's obligations under this Paragraph 1 shall be limited to an amount equal to: 93 of the original principal balance of the Note

\_\_\_\_\_, except as provided in subparagraphs (a) through (f) and paragraphs 2 and 3.

- (a) Guarantor shall be liable for all amounts due under the Loan Documents if (1) there occurs a transfer of the Property or any interest in the Property or Borrower which violates Covenant 19 of the Security Instrument; or (2) Borrower voluntarily creates or consents to any subordinate mortgage or lien on the Property in violation of Covenant 4 of the Security Instrument; or (3) Borrower acquires any real or personal property other than the Property and assets (such as accounts) related to the operation or maintenance of the Property, or operates any business other than the management or operation of the Property. The provisions of the preceding clause 1(a)(3) shall apply only if, and to the extent that, the

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Security Instrument expressly prohibits Borrower from acting in a manner that gives rise to Guarantor's liability under such clause.

- (b) Guarantor shall be liable for amounts due under the Loan Documents in an amount equal to any loss, damage or cost to Lender resulting from fraud or intentional misrepresentation or intentional omission by Borrower, its employees or agents in connection with applying for or obtaining the loan evidenced by the Note.
- (c) Guarantor shall be liable for amounts due under the Loan Documents in an amount equal to any loss, damage or cost to Lender resulting from any failure of Borrower, during the existence of any monetary or other material default under the Note or Security Instrument, to deliver to Lender upon written demand all books and records relating to the Property.
- (d) Guarantor shall be liable for amounts due under the Loan Documents in an amount equal to (1) all rents and revenues of the Property received by Borrower after the occurrence of any monetary or other material default under the Note or Security Instrument (whether such default is intentional or unintentional and regardless of whether Lender has notified Borrower of such default) which have been used for any purpose other than to pay the costs and expenses of operating and maintaining the Property, unless the amount of all such rents and revenues not so used is deposited in the Property's bank account within ten days after written demand by Lender and is thereafter used only to pay such costs and expenses; and (2) any insurance proceeds, condemnation awards or tenant security deposits which are applied by Borrower in a manner not permitted by the Security Instrument and applicable law. For the purposes of this paragraph 1(d), the costs and expenses of operating and maintaining the Property shall include, without limitation, the payment of principal, interest and any other amounts payable under the Note or Security Instrument.
- (e) Guarantor shall be liable for all amounts due under the Loan Documents in an amount equal to the costs of replacing and installing any fixture, equipment, machinery or appliance in or on the Property which is removed from the Property by Borrower without being replaced with an item of like kind.
- (f) Guarantor shall be liable for amounts payable by Borrower for any costs and expenses incurred by Lender in connection with collecting any amounts for which Borrower is personally liable under the Note or Security Instrument or for which the Guarantor is liable under this Guaranty. Such costs and expenses shall include without limitation attorneys' fees and the cost of conducting an independent audit of Borrower's books and records to determine any amounts owed by Borrower or Guarantor under the Note, Security Instrument or this Guaranty.
2. Guarantor (jointly and severally, if more than one) absolutely and unconditionally guarantees to Lender the full and punctual payment when due of all amounts payable under Covenant 26A of the Security Instrument (relating to certain environmental matters set forth in that Covenant).
3. Guarantor (jointly and severally, if more than one) absolutely and unconditionally guarantees to Lender the full and punctual payment of all amounts due under the Loan Documents in the event that Borrower voluntarily files for bankruptcy protection under the United States Bankruptcy Code or voluntarily becomes subject to any reorganization, receivership, insolvency proceeding or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights, or an order for relief is entered against Borrower in any involuntary bankruptcy filing by any creditor (other than Lender) of Borrower pursuant to the United States Bankruptcy Code or other federal or state law affecting debtor and creditor rights.
4. The obligations of Guarantor under Paragraphs 1, 2 and 3 of this Guaranty are together referred to in this Guaranty as the "Guaranteed Obligation".
5. Guarantor, by this Guaranty, binds itself, its heirs, successors and assigns with Borrower for the payment of the Guaranteed Obligation as if Guarantor had contracted for payment of Guaranteed Obligation rather than Borrower. Guarantor and its heirs, successors and assigns shall be bound by all of the terms and conditions contained in any written document evidencing, securing or relating to the Loan, whether signed by Borrower now or in the future.

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Any foreclosure proceeds, insurance proceeds or condemnation awards received by Lender shall not reduce the Guaranteed Obligation.

6. If all or any part of any payment which has been applied by Lender to payment of the Loan is or must be rescinded, repaid or returned by Lender for any reason (including, without limitation, the application of any bankruptcy, insolvency or other law), such payment, to the extent that it is or must be rescinded, repaid or returned, shall be deemed for purposes of this Guaranty to have continued to be due and payable. This Guaranty shall continue to be effective as to such payment as though such payment had not been rescinded, repaid or returned, and Guarantor shall remain liable to Lender for the amount so rescinded, repaid or returned, notwithstanding any termination of this Guaranty, any cancellation of the Note, any release or satisfaction of the Security Instrument, or any cancellation of any other Loan Document.
7. Lender may, from time to time, whether before or after any termination of this Guaranty, at its sole discretion and without notice to Guarantor, take any or all of the following actions: (a) retain or obtain a security interest in any property to secure the Loan; (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to Guarantor, with respect to the Loan; (c) release or compromise the Loan, or any other obligation of any other obligor with respect to the Loan; (d) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing the Loan, (e) extend or renew the Loan; and (f) amend, modify, alter or otherwise deal with the Loan.
8. This Guaranty is a guaranty of payment, not collection, and Lender may resort to Guarantor for payment of the Loan whether or not Lender has resorted to any property securing the Loan, or has sought a deficiency judgment against Borrower, or has proceeded against any other guarantor or any other obligor primarily or secondarily obligated with respect to the Loan. Lender shall have the right to pursue concurrently or successively all rights and remedies available to it pursuant to any document or agreement or at law or in equity and against any persons or entities, and the exercise of any of its rights or the completion of any of its remedies shall not constitute a discharge of any obligation of Guarantor under this Guaranty.

Guarantor agrees that the Guaranteed Obligation will be paid strictly in accordance with the terms of the Loan Documents regardless of any present or future law, regulation or order in any jurisdiction affecting any of such terms. The liability of Guarantor under this Guaranty with respect to the Guaranteed Obligation shall be independent, absolute and unconditional, irrespective of any lack of validity or enforceability of any of the Loan Documents, any exchange, release, or non-perfection of any security interest and any change in the ownership of Borrower.

Guarantor's undertaking with respect to the Guaranteed Obligation shall not be affected by any of the following:

- (a) The failure of Lender to assert any claim or demand or to enforce any right or remedy against Borrower.
  - (b) Any rescission, waiver, amendment or modification of any of the terms or provisions of this Guaranty or of any of the Loan Documents.
  - (c) The release or discharge of Borrower in any creditors', receivership, bankruptcy or other proceedings.
  - (d) The impairment, limitation or modification of the liabilities to Lender under any of the Loan Documents, or of any remedy for the enforcement of such liabilities, resulting from the operation of any present or future provision of the United States Bankruptcy Code or any other statute or law or from the decision of any court.
9. Any right of indemnification or subrogation which Guarantor might have, now or in the future, against Borrower or any other party obligated to Lender is hereby waived and released, and Guarantor shall have no right of indemnification, set off, or payment against Borrower or any other party obligated to Lender for any amounts which Guarantor may pay to Lender under this Guaranty.
  10. Lender may, from time to time, whether before or after any termination of this Guaranty, without notice to Guarantor, assign or transfer any or all of the Loan Documents or any interest in the Loan or any of the Loan

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Documents. Notwithstanding any such assignment or transfer or any subsequent assignment or transfer, the Guaranteed Obligation shall remain a Guaranteed Obligation for the purposes of this Guaranty. Each immediate and successive assignee or transferee of any of the Loan Documents or of any interest in the Loan or any of the Loan Documents shall, to the extent of the assigned or transferred interest, be entitled to the benefits of this Guaranty to the same extent as if that assignee or transferee were Lender.

11. No delay on the part of Lender in the exercise of any right or remedy shall operate as a waiver of that right or remedy, and no single or partial exercise by Lender of any right or remedy shall preclude other or further exercise of that or any other right or remedy. No modification or waiver of any of the provisions of this Guaranty shall be binding upon Lender except as expressly set forth in a writing signed and delivered on behalf of Lender. No action of Lender permitted under this Guaranty shall affect or impair the rights of Lender and the obligation of Guarantor under this Guaranty, notwithstanding any right or power of Borrower or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense shall affect or impair the obligations of Guarantor under this Guaranty.
12. Guarantor waives: (a) any right to require Lender to proceed against Borrower to obtain payment; (b) any right to require Lender to proceed against or exhaust any security held from Borrower; (c) any right to require Lender to pursue any other remedy in Lender's power; (d) any right to receive any notices in connection with the existence, creation or nonpayment of any of the Loan including, without limitation, any notice of acceptance by Lender; (e) presentment, demand, notice of dishonor and protest; (f) any defense arising by reason of any disability or by reason of the cessation of the liability of Borrower for any reason; (g) any benefit of and any right to participate in any security held by Lender now or in the future; (h) any defense based upon diligence in collection of or realization upon the Loan; (i) any defense arising by reason of any disability, incapacity, lack of authority or death of any other person or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy, or any other proceeding) of any other person; and (j) any defense based upon an election of remedies based upon any notice or demand of any kind that may be required to be given by any statute or rule of law, or by any of the Loan Documents.
13. The invalidity or unenforceability of any provision of this Guaranty shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

[signature and notary pages follow]

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IN WITNESS WHEREOF Guarantor has executed this Guaranty this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

## GUARANTOR:

\_\_\_\_\_  
Name: Sheldon Ashman

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ILLINOIS, \_\_\_\_\_ COUNTY ss:

I, \_\_\_\_\_, a Notary Public in and for said county and state, do hereby certify that Sheldon Ashman personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

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## EXHIBIT D-2

### GUARANTY

This GUARANTY, made this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, by Ralph Robbins \_\_\_\_\_, ("Guarantor") for the benefit of FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation chartered under the laws of the United States ("Lender"), its successors and assigns.

#### PRELIMINARY STATEMENT:

WHEREAS, American National Bank and Trust Company of Chicago, ("Original Borrower") obtained a mortgage loan (the "Loan") from Great Lakes Financial Group Limited Partnership, a Delaware limited partnership ("Original Lender"), which loan is secured by certain real property and improvements thereon (the "Property") known as Chesterton Apartments, located in Chicago, Illinois City/ County, Cook County, as more particularly described in Exhibit A attached to this Guaranty and incorporated by reference; \*not personally or individually but solely as Trustee of Trust No. 110084-06 dated December 28, 1989 and 969 W. Buena Limited Partnership

WHEREAS, Original Borrower executed a note evidencing the Loan dated December 1, 1995, in the original principal amount of \$ 3,320,000.00 ("Note"), payable to Original Lender and secured by a Mortgage, Deed of Trust or Deed to Secure Debt ("Security Instrument") bearing the same date, encumbering the Property. (The Note and Security Instrument and other related documents are collectively referred to in this Guaranty as the "Loan Documents");

WHEREAS, Original Lender sold the Note and assigned the Security Instrument to Lender, which is now the owner and holder of the Note;

WHEREAS, Original Borrower has requested that Lender consent to the assumption of the Loan by Buena Apartments Limited Partnership ("Borrower");

WHEREAS, subject to the full satisfaction of all conditions set forth in that certain Assumption and Modification Agreement of even date herewith by and among Original Borrower, Borrower and Lender, Lender has agreed to consent to the assumption of the Loan by Borrower;

WHEREAS, as a condition to approval of the assumption of the Loan by Borrower, Lender is requiring Guarantor to jointly and severally guaranty the payment of certain amounts outstanding with respect to the Loan.

NOW THEREFORE, to induce Lender to approve the assumption of the Loan to Borrower, Guarantor agrees as follows:

1. Guarantor (jointly and severally, if more than one) absolutely and unconditionally guarantees to Lender the full and punctual payment when due of all of Borrower's obligations under the Loan Documents, whether by acceleration or otherwise. Guarantor's obligations under this Paragraph 1 shall be limited to an amount equal to: 0% of the original principal balance of the Note

\_\_\_\_\_, except as provided in subparagraphs (a) through (f) and paragraphs 2 and 3.

- (a) Guarantor shall be liable for all amounts due under the Loan Documents if (1) there occurs a transfer of the Property or any interest in the Property or Borrower which violates Covenant 19 of the Security Instrument; or (2) Borrower voluntarily creates or consents to any subordinate mortgage or lien on the Property in violation of Covenant 4 of the Security Instrument; or (3) Borrower acquires any real or personal property other than the Property and assets (such as accounts) related to the operation or maintenance of the Property, or operates any business other than the management or operation of the Property. The provisions of the preceding clause 1(a)(3) shall apply only if, and to the extent that, the

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Security Instrument expressly prohibits Borrower from acting in a manner that gives rise to Guarantor's liability under such clause.

- (b) Guarantor shall be liable for amounts due under the Loan Documents in an amount equal to any loss, damage or cost to Lender resulting from fraud or intentional misrepresentation or intentional omission by Borrower, its employees or agents in connection with applying for or obtaining the loan evidenced by the Note.
- (c) Guarantor shall be liable for amounts due under the Loan Documents in an amount equal to any loss, damage or cost to Lender resulting from any failure of Borrower, during the existence of any monetary or other material default under the Note or Security Instrument, to deliver to Lender upon written demand all books and records relating to the Property.
- (d) Guarantor shall be liable for amounts due under the Loan Documents in an amount equal to (1) all rents and revenues of the Property received by Borrower after the occurrence of any monetary or other material default under the Note or Security Instrument (whether such default is intentional or unintentional, and regardless of whether Lender has notified Borrower of such default) which have been used for any purpose other than to pay the costs and expenses of operating and maintaining the Property, unless the amount of all such rents and revenues not so used is deposited in the Property's bank account within ten days after written demand by Lender and is thereafter used only to pay such costs and expenses; and (2) any insurance proceeds, condemnation awards or tenant security deposits which are applied by Borrower in a manner not permitted by the Security Instrument and applicable law. For the purposes of this paragraph (d), the costs and expenses of operating and maintaining the Property shall include, without limitation, the payment of principal, interest and any other amounts payable under the Note or Security Instrument.
- (e) Guarantor shall be liable for all amounts due under the Loan Documents in an amount equal to the costs of replacing and installing any fixture, equipment, machinery or appliance in or on the Property which is removed from the Property by Borrower without being replaced with an item of like kind.
- (f) Guarantor shall be liable for amounts payable by Borrower for any costs and expenses incurred by Lender in connection with collecting any amounts for which Borrower is personally liable under the Note or Security Instrument or for which the Guarantor is liable under this Guaranty. Such costs and expenses shall include without limitation attorneys' fees and the cost of conducting an independent audit of Borrower's books and records to determine any amounts owed by Borrower or Guarantor under the Note, Security Instrument or this Guaranty.
2. Guarantor (jointly and severally, if more than one) absolutely and unconditionally guarantees to Lender the full and punctual payment when due of all amounts payable under Covenant 26A of the Security Instrument (relating to certain environmental matters set forth in that Covenant).
3. Guarantor (jointly and severally, if more than one) absolutely and unconditionally guarantees to Lender the full and punctual payment of all amounts due under the Loan Documents in the event that Borrower voluntarily files for bankruptcy protection under the United States Bankruptcy Code or voluntarily becomes subject to any reorganization, receivership, insolvency proceeding or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights, or an order for relief is entered against Borrower in any involuntary bankruptcy filing by any creditor (other than Lender) of Borrower pursuant to the United States Bankruptcy Code or other federal or state law affecting debtor and creditor rights.
4. The obligations of Guarantor under Paragraphs 1, 2 and 3 of this Guaranty are together referred to in this Guaranty as the "Guaranteed Obligation".
5. Guarantor, by this Guaranty, binds itself, its heirs, successors and assigns with Borrower for the payment of the Guaranteed Obligation as if Guarantor had contracted for payment of Guaranteed Obligation rather than Borrower. Guarantor and its heirs, successors and assigns shall be bound by all of the terms and conditions contained in any written document evidencing, securing or relating to the Loan, whether signed by Borrower now or in the future.

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Any foreclosure proceeds, insurance proceeds or condemnation awards received by Lender shall not reduce the Guaranteed Obligation.

6. If all or any part of any payment which has been applied by Lender to payment of the Loan is or must be rescinded, repaid or returned by Lender for any reason (including, without limitation, the application of any bankruptcy, insolvency or other law), such payment, to the extent that it is or must be rescinded, repaid or returned, shall be deemed for purposes of this Guaranty to have continued to be due and payable. This Guaranty shall continue to be effective as to such payment as though such payment had not been rescinded, repaid or returned, and Guarantor shall remain liable to Lender for the amount so rescinded, repaid or returned, notwithstanding any termination of this Guaranty, any cancellation of the Note, any release or satisfaction of the Security Instrument, or any cancellation of any other Loan Document.
7. Lender may, from time to time, whether before or after any termination of this Guaranty, at its sole discretion and without notice to Guarantor, take any or all of the following actions: (a) retain or obtain a security interest in any property to secure the Loan; (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to Guarantor, with respect to the Loan; (c) release or compromise the Loan, or any other obligation of any other obligor with respect to the Loan; (d) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing the Loan, (e) extend or renew the Loan; and (f) amend, modify, alter or otherwise deal with the Loan.
8. This Guaranty is a guaranty of payment, not collection, and Lender may resort to Guarantor for payment of the Loan whether or not Lender has resorted to any property securing the Loan, or has sought a deficiency judgment against Borrower, or has proceeded against any other guarantor or any other obligor primarily or secondarily obligated with respect to the Loan. Lender shall have the right to pursue concurrently or successively all rights and remedies available to it pursuant to any document or agreement or at law or in equity and against any persons or entities, and the exercise of any of its rights or the completion of any of its remedies shall not constitute a discharge of any obligation of Guarantor under this Guaranty.

Guarantor agrees that the Guaranteed Obligation will be paid strictly in accordance with the terms of the Loan Documents regardless of any present or future law, regulation or order in any jurisdiction affecting any of such terms. The liability of Guarantor under this Guaranty with respect to the Guaranteed Obligation shall be independent, absolute and unconditional, irrespective of any lack of validity or enforceability of any of the Loan Documents, any exchange, release, or non-perfection of any security interest and any change in the ownership of Borrower.

Guarantor's undertaking with respect to the Guaranteed Obligation shall not be affected by any of the following:

- (a) The failure of Lender to assert any claim or demand or to enforce any right or remedy against Borrower.
  - (b) Any rescission, waiver, amendment or modification of any of the terms or provisions of this Guaranty or of any of the Loan Documents.
  - (c) The release or discharge of Borrower in any creditors', receivership, bankruptcy or other proceedings.
  - (d) The impairment, limitation or modification of the liabilities to Lender under any of the Loan Documents, or of any remedy for the enforcement of such liabilities, resulting from the operation of any present or future provision of the United States Bankruptcy Code or any other statute or law or from the decision of any court.
9. Any right of indemnification or subrogation which Guarantor might have, now or in the future, against Borrower or any other party obligated to Lender is hereby waived and released, and Guarantor shall have no right of indemnification, set off, or payment against Borrower or any other party obligated to Lender for any amounts which Guarantor may pay to Lender under this Guaranty.
  10. Lender may, from time to time, whether before or after any termination of this Guaranty, without notice to Guarantor, assign or transfer any or all of the Loan Documents or any interest in the Loan or any of the Loan



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Documents. Notwithstanding any such assignment or transfer or any subsequent assignment or transfer, the Guaranteed Obligation shall remain a Guaranteed Obligation for the purposes of this Guaranty. Each immediate and successive assignee or transferee of any of the Loan Documents or of any interest in the Loan or any of the Loan Documents shall, to the extent of the assigned or transferred interest, be entitled to the benefits of this Guaranty to the same extent as if that assignee or transferee were Lender.

11. No delay on the part of Lender in the exercise of any right or remedy shall operate as a waiver of that right or remedy, and no single or partial exercise by Lender of any right or remedy shall preclude other or further exercise of that or any other right or remedy. No modification or waiver of any of the provisions of this Guaranty shall be binding upon Lender except as expressly set forth in a writing signed and delivered on behalf of Lender. No action of Lender permitted under this Guaranty shall affect or impair the rights of Lender and the obligation of Guarantor under this Guaranty, notwithstanding any right or power of Borrower or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense shall affect or impair the obligations of Guarantor under this Guaranty.
12. Guarantor waives: (a) any right to require Lender to proceed against Borrower to obtain payment; (b) any right to require Lender to proceed against or exhaust any security held from Borrower; (c) any right to require Lender to pursue any other remedy in Lender's power; (d) any right to receive any notices in connection with the existence, creation or nonpayment of any of the Loan including, without limitation, any notice of acceptance by Lender; (e) presentment, demand, notice of dishonor and protest; (f) any defense arising by reason of any disability or by reason of the cessation of the liability of Borrower for any reason; (g) any benefit of and any right to participate in any security held by Lender now or in the future; (h) any defense based upon diligence in collection of or realization upon the Loan; (i) any defense arising by reason of any disability, incapacity, lack of authority or death of any other person or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy, or any other proceeding) of any other person; and (j) any defense based upon an election of remedies based upon any notice or demand of any kind that may be required to be given by any statute or rule of law, or by any of the Loan Documents.
13. The invalidity or unenforceability of any provision of this Guaranty shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

[signature and notary pages follow]

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IN WITNESS WHEREOF Guarantor has executed this Guaranty this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

## GUARANTOR:

\_\_\_\_\_  
Name: Ralph Robbins

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ILLINOIS, \_\_\_\_\_ COUNTY ss:

I, \_\_\_\_\_, a Notary Public in and for said county and state, do hereby certify that Ralph Robbins personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

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## EXHIBIT D-2

### GUARANTY

This GUARANTY, made this \_\_\_\_\_ day of \_\_\_\_\_ 19\_\_\_\_, by Allen J. Shechtman, ("Guarantor") for the benefit of FEDERAL HOME LOAN MORTGAGE CORPORATION, a corporation chartered under the laws of the United States ("Lender"), its successors and assigns.

#### PRELIMINARY STATEMENT:

WHEREAS, American National Bank and Trust Company of Chicago, ("Original Borrower") obtained a mortgage loan (the "Loan") from Great Lakes Financial Group Limited Partnership, a Delaware limited partnership ("Original Lender"), which loan is secured by certain real property and improvements thereon (the "Property") known as Chesterton Apartments, located in Chicago, Illinois City/ County, Cook County, as more particularly described in Exhibit A attached to this Guaranty and incorporated by reference; \*not personally or individually but solely as Trustee of Trust No. 110084-06 dated December 28, 1989 and 869 W. Buena Limited Partnership

WHEREAS, Original Borrower executed a note evidencing the Loan dated December 1, 1995, in the original principal amount of \$3,320,000.00 ("Note"), payable to Original Lender and secured by a Mortgage, Deed of Trust or Deed to Secure Debt ("Security Instrument") bearing the same date, encumbering the Property. (The Note and Security Instrument and other related documents are collectively referred to in this Guaranty as the "Loan Documents");

WHEREAS, Original Lender sold the Note and assigned the Security Instrument to Lender, which is now the owner and holder of the Note;

WHEREAS, Original Borrower has requested that Lender consent to the assumption of the Loan by Buena Apartments Limited Partnership ("Borrower");

WHEREAS, subject to the full satisfaction of all conditions set forth in the certain Assumption and Modification Agreement of even date herewith by and among Original Borrower, Borrower and Lender, Lender has agreed to consent to the assumption of the Loan by Borrower;

WHEREAS, as a condition to approval of the assumption of the Loan by Borrower, Lender is requiring Guarantor to jointly and severally guaranty the payment of certain amounts outstanding with respect to the Loan.

NOW THEREFORE, to induce Lender to approve the assumption of the Loan to Borrower, Guarantor agrees as follows:

1. Guarantor (jointly and severally, if more than one) absolutely and unconditionally guarantees to Lender the full and punctual payment when due of all of Borrower's obligations under the Loan Documents, whether by acceleration or otherwise. Guarantor's obligations under this Paragraph 1 shall be limited to an amount equal to: 0% of the original principal balance of the Note

\_\_\_\_\_, except as provided in subparagraphs (a) through (f) and paragraphs 2 and 3.

- (a) Guarantor shall be liable for all amounts due under the Loan Documents if (1) there occurs a transfer of the Property or any interest in the Property or Borrower which violates Covenant 19 of the Security Instrument; or (2) Borrower voluntarily creates or consents to any subordinate mortgage or lien on the Property in violation of Covenant 4 of the Security Instrument; or (3) Borrower acquires any real or personal property other than the Property and assets (such as accounts) related to the operation or maintenance of the Property, or operates any business other than the management or operation of the Property. The provisions of the preceding clause 1(a)(3) shall apply only if, and to the extent that, the

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Security Instrument expressly prohibits Borrower from acting in a manner that gives rise to Guarantor's liability under such clause.

- (b) Guarantor shall be liable for amounts due under the Loan Documents in an amount equal to any loss, damage or cost to Lender resulting from fraud or intentional misrepresentation or intentional omission by Borrower, its employees or agents in connection with applying for or obtaining the loan evidenced by the Note.
- (c) Guarantor shall be liable for amounts due under the Loan Documents in an amount equal to any loss, damage or cost to Lender resulting from any failure of Borrower, during the existence of any monetary or other material default under the Note or Security Instrument, to deliver to Lender upon written demand all books and records relating to the Property.
- (d) Guarantor shall be liable for amounts due under the Loan Documents in an amount equal to (1) all rents and revenues of the Property received by Borrower after the occurrence of any monetary or other material default under the Note or Security Instrument (whether such default is intentional or unintentional), and regardless of whether Lender has notified Borrower of such default) which have been used for any purpose other than to pay the costs and expenses of operating and maintaining the Property, unless the amount of all such rents and revenues not so used is deposited in the Property's bank account within ten days after written demand by Lender and is thereafter used only to pay such costs and expenses; and (2) any insurance proceeds, condemnation awards or tenant security deposits which are applied by Borrower in a manner not permitted by the Security Instrument and applicable law. For the purposes of this paragraph (d), the costs and expenses of operating and maintaining the Property shall include, without limitation, the payment of principal, interest and any other amounts payable under the Note or Security Instrument.
- (e) Guarantor shall be liable for all amounts due under the Loan Documents in an amount equal to the costs of replacing and installing any fixture, equipment, machinery or appliance in or on the Property which is removed from the Property by Borrower without being replaced with an item of like kind.
- (f) Guarantor shall be liable for amounts payable by Borrower for any costs and expenses incurred by Lender in connection with collecting any amounts for which Borrower is personally liable under the Note or Security Instrument or for which the Guarantor is liable under this Guaranty. Such costs and expenses shall include without limitation attorneys' fees and the cost of conducting an independent audit of Borrower's books and records to determine any amounts owed by Borrower or Guarantor under the Note, Security Instrument or this Guaranty.
2. Guarantor (jointly and severally, if more than one) absolutely and unconditionally guarantees to Lender the full and punctual payment when due of all amounts payable under Covenant 26A of the Security Instrument (relating to certain environmental matters set forth in that Covenant).
3. Guarantor (jointly and severally, if more than one) absolutely and unconditionally guarantees to Lender the full and punctual payment of all amounts due under the Loan Documents in the event that Borrower voluntarily files for bankruptcy protection under the United States Bankruptcy Code or voluntarily becomes subject to any reorganization, receivership, insolvency proceeding or other similar proceeding pursuant to any other federal or state law affecting debtor and creditor rights, or an order for relief is entered against Borrower in any involuntary bankruptcy filing by any creditor (other than Lender) of Borrower pursuant to the United States Bankruptcy Code or other federal or state law affecting debtor and creditor rights.
4. The obligations of Guarantor under Paragraphs 1, 2 and 3 of this Guaranty are together referred to in this Guaranty as the "Guaranteed Obligation".
5. Guarantor, by this Guaranty, binds itself, its heirs, successors and assigns with Borrower for the payment of the Guaranteed Obligation as if Guarantor had contracted for payment of Guaranteed Obligation rather than Borrower. Guarantor and its heirs, successors and assigns shall be bound by all of the terms and conditions contained in any written document evidencing, securing or relating to the Loan, whether signed by Borrower now or in the future.

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Any foreclosure proceeds, insurance proceeds or condemnation awards received by Lender shall not reduce the Guaranteed Obligation.

6. If all or any part of any payment which has been applied by Lender to payment of the Loan is or must be rescinded, repaid or returned by Lender for any reason (including, without limitation, the application of any bankruptcy, insolvency or other law), such payment, to the extent that it is or must be rescinded, repaid or returned, shall be deemed for purposes of this Guaranty to have continued to be due and payable. This Guaranty shall continue to be effective as to such payment as though such payment had not been rescinded, repaid or returned, and Guarantor shall remain liable to Lender for the amount so rescinded, repaid or returned, notwithstanding any termination of this Guaranty, any cancellation of the Note, any release or satisfaction of the Security Instrument, or any cancellation of any other Loan Document.
7. Lender may, from time to time, whether before or after any termination of this Guaranty, at its sole discretion and without notice to Guarantor, take any or all of the following actions: (a) retain or obtain a security interest in any property to secure the Loan; (b) retain or obtain the primary or secondary obligation of any obligor or obligors, in addition to Guarantor, with respect to the Loan; (c) release or compromise the Loan, or any other obligation of any other obligor with respect to the Loan; (d) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing the Loan, (e) extend or renew the Loan; and (f) amend, modify, alter or otherwise deal with the Loan.
8. This Guaranty is a guaranty of payment, not collection, and Lender may resort to Guarantor for payment of the Loan whether or not Lender has resorted to any property securing the Loan, or has sought a deficiency judgment against Borrower, or has proceeded against any other guarantor or any other obligor primarily or secondarily obligated with respect to the Loan. Lender shall have the right to pursue concurrently or successively all rights and remedies available to it pursuant to any document or agreement or at law or in equity and against any persons or entities, and the exercise of any of its rights or the completion of any of its remedies shall not constitute a discharge of any obligation of Guarantor under this Guaranty.

Guarantor agrees that the Guaranteed Obligation will be paid strictly in accordance with the terms of the Loan Documents regardless of any present or future law, regulation or order in any jurisdiction affecting any of such terms. The liability of Guarantor under this Guaranty with respect to the Guaranteed Obligation shall be independent, absolute and unconditional, irrespective of any lack of validity or enforceability of any of the Loan Documents, any exchange, release, or non-perfection of any security interest and any change in the ownership of Borrower.

Guarantor's undertaking with respect to the Guaranteed Obligation shall not be affected by any of the following:

- (a) The failure of Lender to assert any claim or demand or to enforce any right or remedy against Borrower.
  - (b) Any rescission, waiver, amendment or modification of any of the terms or provisions of this Guaranty or of any of the Loan Documents.
  - (c) The release or discharge of Borrower in any creditors', receivership, bankruptcy or other proceedings.
  - (d) The impairment, limitation or modification of the liabilities to Lender under any of the Loan Documents, or of any remedy for the enforcement of such liabilities, resulting from the operation of any present or future provision of the United States Bankruptcy Code or any other statute or law or from the decision of any court.
9. Any right of indemnification or subrogation which Guarantor might have, now or in the future, against Borrower or any other party obligated to Lender is hereby waived and released, and Guarantor shall have no right of indemnification, set off, or payment against Borrower or any other party obligated to Lender for any amounts which Guarantor may pay to Lender under this Guaranty.
  10. Lender may, from time to time, whether before or after any termination of this Guaranty, without notice to Guarantor, assign or transfer any or all of the Loan Documents or any interest in the Loan or any of the Loan

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Documents. Notwithstanding any such assignment or transfer or any subsequent assignment or transfer, the Guaranteed Obligation shall remain a Guaranteed Obligation for the purposes of this Guaranty. Each immediate and successive assignee or transferee of any of the Loan Documents or of any interest in the Loan or any of the Loan Documents shall, to the extent of the assigned or transferred interest, be entitled to the benefits of this Guaranty to the same extent as if that assignee or transferee were Lender.

11. No delay on the part of Lender in the exercise of any right or remedy shall operate as a waiver of that right or remedy, and no single or partial exercise by Lender of any right or remedy shall preclude other or further exercise of that or any other right or remedy. No modification or waiver of any of the provisions of this Guaranty shall be binding upon Lender except as expressly set forth in a writing signed and delivered on behalf of Lender. No action of Lender permitted under this Guaranty shall affect or impair the rights of Lender and the obligation of Guarantor under this Guaranty, notwithstanding any right or power of Borrower or anyone else to assert any claim or defense as to the invalidity or unenforceability of any such obligation, and no such claim or defense shall affect or impair the obligations of Guarantor under this Guaranty.
12. Guarantor waives: (a) any right to require Lender to proceed against Borrower to obtain payment; (b) any right to require Lender to proceed against or exhaust any security held from Borrower; (c) any right to require Lender to pursue any other remedy in Lender's power; (d) any right to receive any notices in connection with the existence, creation or nonpayment of any of the Loan including, without limitation, any notice of acceptance by Lender; (e) presentment, demand, notice of dishonor and protest; (f) any defense arising by reason of any disability or by reason of the cessation of the liability of Borrower for any reason; (g) any benefit of and any right to participate in any security held by Lender now or in the future; (h) any defense based upon diligence in collection of or realization upon the Loan; (i) any defense arising by reason of any disability, incapacity, lack of authority or death of any other person or the failure of Lender to file or enforce a claim against the estate (in administration, bankruptcy, or any other proceeding) of any other person; and (j) any defense based upon an election of remedies based upon any notice or demand of any kind that may be required to be given by any statute or rule of law, or by any of the Loan Documents.
13. The invalidity or unenforceability of any provision of this Guaranty shall not affect the validity of any other provision, and all other provisions shall remain in full force and effect.

[signature and notary pages follow]

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IN WITNESS WHEREOF Guarantor has executed this Guaranty this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

## GUARANTOR:

\_\_\_\_\_  
Name: Allen L. Shechtman

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_  
Name: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

STATE OF ILLINOIS, \_\_\_\_\_ COUNTY ss:

I, \_\_\_\_\_, a Notary Public in and for said county and state, do hereby certify that Allen L. Shechtman personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

My Commission Expires: \_\_\_\_\_

\_\_\_\_\_  
Notary Public

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~~EXHIBIT E~~

## RIDER TO MULTIFAMILY SECURITY INSTRUMENT SINGLE ASSET BORROWER REQUIREMENT

This Rider, dated November 12, 1997, is attached and incorporated into that certain Multifamily Mortgage, Deed of Trust or Deed to Secure Debt (the "Instrument") ~~of the same date,~~ executed by the undersigned to: dated December 1, 1995,  
assumed

RJR

Great Lakes Financial Group Limited Partnership  
Name of Lender

and supplements the Instrument as follows:

Until the indebtedness evidenced by the Note is paid in full, Borrower shall not (a) acquire any real or personal property other than the Property and assets (such as accounts) related to the operation and maintenance of the property, or (b) operate any business other than the management and operation of the Property.

IN WITNESS WHEREOF, the undersigned have identified this Rider as part of the Instrument as of the day and year first above-written.

Borrower:

Buena Apartments Limited Partnership

By: The Legend Group, L.L.C.,  
General Partner

[Signature]  
(By) [Name]

(Title)

(Attest)

(Title)



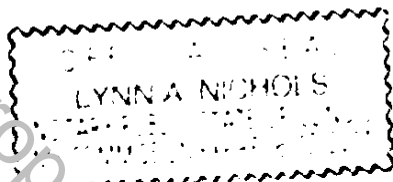
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State of Illinois, Cook County

The foregoing instrument was acknowledged before me this 14th day of April, 1997 by [Signature] of Legend Group, L.L.C., general partner on behalf of Buena Apartments Limited Partnership, a limited partnership.

My Commission Expires:

[Signature]  
Notary Public



Property of Cook County Clerk's Office