

SML5355
12/16/97
MADISON

**SECOND MODIFICATION
OF NOTES,
LOAN AGREEMENT,
MORTGAGES, GUARANTY,
JUNIOR MORTGAGES,
ASSIGNMENT OF LEASES
AND RENTS AND
OTHER LOAN DOCUMENTS**

THIS Second Modification of Notes, Loan Agreement, Mortgages, Guaranty, Junior Mortgages, Assignment of Leases and Rents and Other Loan Documents (the "Modification") is made as of December 19, 1997 by and between 11 EAST ADAMS L.L.C., an Illinois limited liability company ("Adams LLC") and OAK LEAVES LIMITED PARTNERSHIP, an Illinois limited partnership ("Oak Leaves" and, together with Adams LLC, the "Mortgagor") and BANK ONE, ILLINOIS, NA, a national banking association ("Mortgagee").

R E C I T A L S :

WHEREAS, Mortgagor and Mortgagee entered into a certain Amended and Restated Loan Agreement dated as of May 7, 1997 ("Loan Agreement") relating to a revolving credit loan in the amount of \$1,000,000.00 and a term loan in the amount of \$4,250,000.00 (the "Loan") as evidenced by a certain Amended and Restated Promissory Note dated as of May 7, 1997 in the original principal amount of \$4,250,000.00 (the "Term Note") and a Revolving Credit Promissory Note from Mortgagor in the principal amount of \$1,000,000.00 (the "Revolving Credit Note") and, together with the Term Note, the "Notes");

**This Instrument Prepared By
and After Recording Return To:**

Scott M. Lapins
Miller, Shakman, Hamilton,
Kurtzon & Schlifke
208 South LaSalle Street
Suite 1100
Chicago, Illinois 60604

Permanent Index No.

See Exhibit "A" and "A-1"

Address of Property:

See Exhibit "A" and "A-1"



COMMONWEALTH LAND
TITLE INSURANCE COMPANY
30 N. LA SALLE, SUITE 3900
CHICAGO, IL. 60602

1439

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WHEREAS, the Notes are secured by a certain Mortgage and Security Agreement with Assignment of Rents dated as of February 2, 1996 executed by Adams LLC and recorded with the Cook County Recorder of Deeds on March 1, 1996 as Document No. 96-162071 (the "Adams Mortgage"), which Adams Mortgage encumbers certain Real Property located in Chicago, Cook County, more fully described in Exhibit "A" attached hereto and more commonly known as 11 East Adams, Chicago, Illinois (the "Property");

WHEREAS, the Notes are further secured by an Assignment of Leases and Rents dated as of February 2, 1996 from Adams LLC to Mortgagee recorded with the Cook County Recorder of Deeds on March 1, 1996 as Document No. 96-159668 ("Adams Assignment of Leases");

WHEREAS, the Notes are further secured by a certain Mortgage and Security Agreement with Assignment of Rents dated as of February 2, 1996 and recorded with the Cook County Recorder of Deeds on March 1, 1996 as Document No. 96-159670 (the "Oak Leaves Mortgage" and, together with the Adams Mortgage, the "Mortgage"), which Oak Leaves Mortgage encumbers certain real property located in Cook County, Illinois, more fully described in Exhibit "A-1" attached hereto and more commonly known as 1140 West Lake, Oak Park, Illinois (the "Oak Leaves Property", and together with the Adams Property, the "Property");

WHEREAS, the Notes are further secured by an Assignment of Leases and Rents dated as of February 2, 1996 from Oak Leaves to Mortgagee recorded with the Cook County Recorder of Deeds on March 1, 1996 as Document No. 96-159671 and other documents evidencing or securing the Loan (the "Oak Leaves Loan Documents, and, together with the Adams Assignment of Leases, the "Loan Documents");

WHEREAS, Adams LLC has executed and delivered to Mortgagee a certain Modification of Mortgage and Other Loan Documents dated as of May 7, 1997 and recorded with the Cook County Recorder of Deeds on May 14, 1997 as Document No. 9734056 (the "Adams Modification");

WHEREAS, Oak Leaves has executed and delivered to Mortgagee a certain Modification of Mortgage and Other Loan Documents dated as of May 7, 1997 and recorded with the Cook County Recorder of Deeds on May 14, 1997 as Document No. 97340155 (the "Oak Leaves Modification");

WHEREAS, Mortgagor executed and delivered a certain Guaranty dated as of May 7, 1997 to and for the benefit of Mortgagee (the "Guaranty") which, among other matters guaranteed repayment of certain Related Notes (as that term is defined in the Guaranty);

WHEREAS, Adams LLC has executed and delivered to Mortgagee a certain Junior Mortgage and Security Agreement with Assignment of Rents dated as of May 7, 1997 and recorded with the Cook County

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Recorder of Deeds on May 14, 1997 as Document No. 97340153 which secures the Mortgagor's obligations under the Guaranty (the "Adams Junior Mortgage");

WHEREAS, Oak Leaves has executed and delivered to Mortgagee a certain Junior Mortgage and Security Agreement with Assignment of Rents dated as of May 7, 1997 and recorded with the Cook County Recorder of Deeds on May 14, 1997 as Document No. 97340154 which secures the Mortgagor's obligations under the Guaranty (the "Oak Leaves Junior Mortgage" and, together with the Adams Junior Mortgage, the "Junior Mortgages");

WHEREAS, Mortgagor has requested that Mortgagee decrease the interest rate payable under the Note and to make certain changes to the Loan Agreement in connection with provision relating to the release of the Guaranty and Junior Mortgages executed and delivered by Mortgagor to Mortgagee in connection with the Related Loans (as that term is defined in the Loan Agreement);

WHEREAS, simultaneously with the execution and delivery of this Second Modification, Mortgagee is making a loan in the amount of \$2,900,000.00 to 120 West Madison L.L.C., an Illinois limited liability company ("Madison L.L.C."), pursuant to a Promissory Note dated as of December 19, 1997 in the principal amount of \$2,900,000.00 (the "Madison Note"). Madison L.L.C. is owned by the same individuals as Mortgagor.

NOW, THEREFORE, in consideration of the Premises and the mutual promises of the parties, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. The preamble is incorporated in and to the main body of this Second Modification.

2. The Notes are hereby modified to reduce the interest rate payable thereunder by inserting the words "twenty-five (25)" in place of the words "one hundred (100)" in paragraph 1.1 therein.

3. The Loan Agreement is hereby amended as follows:

(a) All reference to the "Related Loans" shall include "the loan to Madison L.L.C. in the amount of \$2,900,000.00";

(b) The definition of "Related Entities" is hereby amended to include "Madison L.L.C.";

(c) Paragraph 10(a) is hereby amended to include "120 West Madison, Chicago, Illinois" in the definition of "Related Properties" on Page 7 thereof;

(d) The next to last paragraph of Paragraph 10(a) is hereby revised to read as follows:

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(e) Paragraph 11(a) is hereby amended by substituting a Debt Service Coverage Ratio of "1.30 to 1.0" for "1.35 to 1.0";

(f) Paragraph 11(b) of the Loan Agreement is hereby amended by substituting "seventy-five percent (75%)" for "seventy percent 70%".

4. The Guaranty is hereby amended as follows:

(a) The definition of "Related Notes" is hereby amended to include the Madison Note.

(b) The definition of "Related Loan Documents" is hereby amended and modified to include each of the documents securing or delivered in connection with the Madison Note.

(c) The definition of "Related Entities" is hereby amended to include "Madison L.L.C.".

5. The Junior Mortgages are hereby amended as follows:

(a) The Junior Mortgages are hereby amended and modified to secure the Guaranty as modified by this Second Modification and to incorporate all the terms and provisions of this Second Modification.

(b) Paragraph 22 of the Junior Mortgages are hereby modified by adding the following subparagraph (1):

"(1) any default which has not been cured during any applicable cure period shall occur under the \$2,900,000.00 Promissory Note dated as of December 19, 1997 from Madison L.L.C. to Mortgagee, as amended, or under any Mortgage or other documents securing said note".

6. Each of the Mortgages and other Loan Documents is hereby modified to incorporate the modifications described in this Second Modification.

7. Nothing herein contained shall impair the Note, Loan Agreement, Mortgages, Guaranty, Junior Mortgages or Other Loan Documents in any way, nor alter, waive, annul, vary, nor affect any provision, condition therein contained except as expressly herein provided, nor affect or impair any right, power or remedy of Mortgagee. It being the intention of the parties hereto that the terms and provision of the Note, Loan Agreement, Mortgage, Guaranty, Junior Mortgage and other Loan Documents shall continue in full force and effect except as expressly modified in connection herewith.

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8. Contemporaneously with the execution and delivery hereof, Mortgagor shall pay or cause to be paid all closing costs and expenses, including title insurance premiums and legal fees incurred by Mortgagee incident to the transactions contemplated herein.

9. Mortgagor hereby acknowledges that (i) Mortgagor has no defense, offset or counterclaim with respect to the payment of any sum owed to Mortgagee, with respect to any covenant in the Loan Documents; (ii) Mortgagee, on as of the date hereof, has fully performed all obligations to Mortgagor which may have had or has on and as of the date hereof; (iii) other than as expressly set forth herein, by entering into this Agreement, Mortgagee does not waive any condition or obligation in the Loan Documents.

10. This Agreement shall be governed and construed in accordance with the laws of the State of Illinois.

11. Except as expressly modified by this Modification, the Not and Loan Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the undersigned has caused these presents to be signed as of the day and year first above written.

11 EAST ADAMS L.L.C., an Illinois limited liability company

By: *Ronald Lee Medo*
Its: MANAGER

OAK LEAVES LIMITED PARTNERSHIP, an Illinois limited partnership

By: *[Signature]*
Its: MANAGER

BANK ONE, ILLINOIS, NA, a national banking association

By: *[Signature]*
Its: AVP

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PN 62156

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

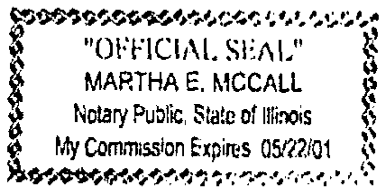
I HEREBY CERTIFY that on this 18th day of December, 1997, before me personally appeared Gerald L. Nudo and Laurence H. Weiner, each a Manager of 11 EAST ADAMS L.L.C., an Illinois limited liability company, to me known to be the same persons who signed the foregoing instrument as their free act and deed as such Manager for the use and purpose therein mentioned, and that the such instrument is the act and deed of such Company.

WITNESS my signature and official seal at Chicago in the County of Cook and State of Illinois, the day and year last aforesaid.

(NOTARY SEAL)

Handwritten signature of Martha E. McCall
Notary Public

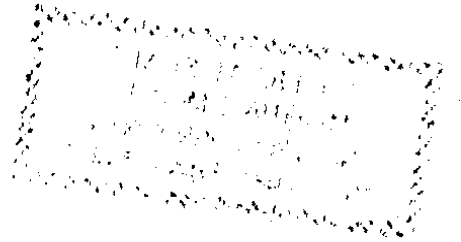
My Commission Expires: 5/22/01



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I HEREBY CERTIFY that on this 19th day of December, 1997, before me personally appeared Gerald L. Nudo and Laurence H. Weiner, each a Manager of OAK LEAVES LIMITED PARTNERSHIP, an Illinois limited partnership, to me known to be the same persons who signed the foregoing instrument as their free act and deed as such Manager for the use and purpose therein mentioned, and that the such instrument is the act and deed of such limited partnership.

WITNESS my signature and official seal at Chicago in the County of Cook and State of Illinois, the day and year last aforesaid.

(NOTARY SEAL)

Handwritten signature of Martha E. McCall, Notary Public

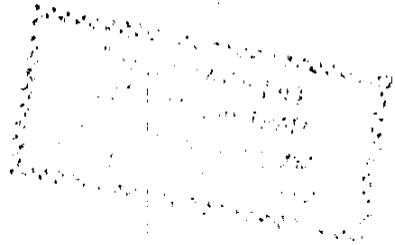
My Commission Expires: 5/22/01



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

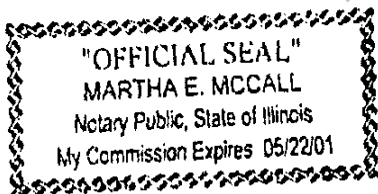
I HEREBY CERTIFY that on this 19th day of December, 1997, before me personally appeared MICHAEL J. MELINDO, ASST. VICE President of BANK ONE, ILLINOIS, NA personally known to me to be the same persons whose name is subscribed to the foregoing instrument as such ASST. VICE President appeared before me this day in person and acknowledged that he signed and delivered the said instrument as their own free and voluntary act of said Bank for the uses and purposes therein set forth.

WITNESS my signature and official seal at Chicago in the County of Cook and State of Illinois, the day and year last aforesaid.

(NOTARY SEAL)

Handwritten signature of Martha E. McCall
Notary Public

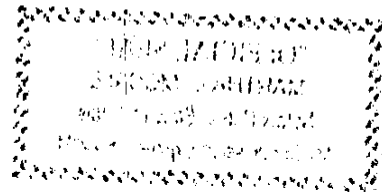
My Commission Expires: 5/22/01



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EXHIBIT "A"

LEGAL DESCRIPTION

LOT 2 AND THE NORTH 20 FEET OF LOT 3 (EXCEPT THAT PART TAKEN FOR STATE STREET) IN BLOCK 6 IN FRACTIONAL SECTION 15 ADDITION TO CHICAGO IN TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ADDRESS: 11 EAST ADAMS
CHICAGO, ILLINOIS 60603

PIN NO. 17-15-104-001

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EXHIBIT "A-1"

OAK LEAVES LEGAL DESCRIPTION

LOTS 19, 20 AND 21 IN HOLLY'S SUBDIVISION OF LOTS 2 TO 12 INCLUSIVE IN SUBDIVISION OF BLOCK 2 IN WHAPELS SUBDIVISION IN THE SOUTHWEST CORNER OF THE NORTHWEST 1/4 OF SECTION 7, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, AS SHOWN ON THE PLAT THEREOF RECORDED DECEMBER 30, 1871 IN BOOK 1 OF PLATS PAGE 13 AS DOCUMENT 7272 IN COOK COUNTY, ILLINOIS.

PIN NO.: 16-07-119-014

1140 W. Lake, Oak Park, IL

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