

SECOND LOAN MODIFICATION AGREEMENT

This Second Loan Modification Agreement is made as of the 14 day of January, 1998, by and among Banco Popular, as successor to Capitol Bank and Trust, not personally, but as trustee under Trust Agreement dated June 23, 1994 and known as Trust No. 2536 ("Land Trustee"), Cicero Avenue Properties I, L.P., an Illinois limited partnership ("Beneficiary"), Lars Nilsson ("Guarantor") and Banco Popular, a state banking corporation, as successor to Capitol Bank and Trust, having its principal place of business at 4801 W. Fullerton, Chicago, Illinois 60639 ("Lender"). (Land Trustee and Beneficiary shall sometimes be referred to herein as "Borrower".)

WHEREAS, Lender previously made a loan to Borrower (the "Loan") in the principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000), evidenced by Mortgage Note dated July 8, 1994, made by Borrower to the order of Lender (the "Original Note"); and

WHEREAS, pursuant to that certain Loan Modification Agreement dated February 5, 1996, by and among Borrower, Guarantor and Lender, recorded in the Office of the Cook County Recorder of Deeds on February 20, 1996, as Document No. 96130605 (the "Loan Modification Agreement"), Lender increased the Loan to Two Million Two Hundred Thousand Dollars (\$2,200,000), as evidenced by the Loan Modification Agreement and Mortgage Note of even date therewith made by Borrower to the order of Lender (the "First Replacement Note"), and

Prepared by and return to:
Randy S. Gussis
Shaw Gussis & Domanskis
111 W. Washington Street, #707
Chicago, IL 60602
Attorney No. 33783

PIN: 16-03-300-004
16-03-300-005
16-03-300-006



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WHEREAS, the Original Note and the First Replacement Note were secured by, among other things, that certain Mortgage, Security Agreement and Assignment of Rents, dated July 8, 1994, made by Trustee and Beneficiary in favor of Lender, recorded in the office of the Cook County Recorder of Deeds on July 26, 1994, as document No. 94-657748, as modified by the Loan Modification Agreement, encumbering the property described in Exhibit A, attached hereto and made a part hereof (the "Mortgage"), and Guaranty dated July 8, 1994, as affirmed by the Loan Modification Agreement (the "Guaranty"); and

WHEREAS, Lender has agreed to increase the Loan to Two Million Five Hundred Thousand Dollars (\$2,500,000) and extend the Maturity Date thereof upon the terms and conditions set forth herein.

NOW THEREFORE, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Replacement Note. The amount of the Loan is hereby increased to Two Million Five Hundred Thousand Dollars (\$2,500,000). The Replacement Note shall be substituted for by the mortgage note in the form attached hereto and made a part hereof as Exhibit B (the "New Note"). All references to the "Note" in the Mortgage, Guaranty and any other document given to Lender in connection with the Loan (collectively the "Loan Documents") shall be deemed to be references to the New Note.

2. Full Force and Effect. Except as amended hereby, the Loan Documents shall remain in full force and effect.

3. Affirmation of Guaranty. By his execution hereof, Guarantor hereby acknowledges the modifications to the Loan Documents made herein and hereby affirms that the Guaranty shall continue in full force and effect and shall be applicable to the New Note, the Mortgage as modified hereby and all of the Liabilities (as defined in the Guaranty).

4. No Default. Borrower and Guarantor hereby warrant and represent to Lender that no Default (as defined in the applicable Loan Document) under the Loan Documents exists, and no circumstances exist that with the giving of notice and the passage of time or both, would constitute a Default under said Loan Documents.

5. Future Advances. All advances pursuant to the Original Note, the Replacement Note and the New Note, including future advancements, shall be a lien from the time the Mortgage was recorded.

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6. Title Insurance. Borrower shall obtain and deliver to Lender either a date down endorsement to Title Insurance Policy Number 135-00-194458, dated July 26, 1994, issued by Lawyers Title Insurance Corporation, or a new title insurance policy, showing no new exceptions not acceptable to Lender and covering the date of recording of this Second Loan Modification Agreement.

7. Trustee Exculpation. This Agreement is executed and delivered by Banco Popular, not personally but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such trustee. Nothing herein contained shall be construed as creating any liability on the Trustee personally to pay or perform any obligation of Borrower hereunder, such personal liability, if any, being expressly waived by Lender and by every person now or hereafter claiming any right hereunder.

8. Extension Fee and Loan Expenses. Simultaneously with the execution and delivery of this Agreement, Borrower shall deliver to lender an extension fee of Twenty Five Thousand Dollars (\$25,000), and Borrower shall pay all other loan expenses related to this Second Loan Modification Agreement, including, without limitation, Lender's attorneys' fees and title insurance charges. If Borrower shall not prepay the New Note after the expiration of the first five (5) years of the term thereof, the Borrower shall pay an additional fee to lender of Twelve Thousand Five Hundred Dollars (\$12,500) on or before March 1, 2003.

9. Counterparts. This Agreement may be executed in counterparts and said counterparts, when taken together, shall be considered one (1) original document.

In Witness Whereof, the parties have executed this Agreement

INTENTIONALLY LEFT BLANK

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98033109

as of the date first above written.

Lender:

Banco Popular

Land Trustee:

Banco Popular, as
Trustee as aforesaid

SEE RIDER ATTACHED HERETO
AND BY THIS REFERENCE
MADE A PART HEREOF


By: _____
Its _____

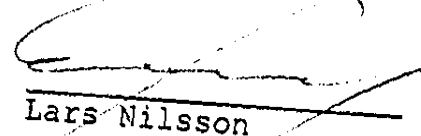
By: _____
Its _____

Beneficiary:

Cicero Avenue Properties I, L.P.

Guarantor:

By: 
Lars Nilsson, general
partner


Lars Nilsson

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98033109

RECORDED

as of the date first above written.

Lender:

Banco Popular

Land Trustee:

Banco Popular, as
Trustee as aforesaid

By: [Signature]
Its VICE PRESIDENT

By: _____
Its _____

Beneficiary:

Cicero Avenue Properties I, L.P.

Guarantor:

By: _____
Lars Nilsson, general
partner

Lars Nilsson

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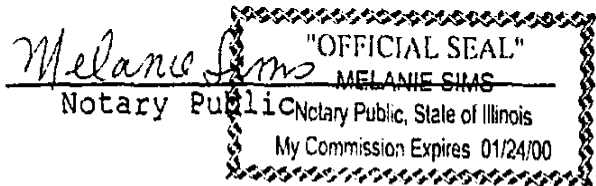
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State of Illinois)
) SS
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Michael H. Lina of Banco Popular, personally known to me to be the Vice President of Banco Popular, and 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 severally acknowledged that as such Vice President signed, pursuant to authority given by the Board of Directors of said bank, as the free and voluntary act and deed of said bank, for the uses and purposes therein set forth.

Given under my hand and official seal, this 6th day of January, 1998.



Commission expires

January 24, 2000

State of Illinois)
) SS
County of Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that _____ of Banco Popular, as Trustee of Trust No. 2536, personally known to me to be the _____ of Banco Popular, and 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 severally acknowledged that as such _____ signed, pursuant to authority given by the Board of Directors of said bank, as the free and voluntary act and deed of said bank, for the uses and purposes therein set forth.

Given under my hand and official seal, this _____ day of _____, 19____.

Notary Public

Commission expires

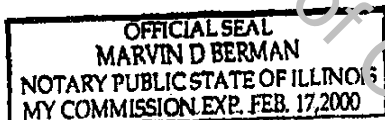
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STATE OF Illinois)
) SS
COUNTY OF Cook)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that Lars Nilsson, personally known to me to be the General Partner of Cicero Avenue Properties I, L.P., and 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 severally acknowledged that as such General Partner, he signed and delivered the said instrument pursuant to authority given by the Board of Directors of said corporation, as his free and voluntary act, and as the free and voluntary act and deed of said corporation, for the uses and purposes therein set forth.

Given under my hand and official seal, this 5th day of JANUARY, 1998.



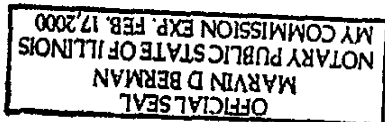
Marvin D. Berman
Notary Public

Commission expires:

State of Illinois)
) SS
County of Cook)

I, MARVIN D. BERMAN, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Lars Nilsson, 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 signed and delivered the said instrument as his free and voluntary act.

GIVEN under my hand and official seal this 5th day of JANUARY, 1998.



Marvin D. Berman
Notary Public

Commission expires:

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EXHIBIT A
LEGAL DESCRIPTION

1. Lot 4 (except that part thereof described as follows: Beginning at a point on the North line of said Lot 4 (being also the South line of Lot 3) distant 241.91 feet East from North West corner of said Lot 4 and running thence North Eastwardly along the line between said Lots 3 and 4 being the arc of circle having a radius of 366.59 feet convex to the South East a distance of 204.02 feet; thence North Eastwardly along a straight line tangent to last described arc a distance of 45.98 feet; thence North Eastwardly along the arc of a circle having a radius of 287.90 feet convex to the South East and tangent to last described course a distance of 29.23 feet to a point 13.78 feet South Westerly measured along the Southerly line of said Lot 3 from the South Easterly corner of said Lot 3; thence South Westwardly along the arc of a circle having a radius of 850.52 feet convex to the South East a distance of 60.61 feet; thence South Westwardly along a straight line tangent to the last described arc a distance of 22.37 feet; thence South Westwardly along the arc of a circle having a radius of 290.33 feet convex to the South East and tangent to last described course a distance of 170.37 feet; thence West along a straight line tangent to last described course a distance of 28.07 feet to point of beginning) and all of Lots 5 and 6 all in Owner's Division of Chicago Screw Company's Block "A", being a consolidation of lots and vacated alleys in and vacated streets adjoining Blocks 2,3,6 and 7 of West Chicago Land Company's Subdivision of the West half of the South West quarter of Section 3, Township 39 North, Range 13 East of the Third Principal Meridian (excepting from said Block "A" the East 14 feet thereof) according to the plat of said Owner's Division recorded as document 10416628, in Cook County, Illinois.

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EXHIBIT B
MORTGAGE NOTE

\$2,500,000

January __, 1998
Chicago, Illinois

1. PROMISE TO PAY. For value received, the undersigned, Banco Popular, as successor to Capitol Bank and Trust, as Trustee of Trust No. 2536 and Cicero Avenue Properties I, L.P., an Illinois limited partnership (collectively, "Maker"), hereby promise to pay to the order of Banco Popular, a state banking corporation (the "Lender") at its office at 4800 W. Fullerton, Chicago, Illinois 60639, or at such other place as the holder hereof may from time to time designate in writing, the principal sum of Two Million Five Hundred Thousand Dollars (\$2,500,000), together with interest thereon, to be paid in lawful money of the United States of America.

2. PAYMENT OF PRINCIPAL AND INTEREST.

A. Interest Rate. From the date of the disbursement of the proceeds hereof through February 28, 2003 (the "Fixed Interest Period"), interest on the outstanding principal balance of this Note shall accrue at the annual rate of eight and one quarter percent (8.25%). From and after the expiration of the Fixed Interest Period, interest shall accrue at an annual rate equal to two hundred twenty five (225) basis points in excess of the then current yield for United State treasury securities adjusted to a constant maturity of five (5) years.

B. Monthly Payments of Interest and Principal. On February 1, 1998, Maker shall pay to Lender interest only for the period commencing on the date of disbursement of the proceeds hereof through the end of the month, and thereafter, on the first day of every month until the Maturity Date (as defined below), Maker shall make monthly payments of principal and interest based upon the then current interest rate. The monthly payments of principal and interest for the Fixed Interest Period shall be Nineteen Thousand Seven Hundred Eleven and 25/100 Dollars (\$19,711.25).

C. Maturity Date. All unpaid principal and accrued interest, if not sooner due or paid, shall be due and payable on March 1, 2008.

D. Calculation of Interest. Interest payable under this Note shall be computed for the actual number of days elapsed in any portion of a month for which interest may be due and on the basis of a year consisting of 360 days. Prior to the occurrence of a Default (defined below), all payments received on account of this Note shall

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first be applied to interest and the remainder, if any, shall be applied to principal.

E. Default Rate. In the event that there shall occur (a) any Default (as hereinafter defined) hereunder, or (b) maturity of the indebtedness evidenced hereby without repayment thereof, whether by passage of time, acceleration, declaration or otherwise, then the entire principal balance hereof and all accrued interest but unpaid interest thereon shall thereafter at the option of the holder hereof bear interest at a rate equal to five percent (5%) above the then current interest rate (the "Default Rate") until the loan is repaid in full, or at the option of Lender, until the Default shall have been cured. Interest accruing at the Default Rate shall be payable on demand.

F. Late Charge. In the event any monthly payment due hereunder shall become overdue for a period in excess of fifteen (15) days, Maker shall pay to the holder hereof a late charge of five (\$.05) cents for each dollar so overdue, in order to defray part of the cost of collection.

G. Right to Prepay. Maker may prepay this Note during the Fixed Interest Period only upon payment of the following prepayment premium, which shall be the percentage set forth below of the then outstanding principal balance:

<u>Prepayment Period</u>	<u>Prepayment Premium</u>
3/1/98 - 2/28/99	5%
3/1/99 - 2/28/00	4%
3/1/00 - 2/28/01	3%
3/1/01 - 2/28/02	2%
3/1/02 - 9/30/02	1%

From October 1, 2002 through February 28, 2003, Maker may prepay this Note without premium or penalty.

If Maker does not prepay this Note as set forth above, then Maker may prepay this Note during the following periods only upon payment of the following prepayment premium, which shall be the percentage set forth below of the then outstanding principal balance:

<u>Prepayment Period</u>	<u>Prepayment Premium</u>
3/1/03 - 2/28/04	5%
3/1/04 - 2/28/05	4%
3/1/05 - 2/28/06	3%
3/1/06 - 2/28/07	2%
3/1/07 - 9/30/07	1%

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From October 1, 2007 through February 28, 2008, Maker may prepay this Note without premium or penalty.

Anything herein to the contrary notwithstanding, in the event that at any time during the term of this Note, Maker shall sell the property subject to the Mortgage (as hereinafter defined) to an unrelated third party purchaser pursuant to an arms-length transaction, Maker shall have the right to prepay this Note without premium or penalty.

H. Payment on Non-Banking Day. Whenever any payment on account of the loan evidenced by this Note is stated to be due on a day which is not a banking day, such payment will be payable on the next succeeding banking day, and such extension of time will in such case be included in the computation of interest.

3. SECURITY. This Note is secured by that certain Mortgage, Security Agreement and Assignment of Rents (the "Mortgage"), dated July 8, 1994, made by Maker in favor of Lender, and recorded in the Office of the Record of Deeds of Cook County on July 26, 1994, as Document No. 94-657748, as modified by Loan Modification Agreement by and among Maker, Lender and Lars Nilsson ("Guarantor"), recorded February 20, 1996, in the Office of the Recorder of Deeds of Cook County as Document No. 96130605 (the "First Loan Modification Agreement"), as further modified by Second Loan Modification Agreement of even date herewith, made by and among Maker, Lender and Guarantor (the "Second Loan Modification Agreement"), and the Guaranty of Guarantor, dated July 8, 1994, as affirmed by the First Loan Modification Agreement and the Second Loan Modification Agreement (the "Guaranty"). (All references to the "Mortgage" herein shall be deemed to refer to the Mortgage as modified by the First Loan Modification Agreement and the Second Loan Modification Agreement.)

It is understood that the occurrence of any of the

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(collectively, the "Loan Documents"), as defined in the applicable document.

5. REMEDIES. In the event of any Default, at the election of the holder hereof and without further notice to the Maker, said holder may declare the entire unpaid principal and interest accrued thereon and all other sums due from Maker hereunder or any other instrument related hereto or thereto, including any prepayment penalty for the period in which such Default occurs, to be immediately due and payable, notice hereby being expressly waived by Maker, and Lender may proceed to pursue any and all rights and remedies granted under this Note, as well as all remedies available at law or in equity, and all remedies granted under the Mortgage and other Loan Documents.

The remedies of the holder hereof shall be cumulative and concurrent and may be pursued singly, successively or together against Maker.

After occurrence of a Default, Lender may apply funds received by it from or on account of Maker to expenses of collection, interest and principal in such priority as it may elect.

If (i) any Loan Document is placed in the hands of an attorney for collection or enforcement or is collected or enforced through any legal proceeding; (ii) an attorney is retained to represent Lender in any bankruptcy, reorganization, receivership or other proceedings affecting creditor's rights and involving a claim under the Loan Documents, (iii) an attorney is retained to protect or enforce the lien of the Mortgage or any other Loan Document, or (iv) an attorney is retained to represent Lender in any other proceeding whatsoever in connection with this Note, the Mortgage or other Loan Documents, then in all such events, Maker shall pay to Lender, upon demand, in addition to all other amounts due hereunder, all such reasonable attorneys' fees and costs associated therewith.

6. BUSINESS LOAN. The Maker of this Note hereby certifies that the indebtedness evidenced hereby was incurred as a result of a business transaction; and that said indebtedness is in law and in fact a business purpose loan within the operation and purview of Section 205/4 of Chapter 815 of the ILCS.

7. WAIVER. Maker (and each guarantor hereof) jointly and severally waive all applicable exemption rights and also severally waive valuation and appraisal, presentment for payment, demand, notice of nonpayment, notice of dishonor, protest of any dishonor, notice of protest and protest of this Note, and all other notices in connection with the delivery, acceptance, performance, default or enforcement of the payment of this Note, except as otherwise specifically provided for herein, and agree that the liability of each

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of them shall be joint, several and unconditional without regard to the liability of any other party and shall not be in any manner affected by any indulgence, extension of time, renewal, waiver or modification granted or consented to by the holder hereof; and Maker (and each guarantor hereof, if any) consent to any and all extensions of time, renewals, waivers or modifications that may be granted by the holder hereof with respect to the payment or other provisions of this Note, and to the release of any collateral given to secure the payment hereof, or any part thereof, with or without substitution, and agree that additional makers or guarantors may become parties hereto without notice to them or affecting their liability hereunder.

The holder hereof shall not, by any action of omission or commission, be deemed to waive any of its rights or remedies hereunder unless such waiver be in writing and signed by the holder hereof, and then only to the extent specifically set forth therein; a waiver of one event shall not be construed as continuing or as a bar to or waiver of such right or remedy on a subsequent event. Failure of Lender, for any period of time or on more than one occasion, to exercise its option to accelerate the Maturity Date of this Note shall not constitute a waiver of the right to exercise said right at any time thereafter or in the event of any subsequent Default.

8. GOVERNING LAW; EXCESS INTEREST. It being the intention of Lender and Maker to comply with the laws of the State of Illinois with regard to the rate of interest charged hereunder, it is agreed that, notwithstanding any provision to the contrary in this Note or Security Agreement no such provision, including without limitation any provision of this Note providing for the payment of interest or other charges shall require the payment or permit the collection of any amount in excess of the maximum amount of interest permitted by law ("Excess Interest") to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the indebtedness evidenced by this Note. If any Excess Interest is provided for, or is adjudicated to be provided for, in this Note, the Security Agreement, or any of the other documents securing this Note, then in such event:

(a) the provisions of this paragraph shall govern and control;

(b) Maker shall not be obligated to pay any Excess Interest;

(c) any Excess Interest that Lender may have received hereunder shall, at the option of Lender, shall be (i) applied as a credit against the then outstanding principal balance due under this Note, accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to the payor thereof, or (iii) any combination of the foregoing;

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(d) the applicable interest rate or rates shall be automatically subject to reduction to the maximum lawful rate allowed to be contracted for in writing under the applicable usury laws of the aforesaid State, and this Note, the Security Agreement, and the other Loan Documents shall be deemed to have been, and shall be, reformed and modified to reflect such reduction in such interest rate or rates; and

(e) Neither Maker (nor any guarantor hereof) shall have any action or remedy against Lender for any damages whatsoever or any defense to enforcement of the Note, Security Agreement, or any other Loan Document arising out of the payment or collection of any Excess Interest.

9. APPLICATION OF PROVISIONS. If any provision of this Note or the application thereof to any party or circumstance is held invalid or unenforceable, the remainder of this Note and the application of such provision to other parties or circumstance is held invalid or unenforceable, the remainder of this Note and the application of such provision to other parties or circumstances shall not be affected thereby, the provisions of this Note being severable in any such instance.

10. NOTICE. All notices required herein shall be in writing and shall be deemed given when personally delivered, or on the second business day after being deposited in the United States mail, registered or certified, postage prepaid, addressed as set forth below, or at such other address as a party may have designated in writing to all other parties:

If to Lender: Banco Popular
4801 W. Fullerton
Chicago, Illinois 60639
Attn: Michael Houlihan

If to Maker: Banco Popular
8383 Belmont
River Grove, Illinois 60639
Attn: Land Trust Department

Cicero Avenue Properties I, L.P.
C/o Tower Realty
874 Greenbay Road
Winnetka, Illinois 60093
Attn: Lars Nilsson

11. TIME OF ESSENCE. It is hereby expressly agreed by Maker that time is of the essence hereof.

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12. JOINT AND SEVERAL. The obligations of Maker hereunder shall be joint and several.

13. WAIVER OF TRIAL BY JURY. MAKER HEREBY KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVES ANY RIGHT THAT IT MAY HAVE TO A TRIAL BY JURY IN ANY LITIGATION ARISING IN ANY WAY IN CONNECTION WITH THIS NOTE OR THE LOAN EVIDENCED HEREBY OR ANY OF THE DOCUMENTS GIVEN IN CONNECTION THEREWITH OR ANY OTHER STATEMENTS OR ACTIONS OF LENDER. MAKER ACKNOWLEDGES THAT THIS WAIVER HAS BEEN REVIEWED BY MAKER AND MAKER'S COUNSEL AND THAT IT IS A MATERIAL INDUCEMENT FOR LENDER TO MAKE THE LOAN AND ENTER INTO THE LOAN DOCUMENTS AND THAT THIS WAIVER SHALL BE EFFECTIVE AS TO EACH OF THE LOAN DOCUMENTS AS IF FULLY INCORPORATED THEREIN.

MAKER FURTHER AGREES THAT THE CIRCUIT COURT OF COOK COUNTY SHALL HAVE JURISDICTION AND VENUE WITH RESPECT TO ANY ACTION BROUGHT IN CONNECTION HEREWITH AND THAT IT WILL NOT BRING ANY OBJECTION WITH RESPECT TO SAID JURISDICTION OR VENUE.

IN WITNESS WHEREOF, the Maker has caused this Note to be executed, sealed and delivered as of the day and year first above written.

MAKER:

Banco Popular, as Trustee
as aforesaid

SEE RIDER ATTACHED HERETO
AND BY THIS REFERENCE
MADE A PART HEREOF

By: _____
Its _____

Cicero Avenue Properties I, L.P.

By: _____
Lars Nilsson, general
partner

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