

UNOFFICIAL COPY

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Cook County Recorder 45.50



**THIS INSTRUMENT  
PREPARED BY AND AFTER  
RECORDING RETURN TO:**

Ronald S. Bailis  
General Counsel  
Republic Bank of  
Chicago  
1510 75th Street  
Darien, IL 60561

**This space reserved for Recorder.**

**MODIFICATION AND EXTENSION AGREEMENT**

THIS AGREEMENT is made as of November 1, 1998, between Republic Bank of Chicago, hereinafter called Bank and LAKE HOTEL LIMITED PARTNERSHIP, AN ILLINOIS LIMITED PARTNERSHIP (referred to herein as the "Borrower") and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 12, 1992 AND KNOWN AS TRUST NUMBER 116829-03 (referred to herein as the "Trustee").

**WITNESSETH:**

WHEREAS, the Borrower executed and/or is obligated under a Note (the "Note") payable to Bank dated October 29, 1997 in the original amount of \$2,325,000.00.

WHEREAS, such Note was secured in addition to other collateral by a Mortgage of same date on the real estate located at 3434 N. Broadway, Chicago, IL 60657 more fully described in Exhibit A-1 attached hereto ("Premises1") of which a copy was recorded in office of the Recorder of Deeds for Cook County, Illinois as Document No. 97842032, and by a Junior Mortgage of same date on the real estate located at 528 W. Brompton, 933 W. Belmont, and 555 W. Surf (collectively the "Neighborhood Inns") to which Trustee holds title more fully described in Exhibit A-2 attached hereto ("Premises2") of which a copy was recorded in the office of the Recorder of Deeds for Cook County, Illinois as Document No. 97842033 (all collateral documents referred to herein are hereinafter referred to as the "Loan Documents").

SY  
P73  
72  
MY  
45/50

WHEREAS, such Junior Mortgage was to have incorporated therein a lien on the real located at 3256 N. Wilton, Chicago, IL 60657 to which Trusteel holds title more fully described in Exhibit A-3 attached hereto ("Premises3") on which the Bank holds a Senior Mortgage, a copy of which was recorded in the office of the Recorder of Deeds for Cook County, Illinois as Document No. 96599792.

WHEREAS, the outstanding balance on the Note as of the date hereof is \$2,221,526.63.

WHEREAS, the parties hereto wish to modify the terms of said Note, as amended from time to time, as set forth herein.

NOW THEREFORE, in consideration of ONE DOLLAR, the covenants contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

1. Note Amount:

The total aggregate principal amount of the Note (this "Note") shall be increased to \$2,885,000.

2. Payments:

Payments shall be made as follows:

The December 1, 1998 interest payment shall be made in accordance with the existing Note and thereafter commencing on January 1, 1999 and continuing during the entire term hereof, monthly payments of principal and interest shall be due on the Note in the amount of \$22,076.12 based on a twenty year amortization with a final payment on the Maturity Date, if not sooner paid, of all liabilities due under the Note. Prior to such date, payments shall be as set forth on the Note. Such monthly payments shall be reduced if a principal reduction is made along with the sale of certain of the Other Premises as described herein.

3. Interest Rate:

The interest rate on the Note shall be adjusted commencing December 1, 1998 and shall be fixed at a rate equal to Seven and Ninety One Hundredths per cent (7.90%) per annum for the entire term (the "Applicable Interest Rate").

6. Term:

The entire unpaid balance of the Note shall be due and payable on December 1, 2003 (the "Maturity Date").

7. Note Origination Fee:

Borrower agrees that by its entry into this Modification, the Bank has earned and is entitled to receive a non-refundable Note origination fee (the "Note Origination Fee") in the amount of \$14,425.00. \$7,500.00 of such fee has already been paid by Borrower.

8. Prepayment.

The Note is modified herein to provide that Borrower may prepay, on any interest installment date, the unpaid Principal Balance on the Note in whole or from time to time in part, upon payment of interest accrued on the unpaid Principal Balance outstanding through the day of prepayment, subject to a penalty of Three (3.00%) percent of any such prepayment made during the first year of the Note, Two (2.00%) percent of any such prepayment made during the second year of the Note, and One (1.00%) percent of any such prepayment made during the third year of the Note. Thereafter such prepayments may be made without cost or penalty. Prepayments of the Principal Balance shall be applied to the installments of the Principal Balance remaining unpaid in the inverse order of their maturity and shall be credited to the Principal Balance on the date of receipt by Bank. In the event a sale of the Premises to the purchaser and/or successor to the ownership of the Other Premises takes place within the initial one year term, the prepayment penalty to be applied during the first year shall be reduced to Two (2%) Per Cent rather than Three (3%) percent as set forth above. However, should Bank finance the next new project of Borrower and such Note be of equal or greater dollar amount to the existing Note, the prepayment penalty to be applied hereunder shall be equal to One (1%) percent of any such prepayment during the term hereof.

9. Financial Statement:

Monthly income and expense reports will be required for operation of Premises1, Premises2 and Premises3 within 30 days after each calendar month. Annual accountant prepared and reviewed financial statements and U.S. Tax Returns shall be required for each Borrower within 120 days of the end of each calendar year. Annual Personal Financial Statements and U.S. Tax Returns will also be required for each Guarantor within 120 days of each calendar year.

10. Collateral:

The Note shall continue to be secured, among other things, by the following:

- (a) A first mortgage lien and assignment of leases and rents on Premises1. Such mortgage is hereby amended to provide for a non-interest bearing real estate tax escrow to be maintained with Bank during the entire term hereof into which monthly deposits shall be made by Borrower in the amount of 1/12 of the projected real estate taxes with an initial deposit containing a cushion of at least two months. Such escrow shall at all times have funds therein sufficient to meet any and all such real estate tax obligations. Should the amount of such escrow funds, in the sole discretion of Bank, be insufficient to meet such obligation, Bank shall have the right to demand additional deposits into such escrow to make up such deficiency. If such escrow is not required, Borrower shall provide Bank with proof of payment of such taxes within 30 days of the respective due date thereof. The mortgages will further contain a provision that this Note is for business purposes and waiving the statutory right of redemption.
- (b) Perfected security interests in fixtures and personalty owned by Borrower or the Beneficiary located in and used in conjunction with each such premises.
- (c) Assignment of beneficial interest in the Trust(s) holding title to each such premises.
- (d) Assignment of all permits, licenses, operating and management agreements, and all other agreements and rights, whether tangible or intangible, of any kind or nature related to the operation of each such premises, whether now existing or made or received in the future, including, but not limited to, all operating contracts, licenses, permits, franchise agreements, and each and every contract, agreement and/or right flowing to any

and all of such properties from any person or entity for the benefit of Borrower with respect to the operation, maintenance, or ownership of each such premises. If at any time in the future Borrower contemplates the entry into a franchise and/or management agreement, Bank reserves the right to approve same and if approved and accepted, Borrower shall assign such franchise and/or agreement to Bank as additional collateral herein.

- (e) Assignment of any and all leases benefiting each such premises to or from any entity, including but not limited to, a certain lease for parking/garage space.
- (f) A second and junior mortgage and assignment of leases and rents on Premises<sup>2</sup> and Premises<sup>3</sup>, which lien shall be subject only to the Senior lien of Bank. Unless required by the Senior Mortgagee thereon, such mortgages shall contain a provision for a non-interest bearing real estate tax escrow to be maintained with Bank during the entire term hereof into which monthly deposits shall be made by Borrower in the amount of 1/12 of the projected real estate taxes with an initial deposit containing a cushion of at least two months. Such escrow shall at all times have funds therein sufficient to meet any and all such real estate tax obligations. Should the amount of such escrow funds, in the sole discretion of Bank, be insufficient to meet such obligation, Bank shall have the right to demand additional deposits into such escrow to make up such deficiency. If such Senior Mortgagee requires such escrow, then evidence of payment of such taxes shall be delivered to Bank within 30 days of the date such payment is due. The mortgage will further contain a provision that this Note is for business purposes and waiving the statutory right of redemption.
- (g) Assignment and first security interest in the FF&E Replacement Account described herein.

11. Insurance:

Borrower shall provide evidence of casualty and liability insurance related to each of the premises and the use thereof in such amounts and with such insurance companies as is acceptable to Bank, with such casualty insurance to be no less than the amount of the Note contemplated hereunder. Such liability policies shall name Republic Bank of Chicago, its successors and assigns, as additional insured and such casualty policies shall name such entity under a standard mortgage clause.

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## 12. Sale of Neighborhood Inns:

(a) If the Neighborhood Inns as a group are sold with a full pay-off of the Senior Note, Bank, at its sole discretion, will consider a release of the second mortgage on such properties securing this Note under the following conditions:

(i) Borrower will make a principal reduction on the Note in the amount of at least \$162,500; and

(ii) Premises3 will remain collateral for this Note.

13. Borrower shall open an interest bearing account at Bank in which three per cent (3%) of room revenue will be deposited monthly for FF&E replacement ("FF&E Replacement Account").

14. Borrower and Trustee agree that the existing lien on Parcel3 further secures this Note as contemplated by the parties and that this Note is hereby modified to identify the Junior Mortgage on Parcel3 as security therefor as if such identification was made at the time of such Note. In addition, should Bank, in its sole discretion, require that Trustee execute an additional mortgage on Parcel3, such mortgage shall be dated the date hereof and so executed and shall secure this Note as modified herein as if such mortgage was identified and incorporated into the Note at the time of the execution thereof.

15. Compliance With Laws:

Borrower hereby certifies to Bank that all improvements on each of the premises and their use fully comply with all applicable laws, rules, regulations, ordinances, and statutes.

16. Closing Costs:

All fees, expenses and costs incurred in connection with the preparation of this Modification and related documents, and the disbursement of Note proceeds, including, but not limited to, recording costs, attorneys fees which are not contemplated at present to exceed \$4,000, credit reports, title insurance commitments, and surveys, if any, shall be paid by Borrower. The Borrower further agrees to reimburse the Bank for all costs incurred in the event this Note is not consummated other than as a result of the fault of the Bank.

17. Documentation:

The obligation of the Bank to extend any credit facility to the Borrower is subject to the satisfactory completion and/or delivery by Borrower of all documentation required by Bank, in its sole discretion, including, but not limited to, credit information, legal opinions, lease information and related agreements, security agreements, construction and/or Note agreements and escrows, inventories, resolutions and certificates authorizing borrowing, insurance policies, Internal Revenue Service Form W-9 and related forms, UCC searches, assignments, warranties and restrictive covenants, and review and approval of legal counsel for the Bank.

18. All Loan Documents are hereby modified and amended to be consistent herewith.

19. Except as set forth herein, the Note and the Loan Documents shall remain unchanged and in full force and effect.

IN WITNESS WHEREOF, Borrower has executed this document as of the date first above written.

LAKE HOTEL LIMITED PARTNERSHIP,  
AN ILLINOIS LIMITED PARTNERSHIP,  
BY LAKE HOTEL CORPORATION, ITS  
GENERAL PARTNER

BY: [Signature]  
EUGENE KORNOTA, PRESIDENT

ATTEST: [Signature]  
ANTHONY T. KLOK, SECRETARY

REPUBLIC BANK OF CHICAGO

BY: [Signature]  
ITS PRESIDENT

ATTEST: [Signature]  
SECRETARY  
It's Vice President.

AMERICAN NATIONAL BANK AND TRUST  
COMPANY OF CHICAGO, AS TRUSTEE  
UNDER TRUST AGREEMENT DATED APRIL 12,  
1993 AND KNOWN AS TRUST NUMBER 116829-03

BY: [Signature]  
PRESIDENT Trust Officer

Attestation not required by American National  
ATTEST: [Signature] Bank and Trust Company of Chicago Bylaws  
SECRETARY

This instrument is executed by the undersigned Land Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee and not personally. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument.





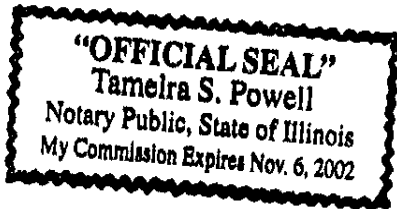
ACKNOWLEDGEMENT

STATE OF ILLINOIS )  
COUNTY OF Cook ) SS

I, the undersigned, a Notary Public in and for the said County in the State aforesaid, DO HEREBY CERTIFY that the above named Anthony A. Di Monte and \_\_\_\_\_ personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this 27th day in person and acknowledged that they signed, sealed and delivered the said instrument as such officers of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, NOT PERSONALLY BUT AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 12, 1993 AND KNOWN AS TRUST NUMBER 116829-03 and caused the seal of said Bank to be thereunto affixed as their free and voluntary act and as the free and voluntary act and as the free and voluntary act and deed of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 27th day of November, 1998.

Tameira S. Powell  
Notary Public





Belcher  
A.T.

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THE LAND REFERRED TO IN THIS POLICY IS DESCRIBED AS FOLLOWS:

PARCEL 1:

LOT 4 IN TALE'S SUBDIVISION OF BLOCK 15 IN HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21 AND LOTS 33 TO 37 IN PINK GROVE SUBDIVISION OF FRACTIONAL SECTION 21, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2:

EASEMENT FOR INGRESS AND EGRESS FOR THE BENEFIT OF PARCEL 2 FOR VEHICLES USED FOR REFUSE REMOVAL OVER AND UPON THE NORTHERNMOST 9 FEET OF THE EAST, 55 FEET OF LOT 4 IN DIVISION OF LOTS 5 AND 6 IN BLOCK 15 IN HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21 AND 33 TO 37, ALL INCLUSIVE IN PINK GROVE, A SUBDIVISION OF FRACTIONAL SECTION 21, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS AS CREATED BY MUTUAL GRANT OF EASEMENT DATED MARCH 15, 1994 AND RECORDED MAY 6, 1994 AS DOCUMENT 9411790.

PIN: 14-21-304-025-0000

Common Address: 3434 N Broadway  
Chicago, IL 60657

THIS POLICY VALID ONLY IF SCHEDULE B IS ATTACHED.

Exhibit A-2

SCHEDULE A CONTINUED

LEGAL DESCRIPTION:

PARCEL 1:

LOT 11 AND THE EAST 10 FEET OF LOT 10 IN BLOCK 1 IN BAIRD AND WARNER'S SUBDIVISION OF BLOCK 12 OF HUNDLEY'S SUBDIVISION OF LOTS 3 TO 21 AND 33 TO 37 IN PINE GROVE SUBDIVISION OF SECTION 21, TOWNSHIP 40 NORTH, RANGE 14 LYING EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 18 AND 19, IN MEISWINKLE'S OF THE WEST 768.37 FEET, OF THAT PART OF THE NORTH 1/4 OF BLOCK 1 WEST OF GREEN BAY ROAD, IN THE CANAL TRUSTEES' SUBDIVISION OF THE EAST 1/2 OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

LOT 17 IN BLOCK 3 IN LEMOYNE'S SUBDIVISION OF THE SOUTH 16 ACRES OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 28, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: PARCEL 1 - 14-21-111-006  
PARCEL 2 - 14-29-204-005  
PARCEL 3 - 14-28-122-002

Common Address:

PARCEL 1 528 Brompton, Chicago, IL 60657  
PARCEL 2 933 W Belmont, CHICAGO IL 60657  
PARCEL 3 555 W Surf, CHICAGO 60657

LEGAL DESCRIPTION:

LOTS 50, 51, 52 AND 53 (EXCEPT THEREFROM THE FOLLOWING PORTIONS OF SAID LOTS 50 AND 51 DESCRIBED AS, BEGINNING AT A POINT ON THE SOUTH LINE OF SAID LOT 50, SEVENTY AND FIVE TENTHS FEET WEST OF THE WEST LINE OF OAK PLACE, 499.8 FEET NORTH OF NORTHWEST CORNER OF BELMONT AVE. AND OAK PLACE THENCE WEST FIFTY FOUR AND TWO TENTHS FEET, THENCE NORTH ALONG THE EAST LINE OF ALLEY 49 AND NINETY EIGHTY-ONE HUNDREDTHS FEET TO THE SOUTH LINE OF LOT 52 IN SAID RESUBDIVISION, THENCE EAST FIFTY FOUR AND SIXTY-TWO ONE HUNDREDTHS FEET THENCE SOUTHWESTERLY 50 FEET TO POINT OF BEGINNING AND EXCEPT THAT PART OF SAID LOTS 52 AND 53 TAKEN FOR RAILROAD PURPOSES BY PROCEEDINGS HAS IN CASE 127,666 IN COOK COUNTY, ILLINOIS) IN RESUBDIVISION OF BLOCK 2 IN HAMBLETON, WESTON AND DAVIS SUBDIVISION OF THE SOUTH 1/2 OF THE SOUTHEAST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN : 14-20-425-013

VOL 485

14-20-425-014

COMMON ADDRESS: 3256 N. WILTON  
S. ADJ. PARKING LOT  
CHICAGO, IL 60657

Clerk's Office

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