

Prepared By:
ALLEN C. WESOLOWSKI
MARTIN & KARCAZES, LTD.
30 N. LaSalle St. - Suite 4020
Chicago, Illinois 60602

MAIL TO:
PLAZA BANK
7460 W. Irving Park Road
Norridge, IL 60706
Loan #11130800



MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT made as of this 5th day of October, 2001, by and between PETER SARANTOPOULOS and DEMETRIOS SARANTOPOULOS (hereinafter collectively called "Borrower"), PALATINE INN RESTAURANT, INC., an Illinois corporation (hereinafter called "Guarantor") and PLAZA BANK, an Illinois banking corporation, with an office at 7460 W. Irving Park Road, Norridge, Illinois 60706 (hereinafter called "Lender").

WITNESSETH:

Real Estate Index 2939378

This Agreement is based upon the following recitals:

A. On December 5, 1997, for full value received, Borrower executed and delivered to Lender a Promissory Note in the principal amount of SIX HUNDRED TWO THOUSAND AND NO/100THS DOLLARS (\$602,000.00) (hereinafter called the "1997 Note").

B. Borrower secured the obligations under the 1997 Note by granting to Lender a certain Mortgage (hereinafter called the "First Mortgage"), dated December 5, 1997, covering certain improved real property in the County of Cook, State of Illinois, which First Mortgage was recorded on December 18, 1997 as Document No. 97952407, with the Recorder of Deeds of Cook County, Illinois, covering the property described below (hereinafter called the "Mortgaged Premises"):

PARCEL 1: LOTS 5 AND 6 (EXCEPT THE NORTHEAST 17.00 FEET AS MEASURED AT RIGHT ANGLES TO THE NORTHEAST LINE THEREOF) IN BLOCK 1 IN FRANK E. MERRILL AND CO.'S PALATINE HOMESITES, A SUBDIVISION OF PART OF THE NORTHEAST 1/4 OF SECTION 15, TOWNSHIP 42 NORTH, RANGE 10 EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 10, 1926 AS DOCUMENT 9235994, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THAT PART OF THE EAST 1/2 OF THE NORTHEAST 1/4 OF SECTION 15, TOWNSHIP 42 NORTH, RANGE 10, EAST OF THE THIRD PRINCIPAL MERIDIAN, AND PART OF LOTS 1 TO 4 IN BLOCK 1 IN FRANK E. MERRILL AND COMPANY'S PALATINE HOMESITES, BEING A SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 15 AFORESAID, DESCRIBED AS FOLLOWS:

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BEGINNING AT THE SOUTHWEST CORNER OF BLOCK 1 AFORESAID; THENCE SOUTH 89 DEGREES 38 MINUTES 46 SECONDS EAST ALONG THE SOUTH LINE THEREOF 75.15 FEET TO THE SOUTHWEST CORNER OF LOT 4 AFORESAID; THENCE NORTH 19 DEGREES 17 MINUTES 55 SECONDS EAST ALONG THE WEST LINE OF LOT 4 FOR A DISTANCE OF 169.20 FEET TO THE SOUTHERLY LINE OF NORTHWEST HIGHWAY; THENCE SOUTH 70 DEGREES 27 MINUTES 31 SECONDS EAST ALONG SAID SOUTHERLY LINE 40.48 FEET; THENCE SOUTH 00 DEGREES 00 MINUTES 41 SECONDS EAST 227.80 FEET; THENCE NORTH 89 DEGREES 48 MINUTES 04 SECONDS WEST 169.25 FEET TO A LINE 627.0 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF THE NORTHEAST 1/4 OF SECTION 15; THENCE NORTH 00 DEGREES 00 MINUTES 41 SECONDS WEST ALONG THE LAST DESCRIBED LINE 81.50 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PIN: 02-15-208-001, 02-15-208-002; 02-15-208-020; 02-15-208-030
Common Address: 95 W. Northwest Highway, Palatine, IL 60067

C. Borrower also secured the obligations of the 1997 Note by delivering an Assignment of Leases and Rents on the Mortgaged Premises which was recorded as Document No. 97952408 with the Cook County Recorder of Deeds.

D. On June 15, 1998, for full value received, Borrower executed and delivered to Lender a Promissory Note in the principal amount of ONE HUNDRED TWENTY THOUSAND AND NO/100THS DOLLARS (\$120,000.00) (hereinafter called the "1998 Note").

E. Borrower secured the obligations under the 1998 Note by granting to Lender a certain Mortgage (hereinafter called the "Junior Mortgage"), dated June 15, 1998, covering the Mortgaged Premises, which Junior Mortgage was recorded on June 25, 1998 as Document No. 98541005, with the Recorder of Deeds of Cook County, Illinois

F. Borrower also secured the obligations of the 1998 Note by delivering an Assignment of Leases and Rents on the Mortgaged Premises which was recorded as Document No. 98541008 with the Cook County Recorder of Deeds

G. Guarantor absolutely and unconditionally guaranteed the repayment of the 1997 Note and the 1998 Note as evidenced by its Continuing Guaranty dated December 5, 1997 executed and delivered by Guarantor to Lender and Guarantor granted to Lender a security interest in Guarantor's assets as evidenced by a Security Agreement dated December 5, 1997 executed and delivered by Guarantor to Lender.

H. Borrower and Lender have agreed to consolidate the 1997 Note and the 1998 Note.

I. The outstanding principal balance of the 1997 Note as of October 5, 2001 is \$538,160.54.

J. The outstanding principal balance of the 1998 Note as of October 5, 2001 is \$74,203.54.

K. Borrower represents to Lender that there is no junior mortgage or other subsequent lien now outstanding against the Mortgaged Premises (unless disclosed to Lender, and such subsequent lienholder has agreed to consent to this Modification Agreement and subordinate its lien to the lien of the First Mortgage, as herein modified, which Consent and Subordination is attached hereto as Exhibit "A"), and that the lien of the First Mortgage, as herein modified, is a valid, first and subsisting lien of said Mortgage Premises.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto do hereby mutually agree that the 1997 Note, 1998 Note and the First Mortgage are hereby modified as follows:

1. Effective October 5, 2001, the 1997 Note and the 1998 Note shall be consolidated as evidenced by a Promissory Note dated October 5, 2001 in the original principal amount of \$612,364.08 (hereinafter called the "Consolidated Note").
2. Pursuant to the terms of the Consolidated Note, the interest rate of the Consolidated Note shall be fixed at 8.5% and the default rate shall be fixed at 13.5%. Commencing on November 5, 2001 and continuing thereafter on the 5th day of the month, principal and interest payments of SEVEN THOUSAND SIX HUNDRED THIRTY TWO AND 02/100THS (\$7,632.02) DOLLARS shall be payable monthly until the Note matures and the entire unpaid principal balance, along with accrued interest shall be due and payable.
3. The maturity date of the Consolidated Note shall be September 5, 2008.
4. Borrower shall continue to pay the real estate taxes in accordance with a Real Estate Tax Escrow Agreement dated December 5, 1997 executed and delivered by Borrower, which requires a current monthly payment of \$3,237.77.
5. Borrower shall pay the following fees to Lender: \$3,078 Loan Fee, \$100 Recording Fee, \$110 Tract Search Fee, \$50 Tax Service Fee and \$400 Attorneys' Fees.
6. Borrower shall have the right to prepay the entire unpaid principal balance with accrued interest thereon to date of payment on any installment date upon giving thirty (30) day written notice to Lender of the intention to make such prepayment, provided that a prepayment premium shall be due from the undersigned as calculated as follows:
 - (A) Five (5%) percent of the unpaid principal balance in the event the prepayment occurs before October 5, 2002; or
 - (B) Four (4%) percent of the unpaid principal balance in the event the prepayment occurs after October 5, 2002, but before October 5, 2003; or
 - (C) Three (3%) percent of the unpaid principal balance in the event the prepayment occurs after October 5, 2003, but before October 5, 2004; or

- (D) Two (2%) percent of the unpaid principal balance in the event the prepayment occurs after October 5, 2004, but before October 5, 2005; or
- (E) One (1%) percent of the unpaid principal balance in the event the prepayment occurs after October 5, 2005, but before October 5, 2006.

No prepayment premium will be applicable on any principal balance due at maturity, provided that in the event the Consolidated Note matures due to an acceleration following a default, the above-identified prepayment premium shall be due and owing to the extent permitted by law.

7. All other terms and conditions of the First Mortgage shall remain in full force and effect.

In consideration of the consolidation of the 1997 Note and the 1998 Note, as hereinabove set forth, Borrower does hereby covenant and agree to pay the balance of the indebtedness evidenced by the Consolidated Note, secured by the First Mortgage as herein modified, and to perform the covenants contained in the aforementioned documents, and Borrower represents to Lender that there is no junior mortgage or other subsequent lien now outstanding against the Mortgaged Premises, except as otherwise disclosed herein, and that the lien of the First Mortgage is a valid, first and subsisting lien on the Mortgaged Premises.

Nothing herein contained shall in any manner whatsoever impair the Consolidated Note and other loan documents as modified hereby or the lien created thereby or any other documents executed by Borrower in connection therewith, or alter, waive, vary or affect any promise, agreement, covenant or condition recited in any of the above-mentioned documents, except as herein expressly modified, nor affect or impair any rights, powers, or remedies of Lender under any of the above-mentioned documents. Except as hereinabove otherwise provided, all terms and provisions of the Consolidated Note, the First Mortgage and other instruments and documents executed in connection with the subject loan, shall remain in full force and effect and shall be binding upon the parties hereto, their successors and assigns.

The undersigned hereby authorizes Plaza Bank to place a legend on any such instrument giving effect to the aforementioned modification or to attach this agreement or any executed counterpart thereof to said instrument as a part thereof.

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto in manner and form sufficient to bind them, as of the day and year first above written.

PLAZA BANK, Lender:

By: [Signature]
Its

[Signature]
PETER SARANTOPOULOS

[Signature]
DEMETRIOS SARANTOPOULOS

PALATINE INN RESTAURANT, INC.

Attest:

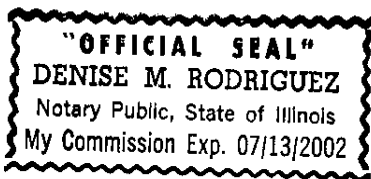
[Signature]
Its Secretary

By: [Signature]
Its President

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Denise M. Rodriguez, a Notary Public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me, Joe Magan, personally known to me to be the same person whose name is subscribed to the foregoing instrument and personally known to me to be a Assistant President and authorized agent of Plaza Bank and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and deed, and as the free and voluntary act and deed of Plaza Bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 5th day of October, 2001.



Denise M. Rodriguez
Notary Public

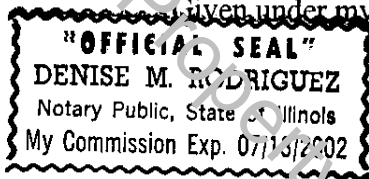
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said county, in the aforesaid State, do hereby certify that PETER SARANTOPOULOS and DEMETRIOS SARANTOPOULOS, known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 5th day of October, 2001.

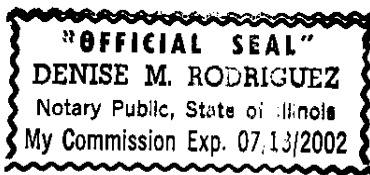


Denise M. Rodriguez
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said county, in the aforesaid State, do hereby certify that Peter Sarantopoulos and Demetrios Sarantopoulos known to me to be the same persons whose names are subscribed to the foregoing instrument as the President and Secretary of PALATINE INN RESTAURANT, INC., appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of Palatine Inn Restaurant, Inc., for the uses and purposes therein set forth.

Given under my hand and notarial seal this 5th day of October, 2001.



Denise M. Rodriguez
Notary Public