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This instrument prepared by  
and please return to:  
Jennifer L. Worstel, Esq.  
100 West Monroe Street #1500  
Chicago, Illinois 60603

Doc#: 0334439005  
Eugene "Gene" Moore Fee: \$42.50  
Cook County Recorder of Deeds  
Date: 12/10/2003 09:28 AM Pg: 1 of 10

6 of 7  
DEC  
10157  
NCS-449407

P.I.N.: 13-01-128-056  
COMMONLY KNOWN AS: 6046-50 N. Francisco Avenue, Chicago, Illinois

## LOAN MODIFICATION AGREEMENT

This instrument is a Loan Modification Agreement ("Modification") among Builders Capital, LLC, an Illinois limited liability company ("Lender"), Venter & Associates, Inc., an Illinois corporation ("Borrower"), Ilie Venter ("Guarantor") and Francisco Development, L.L.C., an Illinois limited liability company.

### RECITALS:

A. Borrower holds fee simple title to certain real estate ("Real Estate") commonly known as 6046-50 N. Francisco Avenue, Chicago, Illinois, which is legally described on Exhibit A attached hereto. Guarantor is affiliated with Borrower.

B. On 11/19, 2003, Borrower, Guarantor and Lender entered into a Construction Loan Agreement ("Loan Agreement"), pursuant to which Borrower executed and delivered to Lender a Promissory Note in the amount of \$200,000 ("Note") which evidenced a loan in the amount of \$200,000 ("Loan"). To secure the Note, Borrower and Guarantor executed and delivered to Lender the following documents ("Security Documents"):

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1. a Junior Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing ("Mortgage") covering the Real Estate which Mortgage was recorded with the Cook County Recorder of Deeds on \_\_\_\_\_ as Document No. \_\_\_\_\_;

2. an Environmental, ADA and ERISA Indemnification Agreement executed by Borrower and Guarantor;

3. a UCC Financing Statement executed by Borrower;

4. a Guaranty of Payment and Performance of Ilie Venter ("Guaranty"); and

5. other documents of a security, collateral and evidentiary nature.

C. Guarantor has organized an Illinois limited liability company known as 4201 Lawndale, LLC, which intends to acquire fee simple title to the real estate commonly known as 4201-03 N. Lawndale, Chicago, Illinois ("Lawndale Parcel"), and has requested Lender to loan to 4201 Lawndale, LLC the amount of \$270,000 (the "Lawndale Loan"), which will be evidenced by a Promissory Note in the amount of \$270,000 ("Lawndale Note") and secured by a Junior Real Estate Mortgage, Assignment of Rents, Security Document and UCC Fixture Filing ("Lawndale Mortgage") on the Lawndale Parcel. Lender is agreeable to this request subject to the covenants, conditions and restrictions contained herein.

**NOW, THEREFORE**, in consideration of good and valuable consideration, the parties agree as follows:

1. Lender agrees to grant to Ilie Venter and 4201 Lawndale, LLC the Lawndale Loan on condition that Borrower: (a) be organized as a single-purpose entity and limited liability company subject to the laws of the State of Illinois, and (b) provided that the Real Estate secure the Lawndale

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Note and that Borrower and Guarantor deliver to Lender this Modification and fulfill the conditions hereof.

2. Francisco Properties, L.L.C., Borrower and Guarantor hereby jointly and severally agree to pay to Lender the outstanding indebtedness of the Loan as evidenced by the Note and the Lawndale Note and to perform individually all covenants and conditions contained in the Mortgage, the Loan Agreement and the other Security Documents and the documents evidencing and securing the Lawndale Loan. Borrower and Guarantor hereby remake and reaffirm the representations and warranties contained in the Note, the Mortgage, the Loan Agreement and the Security Documents.

3. This Modification shall be effective upon Lender's receipt of this Modification executed by the parties hereto and the following documents and items:

- (a) the filed Articles of Organization of Francisco Properties, L.L.C.;
- (b) the executed Operating Agreement of Francisco Properties, L.L.C.;
- (c) a Borrowing Resolution of Francisco Properties, L.L.C.;
- (d) a recorded or certified copy of the Quitclaim Deed from Borrower to Francisco Properties, L.L.C.;
- (e) a UCC Authorization of Francisco Properties, L.L.C.;
- (f) a UCC Financing Statement of Francisco Properties, L.L.C.; and
- (g) a dated endorsement to Lender's loan title insurance policy reflecting the recordation of this Modification, if required by Lender.

4. Lender shall record this Modification forthwith. It is a condition precedent to this Modification that Borrower, Guarantor and/or Francisco Properties, L.L.C. provide Lender with an endorsement to Lender's title insurance policy which extends the date of the policy to cover the date

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of recording of this Modification, and which reflects that Francisco Properties, L.L.C. is the sole owner in fee simple of the Real Estate and that the Real Estate is subject only to the Mortgage as modified by this Modification.

5. The Mortgage is hereby modified and amended by increasing the amount of indebtedness secured thereby in the amount of the Lawndale Loan, which is evidenced by the Lawndale Note, a copy of which is attached hereto as Exhibit B. The Security Documents are hereby modified and amended to secure the Lawndale Note and all references to the "Note" in the Security Documents are modified and amended to refer to the Note and the Lawndale Note attached hereto.

6. This Modification shall be effective upon Lender's receipt of this Modification executed by the parties hereto and upon the satisfaction of the requirements of Section 3 herein.

7. This Modification shall constitute an amendment of the Security Documents and wherever in said instruments or in any other instrument evidencing or securing the indebtedness evidenced by the Note ("Loan Documents") reference is made to the Loan Documents aforesaid, such reference shall be deemed a reference to such Loan Documents as hereby modified and amended. All other provisions of the Loan Documents remain unchanged. Nothing herein contained shall in any manner affect the lien or priority of the Mortgage or the Security Documents, or the covenants, conditions and agreements therein contained or contained in the Note.

8. In the event of conflict between any of the provisions of the Loan Documents and this instrument, the provisions of this instrument shall override and control.

9. Borrower and Guarantor hereby renew, remake and affirm the representations and warranties contained in the Loan Documents.

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10. Borrower hereby agrees to pay all of Lender's expenses arising out of and in connection with this Modification including, but not limited to, attorneys' fees, title insurance premiums and recording fees.

11. Guarantor hereby affirms his obligations under the Guaranty and agree that the Guaranty is amended and extended to cover and guaranty the Lawndale Note as attached hereto. All references in the Guaranty to the Note shall mean the Note and the Lawndale Note. Guarantor hereby expressly acknowledges and confirms that by executing this Modification, Lender has not waived, altered or modified Lender's rights under any of the Loan Documents to amend, extend, renew or modify or otherwise deal with the obligations of the parties hereto or any of the security given to Lender in connection therewith without the consent of Guarantor and without such action releasing, modifying, or affecting the obligations of Guarantor or affecting the security heretofore granted to Lender.

IN WITNESS WHEREOF, the parties hereto have executed this Modification on 11/19, 2003.

**LENDER:**

Builders Capital, LLC, an Illinois limited liability company

By: \_\_\_\_\_  
Denis J. Daly, Jr., its Managing Member

**FRANCISCO PROPERTIES, L.L.C.:**

Francisco Properties, L.L.C., an Illinois limited liability company

By: \_\_\_\_\_  
Ilie Venter, its Manager

**BORROWER:**

Venter & Associates, Inc., an Illinois corporation

By: \_\_\_\_\_  
Ilie Venter, its President

**GUARANTOR:**


By: \_\_\_\_\_  
Ilie Venter

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STATE OF ILLINOIS     )  
  )  
  )     SS  
COUNTY OF C O O K     )

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Denis J. Daly, Jr., Managing Member of Builders Capital, LLC, an Illinois limited liability company, 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 own free and voluntary act and as the free and voluntary act of said limited liability company, for the uses and purposes therein set forth.


GIVEN under my hand and Notarial Seal \_\_\_\_\_, 2003.

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

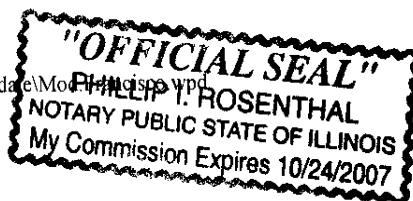
STATE OF ILLINOIS     )  
  )  
  )     SS  
COUNTY OF C O O K     )

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Ilie Venter, individually and as President of Venter & Associates, Inc., an Illinois corporation, and as Manager of 3301 West Cuyler, LLC, an Illinois limited liability company, and as Manager of Francisco Properties, L.L.C., an Illinois limited liability company, 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 own free and voluntary act and as the free and voluntary act of said corporation and limited liability companies for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal \_\_\_\_\_, 2003.

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

F:\DOCS\BANKS\Builders\Venter and Assoc\Lawnda\Mod\PLP\10/24/03\10/24/03



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## EXHIBIT A

### LEGAL DESCRIPTION

THE SOUTH 5 FEET OF LOT 79, ALL OF LOTS 80, 81, AND 82 AND THE NORTH 9 FEET OF LOT 83 IN KRENN AND DATO'S ADDITION TO NORTH EDGEWATER, BEING A SUBDIVISION IN THE EAST ½ OF THE NORTHWEST ¼ OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT RECORDED AS DOCUMENT NUMBER 8195599, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 6046-50 N. FRANCISCO AVENUE, CHICAGO, IL 60659  
P.I.N.: 13-01-128-056

Property of Cook County Clerk's Office

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## PROMISSORY NOTE

\$270,000.00

\_\_\_\_\_, 2003

**FOR VALUE RECEIVED** the undersigned, 4201 Lawndale LLC, an Illinois limited liability company ("Borrower"), promises to pay to the order of Builders Capital, LLC, an Illinois limited liability company (said lender and each successive owner and holder of this Note being hereinafter called "Holder"), the principal sum of Two Hundred Seventy Thousand and no/100 (\$270,000.00) Dollars, or so much thereof as may from time to time be outstanding hereunder, together with interest on the balance of principal from time to time remaining unpaid, in the amounts, at the rates and on the dates hereafter set forth.

(a) Interest shall accrue on the outstanding principal balance of this Note at the rate of thirty (30.0%) percent per annum but in no event less than \$75,000 for the term of this Note.

(b) On the earlier of June 1, 2005, the principal balance together with all accrued interest and all other amounts due hereunder shall be paid. After June 1, 2005, interest shall accrue on the outstanding principal balance of this Note at the rate of thirty (30.0%) percent per annum.

This Note is secured by a Junior Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing ("Mortgage"), and a Loan Agreement ("Loan Agreement") among other documents (collectively "Security Documents"), executed and delivered concurrently herewith.

In addition to the payments set forth in subparagraphs (a) and (b) hereof, on or before June 1, 2005, Borrower hereby agrees to pay to Lender the greater of: (1) one-half of Borrower's "net profit," which is defined as gross sales of Units (as defined in the Loan Agreement), minus total expenses, taxes, interest, and other expenses of the Project; or (2) such amount as required to provide Lender with interest at a rate of thirty (30%) percent per annum on funds loaned to Borrower for the Project; or (3) the amount of \$400,000.

Interest shall be calculated on the basis of a calendar year having three hundred sixty (360) days and shall be paid for the actual days outstanding.

This Note may be prepaid, without premium or penalty, in whole or in part, and all accrued interest hereon, but not less than \$75,000, shall be payable and shall be paid on the date of prepayment.

Payment upon this Note shall be made in lawful money of the United States at such place as the Holder of this Note may from time to time in writing appoint and in the absence of such appointment, shall be made at the offices of Builders Capital, LLC, 210 Quail Ridge Drive, Westmont, Illinois 60559.



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Without limiting the provisions of the succeeding paragraphs, in the event any payment of interest is not paid within ten (10) days after the date the same is due, the undersigned promises to pay a late charge ("Late Charge") of five (5.0%) percent of the amount so overdue to defray the expense incident to handling any such delinquent payment or payments.

At the election of the Holder hereof, without notice, the principal sum remaining unpaid hereon, together with accrued interest, shall be and become at once due and payable in the case of default for five (5) days in the payment of any monies when due in accordance with the terms hereof or upon the occurrence of any "Event of Default" under the Mortgage, Loan Agreement or other Security Documents.

Under the provisions of the Mortgage and Loan Agreement, the unpaid balance hereunder may, at the option of Holder, be accelerated and become due and payable forthwith upon the happening of certain events as set forth therein. The Mortgage and Loan Agreement are, by this reference, incorporated herein in their entirety and notice is given of such possibility of acceleration.

The principal hereof, including each installment of principal, shall bear interest after the occurrence of an event of default, not cured within the applicable cure period, at the annual rate (herein called the "Default Rate") determined by adding ten (10.0%) percentage points to the interest rate then required to be paid, as above provided, on the principal balance.

Borrower waives notice of default, presentment, notice of dishonor, protest and notice of protest.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceeding, the undersigned promise to pay all costs incurred by Holder in connection therewith including, but not limited to, court costs, litigation expenses and attorneys' fees.

Payments received on account of this Note shall be applied first to the payment of any amounts due pursuant to the next preceding paragraph, second to interest and Late Charges and the balance to principal.

Funds representing the proceeds of the indebtedness evidenced herein which are disbursed by Holder by mail, wire transfer or other delivery to Borrower, escrowees or otherwise for the benefit of Borrower shall, for all purposes, be deemed outstanding hereunder and received by Borrower as of the date of such mailing, wire transfer or other delivery, and interest shall accrue and be payable upon such funds from and after the date of such mailing, wire transfer or other delivery until repaid to Holder, notwithstanding the fact that such funds may not at any time have been remitted by such escrowees to Borrower.

Borrower knowingly, voluntarily and intentionally waives irrevocably the right it may have to trial by jury with respect to any legal proceeding based hereon, or arising out of, under or in

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connection with this Note, the Mortgage, the Loan Agreement, or any of the other obligations, or the collateral secured by the Security Documents, or any agreement, executed or contemplated to be executed in conjunction herewith or any course of conduct or course of dealing, in which Holder and Borrower are adverse parties. This provision is a material inducement for Holder in granting any financial accommodation to Borrower.

Borrower hereby irrevocably submits to the jurisdiction of any state or federal court sitting in Chicago, Illinois over any action or proceeding based hereon and Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such state or federal court. Borrower hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Borrower irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to Borrower at its address as specified in the records of Holder. Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

Borrower agrees not to institute any legal action or proceeding against Holder or the directors, officers, employees, agents or property thereof, in any court other than the one hereinabove specified. Nothing in this Section shall affect the right of Holder to serve legal process in any other manner permitted by law or affect the right of Holder to bring any action or proceeding against Borrower or its property in the courts of any other jurisdictions.

Time is of the essence of this Note and each provision hereof.

4201 Lawndale LLC, an Illinois limited liability company

By: \_\_\_\_\_  
Ilie Venter, its Manager

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