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THIS INSTRUMENT PREPARED BY:
Bruce A. Salk
Cohen, Salk & Huvard, P.C.
630 Dundee Road, Suite 120
Northbrook, Illinois 60062



Doc#: 0607345117 Fee: \$42.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 03/14/2006 01:37 PM Pg: 1 of 10

AND AFTER RECORDING MAIL TO:
Oxford Bank & Trust
1111 West 22nd Street, Suite 800
Oak Brook, Illinois 60523
Attn: Thomas Staib
#7547999-3

MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT (hereinafter referred to as this "Modification Agreement") made as of this 21st day of February, 2006, by and among POLK STREET ASSOCIATES LLC, an Illinois limited liability company ("Borrower"), MARK ROSS, ANDRIJ CHYCHULA (Mark Ross and Andrij Chychula are hereinafter collectively referred to as the "Guarantors") (Borrower and Guarantors are hereinafter collectively referred to as the "Obligors") and OXFORD BANK & TRUST ("Lender").

WITNESSETH:

WHEREAS, Borrower has executed and delivered to Lender that certain mortgage note dated July 31, 2004 in the original principal sum of Nine Hundred Thousand and 00/100 (\$900,000.00) Dollars (the "Note"), which Note is secured by the following documents (the following documents and any and all other instruments executed by any Obligor are hereinafter collectively referred to as the "Loan Documents"):

- (i) mortgage and security agreement of even date therewith, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. 0423333018 (the "Mortgage") on property commonly known as 9 single family homes, Homan Square, Chicago, Illinois and legally described on Exhibit "A" attached hereto and made a part hereof (the "Premises");
- (ii) assignment of rents and of lessor's interest in leases dated of even date with the Note made by Borrower in favor of Lender, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. 0423333019 (the "Assignment of Rents");
- (iii) guaranty dated of even date with the Note made by Guarantors in favor of Lender (the "Guaranty");

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Box 334

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- (iv) environmental indemnity agreement dated of even date with the Note made by Obligors in favor of Lender (the "Indemnity");
- (v) construction loan agreement dated of even date with the Note between Borrower and Lender (the "Loan Agreement");
- (vi) security agreement and assignment of contractual agreements affecting real estate dated of even date with the Note made by Borrower in favor of Lender; and
- (vii) assignment of sales contracts dated of even date with the Note made by Borrower in favor of Lender.

WHEREAS, Borrower properly exercised its option to extend the maturity date of the Note from February 1, 2006 to August 1, 2006.

WHEREAS, Obligors are desirous of (i) increasing the principal amount of the Note to \$1,200,000.00, (ii) extending the maturity date of the Note from August 1, 2006 to February 1, 2007, and (iii) and making certain other changes thereto, and Lender is willing to consent to such changes subject to the terms and provisions hereinafter provided.

NOW THEREFORE, in consideration of the mutual promises of the parties hereto, and upon the express conditions that the lien of the Mortgage held by Lender is a valid, first and subsisting lien on the Premises (as defined in the Mortgage) and that the execution of this Modification Agreement will not impair the lien of said Mortgage and that there is no existing second mortgage or other liens subsequent to the lien of the Mortgage held by Lender that will not be paid in full and released concurrently herewith (for breach of which conditions, or either of them, this Modification Agreement shall not take effect and shall be void), **IT IS AGREED AS FOLLOWS:**

1. The parties represent and agree that the foregoing recitals are true and correct.
2. As of February 21, 2006, the total outstanding principal balance of the Note is \$729,073.00. Concurrent with the execution of this Modification Agreement, the Borrower shall execute and deliver to Lender an amended and restated mortgage note of even date herewith in the principal amount of One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00), payable to the order of Lender (the "Amended Note"). Each reference in the Loan Documents to the term "Note" shall hereafter be deemed to be a reference to the Amended Note. Each reference in the Loan Documents to the term "Loan" shall hereafter mean that certain \$1,200,000.00 revolving construction loan made by Lender to Borrower and evidenced by the Amended Note. Notwithstanding anything to the contrary contained in the Amended Note or the Loan Documents, Lender shall have no obligation to disburse any of the additional loan proceeds, except as follows, and upon Lender's sole discretion: (a) \$250,000.00 for construction costs, and (b) \$50,000.00 to replenish the interest reserve.
3. The Mortgage is hereby modified as follows:

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a. The First "Whereas" paragraph on page 1 is hereby amended and restated in its entirety to read as follows:

"WHEREAS, the Mortgagor has executed and delivered to the Mortgagee, the Mortgagor's Amended and Restated Mortgage Note dated as of February 21, 2006, payable to the order of Mortgagee, in the principal sum of One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00) (herein called the "Note") bearing interest at the variable rate specified therein, due in the manner as provided therein and in any event on the 1st day of February, 2007, the terms and provisions of which Note are incorporated herein and made a part hereof by this reference with the same effect as if set forth at length; and"

b. The date "January 1, 2005" as it appears in paragraph 42(C) is hereby deleted and replaced with the date "June 1, 2006".

4. The Assignment of Rents is hereby modified by amending and restating in its entirety the first "Whereas" paragraph on page 1 to read as follows:

"WHEREAS, Assignor has executed an amended and restated mortgage note (hereinafter referred to as "Note") dated as of February 21, 2006, payable to the order of OXFORD BANK & TRUST (hereinafter referred to as "Assignee") in the principal amount of One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00); and"

5. The Guaranty is hereby modified by amending and restating in their entirety the first two "Whereas" paragraphs on page 1 to read as follows:

"WHEREAS, pursuant to the terms of that certain Construction Loan Agreement dated of even date herewith (as amended, restated or replaced from time to time, the "Loan Agreement") between POLK STREET ASSOCIATES LLC, an Illinois limited liability company (the "Borrower"), and Lender, Lender has agreed to make a construction loan to Borrower in the maximum principal amount of \$1,200,000.00 (as amended, restated, increased or decreased from time to time, the "Loan"); and

WHEREAS, the Loan is evidenced by a certain amended and restated mortgage note dated as of February 21, 2006 in the maximum principal amount of \$1,200,000.00 (as amended, restated or replaced from time to time, the "Note"); and"

6. The Loan Agreement is hereby modified as follows:

a. Paragraph number 3 is hereby amended and restated in its entirety to read as follows:

"Agreement for Construction Loan. Lender agrees to lend to Borrower, and Borrower agrees to borrow from Lender an amount not to exceed One Million Two Hundred Thousand and 00/100 Dollars (\$1,200,000.00) at any one time for the

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purposes and upon the terms and subject to the conditions contained in this Agreement (as amended, restated, increased or decreased from time to time, the "Loan"). Loan proceeds shall be disbursed in accordance with the Project Budget attached hereto as Exhibit "B". Loan proceeds shall be disbursed on a revolving loan basis provided that in no event shall the aggregate amount of all Loan disbursements exceed Two Million One Hundred Thousand and 00/100 (\$1,200,000.00)."

b. Paragraph 5.1 is hereby amended and restated in its entirety to read as follows: "An amended and restated mortgage note (as amended, restated or replaced from time to time, the "Note") executed by Borrower, payable to the order of Lender, in the principal amount of \$1,200,000.00."

c. Paragraph 6.1(b) is hereby modified by deleting the amount "\$900,000.00" as it appears therein, and replacing it with the amount "\$1,200,000.00"

d. Paragraph 12(d) is hereby modified by deleting the date "January 1, 2005" as it appears therein and replacing it with the date "June 1, 2006". All references in the Loan Agreement and the Loan Documents to the completion date shall hereafter mean June 1, 2006.

e. Exhibit "C" is hereby modified to provide that (i) the minimum sales price for all homes is \$369,000.00, and (ii) the minimum release price for all homes is \$332,100.00.

7. The Loan Documents are hereby amended to secure the obligations and liabilities evidenced by the Amended Note.

8. Except for the modifications stated herein, the Amended Note and Loan Documents are not otherwise changed, modified or amended. Except as expressly provided herein, the Amended Note and other Loan Documents and each other instrument or agreement delivered by any Obligor to or for the benefit of Lender in connection with the loan evidenced by the Amended Note shall remain in full force and effect in accordance with their respective terms and the execution and delivery of this Modification Agreement shall not operate to waive any rights or remedies that Lender may have with respect to the Amended Note and other Loan Documents, to forgive or waive any violation, default or breach under the Amended Note or any other Loan Document, or to obligate Lender in any manner to make any further extensions of credit other than as expressly set forth herein.

9. Contemporaneously with the execution of this Modification Agreement by Lender, Obligors shall pay to Lender a non-refundable modification fee in the amount of \$1,500.00, plus all of Lender's attorneys' fees incurred in connection with the negotiation and documentation of the agreements contained in this Modification Agreement, all recording fees and charges, title insurance charges and premiums, appraisal fees, and all other expenses, charges, costs and fees necessitated by or otherwise relating to this Modification Agreement (the "Additional Fees"). If any of the Additional Fees are not paid at the time this Modification Agreement is executed by Lender, such Additional Fees shall be paid by Obligors within five days after written demand therefor by Lender,

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and if not timely paid, they shall bear interest from the date so incurred until paid at an annual rate equal to the Default Rate (as defined in the Amended Note).

10. The Premises described in the Mortgage shall remain in all events subject to the lien, charge or encumbrance of the Mortgage, and nothing herein contained, and nothing done pursuant hereto, shall affect or be construed to affect the lien, charge or encumbrance of the Mortgage, or the priority thereof over any other liens, charges, or encumbrances or conveyances, or, except as expressly provided herein, to release or affect the liability of any party or parties whomsoever may now or hereafter be liable under or on account of the Amended Note, the Mortgage and/or the Assignment of Rents, nor shall anything herein contained or done in pursuance thereof affect or be construed to affect any other security or instrument, if any, held by Lender as security for or evidence of the aforesaid indebtedness.

11. This Modification Agreement shall extend to and be binding upon each of the Obligors and their heirs, legatees, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

12. Each Obligor hereby ratifies and confirms his or its respective obligations and liabilities under the Amended Note, the Guaranty and other Loan Documents, as hereby amended, and the liens and security interest created hereby, and acknowledge that he or it have no defenses, claims or set-offs against the enforcement by Lender of their respective obligations and liabilities under the Amended Note, the Guaranty and other Loan Documents, as so amended.

13. This Modification Agreement shall, in all respects, be governed by and construed in accordance with the laws of the State of Illinois (exclusive of choice of law principals), including all matters of construction, validity and performance.

14. This Modification Agreement constitutes the entire agreement between the parties with respect to the aforesaid modification and shall not be amended or modified in any way except by a document in writing executed by all of the parties thereto.

15. This Modification Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be one agreement.

16. Lender=s consent to this Modification Agreement shall be subject to Lender (or Lender=s nominee) having received the following in a form and substance acceptable to Lender on or before March 31, 2006 (the “Modification Termination Date”):

(a) An endorsement to Chicago Title Insurance Company Loan Policy No. 8230040 (the “Title Policy”) which (i) amends the description of the Mortgage insured under the Title Policy to include this Modification Agreement, (ii) amends the description of the Assignment of Rents to include this Modification Agreement, (iii) extends the effective date of the Title Policy to the date of the recording of this Modification Agreement, (iv) includes no additional exceptions to title other than those that have been approved in writing by Lender, (v) states that all real estate taxes and

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assessments applicable to the Premises which are due and payable as of the date of such endorsement have been paid in full, and (vi) increases the amount of insurance to \$1,200,000.00; and

- (b) Such other documents as Lender may reasonably require.

The Obligors= failure to deliver the aforementioned documents and items to Lender on or before the Modification Termination Date shall, at the option of Lender, result in this Modification Agreement (including all agreements and waivers of Lender contained herein) being null and void.

19. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS MODIFICATION AGREEMENT SHALL BE TRIED AND DETERMINED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, OR, AT THE SOLE OPTION OF LENDER IN ANY OTHER COURT IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS PARAGRAPH.

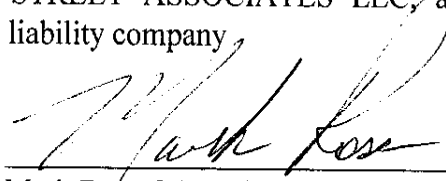
TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR AND LENDER HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS MODIFICATION AGREEMENT, OR IN ANY WAY CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE DEALINGS OF OBLIGORS AND LENDER WITH RESPECT TO THIS MODIFICATION AGREEMENT, OR THE TRANSACTION RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR AND LENDER HEREBY AGREE THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT ANY OBLIGOR OR LENDER MAY FILE A COPY OF THIS EXECUTED MODIFICATION AGREEMENT WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF EACH OBLIGOR AND LENDER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

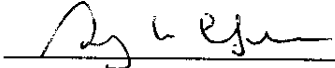
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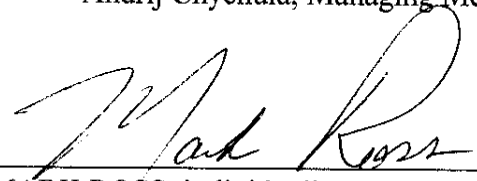
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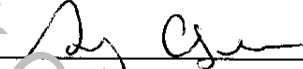
IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the date first above written.

POLK STREET ASSOCIATES LLC, an Illinois limited liability company

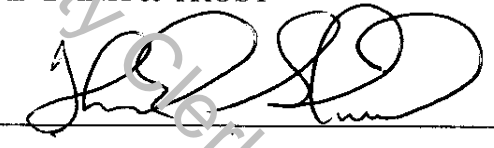
By: 
Mark Ross, Managing Member

By: 
Andrij Chychula, Managing Member


MARK ROSS, individually


ANDRIJ CHYCHULA, individually

OXFORD BANK & TRUST

By: 
Its: VICE PRESIDENT

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
)
 COUNTY OF COOK) SS

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that MARK ROSS and ANDRIJ CHYCHULA personally known to me as the managing members of POLK STREET ASSOCIATES LLC, an Illinois limited liability company, and personally 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, sealed and delivered the said instrument as such managing members of said limited liability company, pursuant to authority, given by the members of said limited liability company, as their own and 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 this 2ND day of MARCH, 2006.



Sandra L. Ball
 Notary Public

My Commission Expires: 5/31/07

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that MARK ROSS, personally known to me to be the same person whose name is subscribed to the foregoing instrument, personally appeared before me this day and of his own free will, subscribed his name to the foregoing instrument for the uses and purposes therein contained.

Given under my hand and notarial seal this 2ND day of MARCH, 2006.



Sandra L. Ball
 Notary Public

My Commission Expires: 5/31/07

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that ANDRIJ CHYCHULA, personally known to me to be the same person whose name is subscribed to the foregoing instrument, personally appeared before me this day and of his own free will, subscribed his name to the foregoing instrument for the uses and purposes therein contained.

Given under my hand and notarial seal this 2ND day of MARCH, 2006.



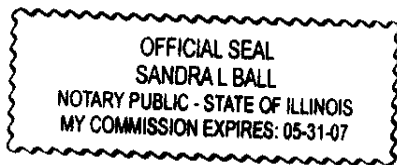
Sandra L. Ball
Notary Public

My Commission Expires: 5/31/07

STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that THOMAS E. STAIB, J.P., of OXFORD BANK & TRUST, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such J.P. appeared before me this day in person and acknowledged that s/he signed and delivered the said instrument as his/her own free and voluntary act, and as the free and voluntary act of said bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 2ND day of MARCH, 2006.



Sandra L. Ball
Notary Public

My Commission Expires: 5/31/07

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EXHIBIT "A"

PIN: 16-14-412-008-0000
16-14-412-012-0000
16-14-412-014-0000
16-14-412-015-0000
16-14-412-017-0000
16-14-412-018-0000
16-14-412-019-0000

ADDRESS: 3515, 3523, 3529, 3531, 3537, 3539 and 3541 W. Polk Street, Chicago, Illinois

PARCEL 1:

LOTS 6, 10, 12, 13, 15, 16 AND 17 IN HOMAN SQUARE PHASE 3, BEING A RESUBDIVISION LOTS 1 TO 48, BOTH INCLUSIVE IN BLOCK 9 AND ALL THE EAST AND WEST VACATED ALLEY LYING SOUTH OF ADJOINING AFORESAID, LOTS 1 TO 24, BOTH INCLUSIVE IN BLOCK 9 LYING NORTH OF AND ADJOINING AFORESAID LOTS 25 TO 48, BOTH INCLUSIVE IN BLOCK 9 IN E. A. CUMMINGS AND CO'S CENTRAL PARK AVENUE ADDITION, A SUBDIVISION OF PART OF THE SOUTHEAST 1/4 OF SECTION 14, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

PERPETUAL NON-EXCLUSIVE EASEMENT TO AND FOR THE BENEFIT OF PARCEL 1 FOR INGRESS AND EGRESS IN, OVER AND ACROSS LOT 57 AS CREATED AND SET OUT IN THE PLAT OF SUBDIVISION RECORDED JULY 12, 1996 AS DOCUMENT NUMBER 96534799 AND THE DECLARATION OF COVENANTS, CONDITIONS, RESTRICTIONS, AND EASEMENTS FOR HOMAN SQUARE HOMEOWNER'S ASSOCIATION RECORDED JUNE 27, 1994 AS DOCUMENT NUMBER 94558398 AND AMENDED AS DOCUMENT NUMBERS 94930840, 95190932, 95552590, 96476893, 96605103, AND 96971447.