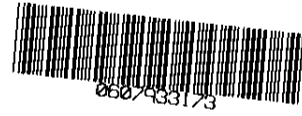


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Doc#: 0607933173 Fee: \$44.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 03/20/2006 10:18 AM Pg: 1 of 11

This instrument prepared by
and please return to:
Kimberly K. Enders, Esq.
100 West Monroe Street #1500
Chicago, Illinois 60603

3117657

CTIC-HE

Parcel 1:
P.I.N.: 14-32-212-002-0000
COMMONLY KNOWN AS: 823 West Belden, Chicago, Illinois 60614

Parcels 2 and 3:
P.I.N.: 17-06-433-046-1004
COMMONLY KNOWN AS: 838 N. Winchester, Unit 4, Chicago, Illinois 60622

LOAN MODIFICATION AGREEMENT

This instrument is a Loan Modification Agreement ("Modification") among Labe Bank, an Illinois banking corporation ("Lender"), PD Properties of Chicago, LLC, an Illinois limited liability company ("Borrower"), and Phillip Ciaccio ("Guarantor").

RECITALS:

A. Borrower holds fee simple title to the real estate commonly known as 823 West Belden, Chicago, Illinois, and Guarantor and Dita Venkele hold fee simple title to real estate commonly known as 838 N. Winchester, Unit 4, Chicago, Illinois, which is legally described on Exhibit A attached hereto ("Real Estate"). Guarantor is a manager of Borrower.

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BOX 334 CTI

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B. On August 2, 2005, Borrower, Guarantor and Lender entered into a Construction Loan Agreement pursuant to which Lender granted a loan to Borrower in the amount of \$1,912,327.00 ("Loan"), which is evidenced by a Promissory Note in the principal amount of \$1,912,327.00 ("Note"). Concurrently therewith, Borrower and Guarantor executed and delivered to Lender the following documents (collectively "Security Documents"):

1. a Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing, which was recorded with the Cook County Recorder of Deeds on August 5, 2005 as Document No. 0521702213 ("Mortgage");
2. a Guaranty of Note, Mortgage and Other Undertakings executed by the Guarantor ("Guaranty");
3. a UCC Financing Statement filed with the Secretary of State of Illinois;
4. an Environmental, ADA and ERISA Indemnification Agreement executed by Borrower and Guarantor;
5. a General Contractor's Lien Subordination Agreement executed by Borrower's general contractor;
6. an Assignment of Project Documents
7. an Assignment and Pledge of Earnest Money and Real Estate Sale Contracts executed by Borrower; and
8. a UCC Financing Statement.

C. Borrower has now requested Lender to reduce the interest rate applicable to the Loan from its prime rate to the ninety- (90-) day LIBOR Rate plus two (2.0%) percent per annum. Lender is agreeable to this request subject to the covenants, conditions and restrictions contained herein.

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

1. Subparagraphs (a) and (b) of the Note are hereby modified and amended in their entirety and the following provisions are substituted in place thereof:

(a) On September 1, 2005, and on the first day of each succeeding calendar month to and including February 1, 2006, there shall be paid interest only, in arrears, on the outstanding principal balance at a rate equal to the prime rate of interest in effect from time to time at Labe Bank per annum.

(b) On February 1, 2006, and on the first day of each succeeding calendar month to and including August 1, 2006, there shall be paid interest only, in arrears, on the outstanding principal balance at a rate equal to the LIBOR rate of interest plus two percent (2%) in effect from time to time at Labe Bank per annum.

(c) On August 1, 2006 ("Maturity Date"), the principal balance together with all accrued interest and all other amounts due hereunder shall be paid.

The LIBOR rate of Labe Bank is the offered rate for delivery in two (2) London Banking Days (as defined below) of deposits of U.S. Dollars which the British Bankers' Association fixes as its LIBOR Rate as of 11:00 a.m. London time on the day on which the Interest Period commences and for a period approximately equal to such Interest Period. "Interest Period" means initially the period commencing as of February 1, 2006 and ending on the first (1st) day of the month three (3) months later, and thereafter each three- (3-) month period ending on the first (1st) day of such month. If the first day of any Interest Period is not a day which is both: (i) a Business Day, and (ii) a day on which U.S. dollar deposits are transacted in the London interbank market (a "London Banking Day"), the Ninety-Day LIBOR Rate shall be determined in reference to the next preceding day which is both a Business Day and a London Banking Day. A "Business Day" means any day which is neither a Saturday nor a Sunday nor a legal holiday on which commercial banks are authorized or required to be closed in Chicago. If for any reason the Ninety-Day LIBOR Rate is unavailable and/or the Holder is unable to determine the Ninety-Day LIBOR Rate for any Interest Period, the Ninety-Day LIBOR Rate shall be deemed to be equal to the prime rate of Labe Bank per annum, or such other rate determined by Holder.

2. The Security Documents are hereby modified and amended to secure the Note as hereby modified and all references to the Note in the Security Documents are modified and amended

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to refer to the Note as hereby modified. All interest charged on and all payments made on the Note previously are unchanged.

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) an Organization Resolution of Borrower; and
- (b) a printout from the Illinois Secretary of State's website showing the good standing status of Borrower.

4. 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 as revised by this Modification, or the covenants, conditions and agreements therein contained or contained in the Note.

5. 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.

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

7. 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.

8. 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

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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.

9. BORROWER AND GUARANTOR KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY THE RIGHT THEY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREON, OR ARISING OUT OF, UNDER OR IN CONNECTION WITH THE NOTE, THIS MODIFICATION, THE MORTGAGE, THE LOAN AGREEMENT, THE SECURITY DOCUMENTS, OR ANY OF THE DOCUMENTS EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR ANY COURSE OF CONDUCT OR COURSE OF DEALING, IN WHICH LENDER, BORROWER AND/OR GUARANTOR ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER IN GRANTING ANY FINANCIAL ACCOMMODATION TO BORROWER OR GUARANTOR, OR ANY OF THEM.

10. Borrower and Guarantor hereby irrevocably submit to the jurisdiction of any state court sitting in Cook County, Illinois or any federal court sitting in Chicago, Illinois over any action or proceeding based hereon and Borrower and Guarantor hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such state or federal court. Borrower and Guarantor hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Borrower and Guarantor irrevocably consent to the service of any and all process in any such action or proceeding by the mailing of copies of such process to Borrower and Guarantor at their addresses as specified

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herein or otherwise in the records of Lender. Borrower and Guarantor agree that a final judgment in any such action or proceeding, after all appeal rights are exhausted, 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 and Guarantor agree not to institute any legal action or proceeding against Lender 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 Lender to serve legal process in any other manner permitted by law or affect the right of Lender to bring any action or proceeding against Borrower and Guarantor or their property in the courts of any other jurisdictions; provided, however, unless Lender is required by law to institute proceedings in any other jurisdiction, Lender shall first institute proceedings in a state court sitting in Cook County, Illinois or any federal court sitting in Chicago, Illinois.

11. Borrower and Guarantor warrant to Lender that neither Borrower nor Guarantor nor any affiliate is identified in any list of known or suspected terrorists published by an United States government agency (collectively, as such lists may be amended or supplemented from time to time, referred to as the "Blocked Persons Lists") including, without limitation, (a) the annex to Executive Order 13224 issued on September 23, 2001, and (b) the Specially Designated Nationals List published by the Office of Foreign Assets Control.

Borrower and Guarantor covenant to Lender that if they become aware that they or any affiliate are identified on any Blocked Persons List, Borrower and Guarantor shall immediately notify Lender in writing of such information. Borrower and Guarantor further agree that in the event they or any affiliate are at any time identified on any Blocked Persons List, such event shall be an Event of Default, and shall entitle Lender to exercise any and all remedies provided in any Loan

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Document or otherwise permitted by law. In addition, Lender may immediately contact the Office of Foreign Assets Control and any other government agency Lender deems appropriate in order to comply with its obligations under any law, regulation, order or decree regulating or relating to terrorism and international money laundering. Upon the occurrence of such Event of Default, Lender will forbear enforcement of its rights and remedies during such time as: (1) the person ("Person") identified in a Blocked Persons List is contesting in good faith by appropriate legal proceedings such Person's inclusion in a Blocked Persons List, and (2) Lender determines, in its sole and absolute discretion, that such forbearance will not adversely affect title to, the condition or value of, or any lien in favor of Lender and encumbering, any part of the Premises (as defined in the Mortgage) or otherwise adversely impact the ability of any Person to perform such Person's obligations under or with respect to any Loan Documents.

Signature page follows

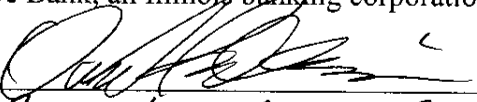
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IN WITNESS WHEREOF, the parties hereto have executed this Modification on

FEBRUARY 1, 2006.


LENDER:

Labe Bank, an Illinois banking corporation

By: 
Its COMM. LOAN OFFICER
(DAN ROBINSON)

BORROWER:

PD Properties of Chicago, LLC, an Illinois limited liability company

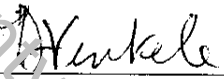
By: 
Phillip Ciaccio, Manager

By: 
Dita Vinkele, Manager

GUARANTOR:


Phillip Ciaccio

Dita Vinkele hereby executes this Modification to acknowledge and consent to its terms.

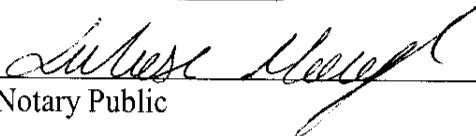

Dita Vinkele

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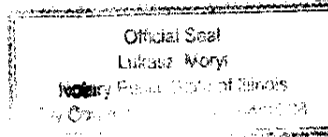
STATE OF ILLINOIS)
)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Phillip Ciaccio and Dita Vinkele, Managers of PD Properties of Chicago, LLC, an Illinois limited liability company, 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 and delivered the said instrument as their own free and voluntary acts 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 FEB. 1, 2006.



Notary Public



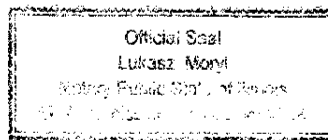
STATE OF ILLINOIS)
)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Phillip Ciaccio, individually, 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, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal FEB. 1, 2006.



Notary Public



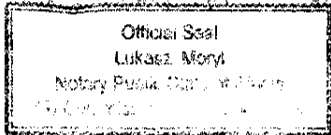
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STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that DAN ROBINSON, COMMERCIAL LOAN OFFICER of Labe Bank, an Illinois banking corporation, 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 (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 FEB. 1, 2006.

Lukasz Moryl
Notary Public



Property of Cook County Clerk's Office

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EXHIBIT A

LEGAL DESCRIPTION:

Parcel 1:

Lot 4 and the West 9 feet of Lot 3 in Subdivision of Block 4 in the South $\frac{1}{2}$ of Block 3 in Sheffield's Addition to Chicago, in Section 32, Township 40 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

COMMONLY KNOWN AS: 823 West Belden, Chicago, Illinois 60614

P.I.N.: 14-32-212-002-0000

Parcel 2:

Unit 4 in the 838 N. Winchester Condominium, as delineated on a survey of the following described real estate:

Lot 9 and the North $\frac{1}{2}$ of Lot 10 in Gram's Subdivision of Lot 3 in Block 7 in the Superior Court Partition of Blocks 2, 4, 7 and the West $\frac{1}{2}$ of Block 3 and the South $\frac{1}{2}$ of Block 8, all in the Subdivision by Cochran and others of the West $\frac{1}{2}$ of the Southeast $\frac{1}{4}$ of Section 6, Township 39 North, Range 14, East of the Third Principal Meridian, which is attached as Exhibit A to the Declaration of Condominium recorded as Document Number 0334231145, together with its undivided percentage interest in common elements, all in Cook County, Illinois

Parcel 3:

The exclusive right to the use of P-4 and P-5, and S-4, a limited common element as delineated on the survey attached to the Declaration aforesaid recorded as Document Number 0334231145.

COMMONLY KNOWN AS: 838 N. Winchester, Unit 4, Chicago, Illinois 60622

P.I.N.: 17-06-433-046-1004