



0616310092

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

Doc#: 0616310092 Fee: \$52.50
Eugene "Gene" Moore RHSP Fee:\$10.00
Cook County Recorder of Deeds
Date: 06/12/2008 01:26 PM Pg: 1 of 15

Property of Cook County Clerk's Office

COMMONLY KNOWN AS: 524 N. Armour, Chicago, Illinois
P.I.N.: 17-08-121-025-0000

LOAN MODIFICATION AGREEMENT

This instrument is a Loan Modification Agreement ("Modification") among Merchants and Manufacturers Bank, an Illinois banking corporation ("Lender"), The Armour Grand, LLC, an Illinois limited liability company ("Borrower"), and Jonathan Loevy, Danielle Loevy, Barbette Loevy and Arthur Loevy (collectively "Guarantors").

RECITALS

A. Borrower holds fee simple title to certain real estate ("Real Estate") commonly known as 524 N. Armour, Chicago, Illinois, which is legally described on Exhibit A attached hereto. Guarantors are the sole members of Borrower, and Barbette Loevy is the managing member of Borrower.

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B. On October 7, 2004, Borrower, Guarantors and Lender entered into a Construction Loan Agreement (“Loan Agreement”), pursuant to which Borrower executed and delivered to Lender a Promissory Note Evidencing a Non-Revolver Line of Credit in the amount of \$1,032,000 (“Note”) which evidenced a loan in the amount of \$1,032,000 (“Loan”). Borrower is using the proceeds of the Loan to rehabilitate a 8-unit apartment building located on the Real Estate into eight (8) condominium units (“Units”) and to sell the Units (collectively the “Project”). To secure the Note, Borrower and Guarantors 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 (“Mortgage”) covering the Real Estate and securing the Note, which Mortgage was recorded with the Cook County Recorder of Deeds on October 12, 2004 as Document No. 0428602420;
2. a Guaranty of Payment and Performance executed by Guarantors (“Guaranty”);
3. an Environmental, ADA and ERISA Indemnification Agreement executed by Borrower and Guarantors;
4. a UCC Financing Statement and UCC Authorization of Borrower;
5. an Assignment of Real Estate Contracts and Earnest Money Deposits executed by Borrower and Guarantors; and
6. such other documents and items requested by Lender.

C. The current outstanding balance of the Loan is \$847,859.38. Borrower has now requested Lender to extend the maturity date of the Note from May 1, 2006 to November 1, 2006,

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and to increase the amount of the Loan by \$68,000 to \$1,100,000 (“Revised Loan”). The proceeds of the Revised Loan will be used by Borrower to fund the Interest Reserve and a real estate tax reserve (“Tax Reserve”), as described in the Loan Agreement, while Borrower completes the sale of the Units. Lender is agreeable to these requests subject to the covenants, conditions and restrictions contained herein.

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

1. The Note is hereby modified and amended in its entirety by a Promissory Note Evidencing a Non-Revolving Line of Credit in the amount of \$1,100,000 (“Revised Note”), a copy of which is attached hereto as Exhibit B. The Security Documents are hereby modified and amended to secure the Revised Note and all references to the Note in the Security Documents are modified and amended to refer to the Revised Note in place thereof. All amounts presently outstanding on the Note shall be deemed outstanding on the Revised Note. All interest charged on and all payments made on the Note previously are unchanged.

2. Of the additional \$68,000 in proceeds of the Revised Loan, the amount of \$50,000 will be used to fund the Interest Reserve as described in Section 3.5 of the Loan Agreement. Lender shall debit the Interest Reserve to pay interest on the Revised Loan to the extent of the Interest Reserve; thereafter, Borrower shall pay all interest on the Revised Loan from its own funds. After payment of Lender’s fee and other costs as described in Section 8 hereof, the balance of the additional proceeds of the Revised Loan will be used to fund the Tax Reserve. Lender shall debit the Tax Reserve to pay real estate taxes on the Real Estate to the extent of the Tax Reserve; thereafter, Borrower shall pay all real estate taxes on the Real Estate from its own funds.

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3. Section 13.1 of the Loan Agreement is hereby modified and amended to reduce the amount of Net Proceeds (as defined therein) required to be tendered to Lender upon the sale of each Unit from one hundred (100%) percent to a minimum of ninety (90%) percent, at Lender's sole and reasonable discretion, to ensure that the Revised Loan is repaid in full when approximately seventy (70%) percent of the Units are sold. All other provisions of Section 13.1 remain unchanged.

4. 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 Revised Note executed by Borrower;
- (b) a Revised Guaranty of Payment and Completion executed by Guarantors ("Revised Guaranty");
- (c) a 10/10A endorsement to Lender's loan title insurance policy which: (1) insures the Mortgage as modified by this Modification as a first lien on the Real Estate, (2) increases the aggregate title insurance coverage for the Mortgage to \$1,100,000, (3) is subject only to such exceptions as Lender shall permit, and (4) reflects and insures that Borrower is the holder and owner of fee simple title to the Real Estate;
- (d) updated certificates of insurance as required by the Mortgage;
- (e) copies of any real estate sale contracts for Units, as requested by Lender;
- (f) a Borrowing Resolution/Incumbency Certificate of Borrower;
- (g) evidence of Borrower's good standing status; and
- (h) payment of Lender's fee in the amount of \$11,000 plus expenses as set forth in Section 8 hereof.

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5. 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 or Revised Note reference is made to such loan documents ("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 covenants, conditions and agreements therein contained or contained in the Loan Documents or the Revised Note.

6. 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.

7. Borrower and Guarantors hereby renew, remake and affirm the representations and warranties contained in the Loan Documents.

8. 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.

9. Guarantors hereby agree that the Revised Guaranty replaces the Guaranty in its entirety. Guarantors hereby expressly acknowledge and confirm 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 Guarantors and without such action releasing, modifying, or affecting the obligations of Guarantors or affecting the security heretofore granted to Lender.

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10. BORROWER AND GUARANTORS 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 LOAN 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 GUARANTORS ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER IN GRANTING ANY FINANCIAL ACCOMMODATION TO BORROWER OR GUARANTORS, OR ANY OF THEM.

11. Borrower and Guarantors hereby irrevocably submit to the jurisdiction of any state or federal court sitting in Chicago, Illinois over any action or proceeding based hereon and Borrower and Guarantors 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 Guarantors 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 Guarantors 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 Guarantors at their addresses as specified in the records of Lender. Borrower and Guarantors agree 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 and Guarantors 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

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against Borrower and Guarantors or their property in the courts of any other jurisdictions.

12. Borrower and Guarantors hereby warrant to Lender that neither Borrower nor Guarantors nor any affiliate is identified in any list of known or suspected terrorists published by any 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 Guarantors covenant to Lender that if they become aware that they or any affiliate is identified on any Blocked Persons List, Borrower and Guarantors shall immediately notify Lender in writing of such information. Borrower and Guarantors further agree that in the event they or any affiliate is 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 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

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adversely impact the ability of any Person to perform such Person's obligations under or with respect to any Loan Documents.

IN WITNESS WHEREOF, the parties hereto have executed this Modification as of May 1, 2006.

LENDER:

Merchants and Manufacturers Bank, an Illinois banking corporation

By: Chris K [Signature]
Its AVP

BORROWER:

The Armour Grand, LLC, an Illinois limited liability company

By: [Signature]
Barbette Loevy, Managing Member

By: [Signature]
Jonathan Loevy, Member

By: [Signature]
Danielle Loevy, Member

By: [Signature]
Arthur Loevy, Member

GUARANTORS:

[Signature]
Barbette Loevy

[Signature]
Jonathan Loevy

[Signature]
Danielle Loevy

[Signature]
Arthur Loevy

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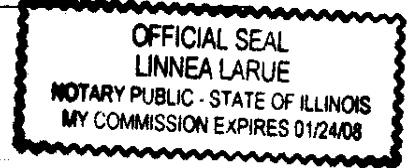
STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Chris Timm, Asst. V.P. of Merchants and Manufacturers Bank, 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 May 16th, 2006.

Linnea Larue
Notary Public

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

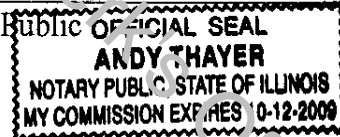


The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Barbette Loevy, individually and as Managing Member of The Armour Grand, LLC, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her 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 May 16th, 2006.

Andy Thayer
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 Danielle Loevy, individually and as a Member of The Armour Grand, 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 she signed and delivered the said instrument as her 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 May 16th, 2006.

Andy Thayer
Notary Public

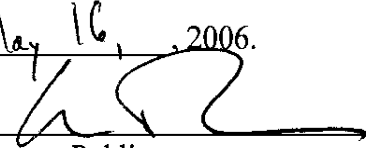


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STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Jonathan Loevy, individually and as a Member of The Armour Grand, 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 May 16, 2006.



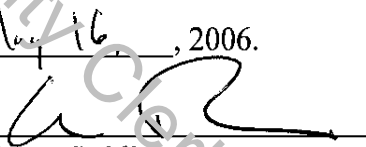
Notary Public

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 Arthur Loevy, individually and as a Member of The Armour Grand, 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 May 16, 2006.



Notary Public



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EXHIBIT A

LEGAL DESCRIPTION

Lot 42 in Block 15 in Bickerdike's Addition to Chicago in the Northwest $\frac{1}{4}$ of Section 8, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

COMMONLY KNOWN AS: 524 N. Armour, Chicago, Illinois
PIN: 17-08-121-025-0000

Property of Cook County Clerk's Office

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EXHIBIT B
PROMISSORY NOTE EVIDENCING A NON-REVOLVING LINE OF CREDIT
("Revised Note")

\$1,100,000.00

May 1, 2006

FOR VALUE RECEIVED the undersigned, The Armour Grand, LLC, an Illinois limited liability company ("Borrower"), promises to pay to the order of Merchants and Manufacturers Bank, an Illinois banking corporation (said Bank and each successive owner and holder of this Note being hereinafter called "Holder"), the principal sum of One Million One Hundred Thousand (\$1,100,000) 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.

The rate of interest payable on this Note will change from time to time as hereafter provided. Monthly payments on account of this Note shall be adjusted from time to time as the rate of interest changes. Payments on account of this Note shall be made as follows:

(a) On June 1, 2006, and the first day of each succeeding month thereafter until all amounts due hereunder are paid, there shall be paid on account of this Note interest for the preceding month at a variable rate equal to the prime rate of interest announced and in effect from time to time at Merchants and Manufacturers Bank ("Prime Rate") plus one-half (0.50%) percent per annum.

(b) On November 1, 2006, the principal balance together with all accrued interest and all other amounts due hereunder shall be paid.

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

The Prime Rate of Merchants and Manufacturers Bank is currently the highest Prime Rate of interest published in The Wall Street Journal. If this index is no longer available, Bank will chose a new index in compliance with applicable law and will notify Borrower of its choice. Borrower acknowledges that it is advised that said rate is not Bank's lowest or most favorable lending rate.

The balance due on account of this Note may be prepaid, without premium or penalty, in whole or in part and all accrued interest hereon 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 Merchants and Manufacturers Bank, 25140 W. Channon Drive, Channahon, Illinois 60410, Attn.: Mr. Chris R. Timm.

This Note replaces in its entirety that certain Promissory Note Evidencing a Non-Revolver Line of Credit in the amount of \$1,032,000 dated October 7, 2004 ("Original Note"). This Note is

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executed pursuant to a Loan Modification Agreement ("Modification") of even date herewith, which modifies the terms of a Construction Loan Agreement ("Loan Agreement") and Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing ("Mortgage"), both of which were executed on October 7, 2004 and which secure the Original Note. The Mortgage was recorded with the Cook County Recorder of Deeds on October 12, 2004 as Document No. 0428602420. Amounts outstanding pursuant to the Original Note shall be outstanding under this Note. All interest rates applicable to and charged on the Original Note and all payments made on the Original Note are unchanged. Pursuant to the Modification, the Mortgage, the Loan Agreement and other security documents (collectively "Security Documents") are modified to secure this Note.

Amounts will be disbursed from time to time as provided in the Loan Agreement. However, this is not a revolving line of credit and amounts repaid shall not be available again for disbursement. In no event will the amount disbursed exceed the amount of \$1,100,000.

Without limiting the provisions of the succeeding paragraphs, in the event any payment of interest or principal 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 principal or interest or fifteen (15) days in the payment of any other payment of monies required to be made hereunder when due in accordance with the terms hereof or upon the occurrence of any event of default ("Event of Default") under the Mortgage, Loan Agreement or Security Documents.

Under the provisions of the Mortgage, Loan Agreement and Security Documents, 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, Loan Agreement and Security Documents 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. Notwithstanding the foregoing, in no event shall the Default Rate be greater than eighteen (18%) percent per annum.

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 promises to pay all costs incurred by Bank in connection therewith including, but not limited to, court costs, litigation expenses and reasonable attorneys' fees.

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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 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 CONNECTION WITH THIS NOTE, THE MORTGAGE, THE LOAN AGREEMENT, THE MODIFICATION 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 herein above 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.

Borrower warrants to Holder that neither Borrower 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 covenants to Holder that if it becomes aware that it or any affiliate is identified on

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any Blocked Persons List, Borrower shall immediately notify Holder in writing of such information. Borrower further agrees that in the event it or any affiliate is at any time identified on any Blocked Persons List, such event shall be an Event of Default, and shall entitle Holder to exercise any and all remedies provided in any Security Document or otherwise permitted by law. In addition, Holder may immediately contact the Office of Foreign Assets Control and any other government agency Holder 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, Holder 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) Holder 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 the Holder 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 Security Documents.

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

The Armour Grand, LLC, an Illinois limited liability company

By: _____
Barbette Loevy, Managing Member

By: _____
Jonathan Loevy, Member

By: _____
Arthur Loevy, Member

By: _____
Danielle Loevy, Member