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Cook County Recorder of Deeds
Date: 07/07/2006 01:35 PM Pg: 1 of 12

Gary K. Fordyce, Esq.
LaSalle Bank Corporation
135 South La Salle Street, Suite 925
Chicago, Illinois 60603

PERMANENT TAX INDEX NUMBER:

17-04-209-020-0000

PROPERTY ADDRESS:

1446 North Dearborn Street
Chicago, Illinois 60610

SECOND MODIFICATION OF LOAN DOCUMENTS

This SECOND MODIFICATION OF LOAN DOCUMENTS dated as of April 15, 2005 (the "Second Modification"), is executed by and among DEARBORN THREE, LLC, an Illinois limited liability company (the "Borrower"), WILLIAM B. SILVERSTEIN ("William Silverstein"), THOMAS B. SILVERSTEIN ("Thomas Silverstein"; William Silverstein and Thomas Silverstein each being referred to herein as a "Guarantor", and collectively referred to herein as the "Guarantors"), whose addresses are c/o Silver Shore Properties, 2320 North Damen Avenue, Suite 1-D, Chicago, Illinois 60521, and LASALLE BANK NATIONAL ASSOCIATION, a national banking association (the "Lender"), whose address is 135 South La Salle Street, Chicago, Illinois 60603, Attention: Commercial Real Estate.

RECITALS:

A. The Lender originally made a loan (the "Loan") to the Borrower, as evidenced by that certain Promissory Note dated March 14, 2003 in the original principal amount of Two Million Nine Hundred Eleven Thousand and 00/100 Dollars (\$2,911,000.00), executed by the Borrower and made payable to the order of the Lender, and maturing on April 1, 2008 (the "Note").

B. The Loan is secured by, among other things, the following documents (together with the Note and any and all other documents evidencing or securing the Loans being collectively referred to herein as the "Original Loan Documents"):

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- (i) Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of March 14, 2003, executed by the Borrower to and for the benefit of the Lender, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on March 26, 2003 as Document Number 0030406421, and re-recorded on September 23, 2003 as Document Number 0326650286 (the "Mortgage"), which Mortgage encumbers the real property legally described on Exhibit "A" attached hereto and made a part hereof (the "Premises");
- (ii) Assignment of Leases and Rents dated as of March 14, 2003, executed by the Borrower to and for the benefit of the Lender, and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on March 26, 2003 as Document Number 0030406422 (the "Assignment of Rents"), which Assignment of Rents encumbers the Premises;
- (iii) Environmental Indemnity Agreement dated as of March 14, 2003, jointly and severally executed by the Guarantors to and for the benefit of the Lender (the "Environmental Indemnity"); and
- (iv) Guaranty of Payment dated as of March 14, 2003, jointly and severally executed by the Guarantors to and for the benefit of the Lender (the "Guaranty").

C. Under and pursuant to that certain Modification of Loan Documents dated as of April 19, 2004, executed by and among the Borrower, the Guarantors and the Lender and recorded with the Office of the Recorder of Deeds of Cook County, Illinois on July 23, 2004 as Document No. 0420511088 and re-recorded with the Office of the Recorder of Deeds of Cook County, Illinois on August 26, 2004 as Document No. 0420910016 (the "First Modification"; the Original Loan Documents, as modified and amended by the First Modification, being collectively referred to herein as the "Loan Documents"), (i) the maturity date of the Loan was shortened from April 1, 2008 to April 19, 2007, (ii) the parties acknowledged that the Borrower had elected a fixed per annum rate of interest, and (iii) the repayment terms of the Note were modified.

D. The Borrower and the Guarantors have requested to modify and amend the Loan Documents to provide for a modification of the repayment terms of the Loan, as evidenced by the Note, and the Lender has agreed to such modification, provided that the Borrower and the Guarantors comply with the terms and conditions of this Second Modification.

NOW THEREFORE, for and in consideration of the sum of Ten Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

A G R E E M E N T S:

1. Recitals. The recitals set forth above shall be incorporated herein as if set forth in their entirety.

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2. Definitions. Capitalized words and phrases not otherwise defined in this Second Modification shall have the meanings assigned thereto in the Loan Documents.

3. Interest Rate. The outstanding principal amount of the Loan, as evidenced by the Note, shall accrue interest at a fixed per annum rate of interest equal to five percent (5.00%) (the "Interest Rate"). From and after maturity or the occurrence of any Event of Default, until paid, the outstanding principal amount of the Loan shall bear interest at a fixed per annum rate of interest equal to the Interest rate plus five percent (5.00%) (the "Default Rate"). The Interest Rate shall be computed on the basis of a year consisting of 360 days and shall be paid for the actual number of days elapsed.

4. Principal and Interest Payments. The principal amount of the Loan evidenced by the Note, of which the principal amount of Two Million Eight Hundred Sixty Two Thousand Eight Hundred Eighty One and 82/100 Dollars (\$2,862,881.82) remains outstanding as of the date hereof, and all accrued interest thereon, shall be paid as follows:

(a) installments of interest only on the principal amount of the Loan outstanding from time to time, commencing on May 1, 2005 and continuing on the first day of each month thereafter through and including April 1, 2006;

(b) installments of principal and interest each in the amount of Fifteen Thousand Five Hundred Ninety Eight and 70/100 Dollars (\$15,598.70), commencing on May 1, 2006 and continuing on the first day of each month thereafter through and including April 1, 2007; and

(c) a final installment equal to the total principal balance of the Loan then remaining unpaid, plus all accrued and unpaid interest thereon, on April 19, 2007.

Principal amounts repaid may not be borrowed again. Interest after maturity (whether by acceleration or otherwise) on the outstanding principal balance of the Loan shall accrue at the Default Rate and shall be payable on demand from the Lender.

5. Principal Prepayments. Provided that no Event of Default then exists beyond any applicable grace or cure periods under the Note or the other Loan Documents, the principal balance of the Note may be voluntarily prepaid, but only in whole and subject to the following conditions:

(a) Not less than thirty (30) days prior to the date upon which the Borrower desires to make such prepayment, the Borrower shall deliver to the Lender written notice of its intention to prepay the outstanding principal balance of the Note, which notice shall be irrevocable and state the prepayment amount and the prepayment date (the "Prepayment Date");

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(b) The Borrower shall pay to the Lender, concurrently with such prepayment, a prepayment premium (the "Prepayment Premium") equal to the greater of (i) the Yield Amount (as hereinafter defined) or (ii) the Fixed Amount (as hereinafter defined); and

(c) The Borrower shall pay to the Lender all accrued and unpaid interest on the Note through the date of such prepayment on the principal balance being prepaid.

Notwithstanding the foregoing, no Prepayment Premium shall be owing if such prepayment is made on or after January 19, 2007. The Borrower acknowledges that the Loan evidenced by the Note was made on the basis and assumption that the Lender would receive the payments of principal and interest set forth herein for the full term thereof. Therefore, whenever the maturity of the Note has been accelerated by the Lender by reason of the occurrence of an Event of Default, there shall be due, in addition to the outstanding principal balance, accrued interest and other sums due hereunder, the Prepayment Premium. If prior to the Maturity Date, an Event of Default exists and the Lender elects to declare the Note immediately due and payable, the tender of payment by the Borrower prior to the exercise of the Lender's remedies against the Premises shall be deemed to be an evasion of this prepayment provision, and such payment, to the extent permitted by law, must also include liquidated damages in the amount of the Prepayment Premium, it being acknowledged by the Borrower that the Lender's actual damages in the event of such evasion are now and will then be impossible to ascertain. The Borrower hereby expressly agrees to pay the Prepayment Premium upon the voluntary or involuntary prepayment of the Note as provided above, and acknowledges the Lender's agreement to make the Loan evidenced by the Note on the terms contained herein constitutes adequate consideration for the Prepayment Premium.

For purposes of the Note, the "Fixed Amount" shall mean one percent (1.00%) of the amount prepaid. For purposes of the Note, the "Yield Amount" shall be the amount calculated as follows:

(i) The Lender shall first determine, as of the Prepayment Date, the amount, if any, by which the Interest Rate exceeds the sum of (a) the yield to maturity percentage (the "Current Yield") for the United States Treasury Note closest in maturity to the Maturity Date (the "Treasury Note") as published in *The Wall Street Journal* on the fifth business day preceding the Prepayment Date, plus (b) two and five one-hundredths (2.05%). If publication of (1) *The Wall Street Journal*, or (2) the Current Yield of the Treasury Note in *The Wall Street Journal* is discontinued, the Lender, in its sole discretion, shall designate another daily financial or governmental publication of national circulation to be used to determine the Current Yield;

(ii) The difference calculated pursuant to clause (i) above shall be multiplied by the outstanding principal balance of the Loan as of the Prepayment Date;

(iii) The product calculated pursuant to clause (ii) above shall be multiplied by the quotient, rounded to the nearest one-hundredth of one percent, obtained by dividing

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(A) the number of days from and including the Prepayment Date to and including the Maturity Date, by (B) 365; and

(iv) The product calculated pursuant to clause (iii) above shall be discounted at the annual rate of the Current Yield to the present value thereof as of the Prepayment Date, on the assumption that said sum would be received in equal monthly installments on each monthly anniversary of the Prepayment Date prior to the Maturity Date, with the final such installment to be deemed received on the Maturity Date;

provided that the Borrower shall not be entitled in any event to a credit against, or a reduction of, the indebtedness being prepaid if the Current Yield exceeds the Interest Rate or for any other reason.

6. Attachment to Note. The Lender may, and prior to any transfer by it of the Note shall, attach a copy of this Second Modification to the Note and place an endorsement on the Note making reference to the fact that such attachment has been made.

7. Continued Effectiveness of Loan Documents; Confirmation of Obligations. The Loan Documents shall remain in full force and effect as originally executed and delivered by the parties thereto, except as expressly modified and amended by this Second Modification. Each of the Borrower and the Guarantors hereby: (i) restates, confirms and reaffirms all of its or his respective obligations under the Loan Documents as modified by this Second Modification; (ii) acknowledges and agrees that the Lender, by entering into this Second Modification, does not waive any existing or future default under any of the Loan Documents, or any rights or remedies under any of the Loan Documents; (iii) acknowledges and agrees that the Lender has not heretofore waived any default under any of the Loan Documents, or any rights or remedies under any of the Loan Documents; and (iv) acknowledges that neither the Borrower nor any Guarantor has any set-off, defense or counterclaim to the payment or performance of any of their respective obligations under the Loan Documents, as modified by this Second Modification.

8. Certifications, Covenants, Representations and Warranties. In order to induce the Lender to enter into this Second Modification, each of the Borrower and the Guarantors hereby certifies, represents and warrants, to the Lender as follows:

(a) all certifications, covenants, representations and warranties contained in the Loan Documents and in all certificates heretofore delivered to the Lender in connection therewith are true and correct as of the date hereof, and all such certifications, representations and warranties are hereby remade and made to speak as of the date of this Second Modification;

(b) no default, or condition or event which with the giving of notice or passing of time, or both, would constitute a default under the Note, the Loan Agreement, the Mortgage or any of the other Loan Documents has occurred and is continuing;

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(c) the Loan Documents, as modified and amended hereby, are in full force and effect and continue to be the legal, valid and binding obligations of the Borrower and/or the Guarantors, as the case may be, enforceable in accordance with their respective terms, subject to limitations imposed by general principles of equity;

(d) there has been no material adverse change in the financial condition of the Premises, the Borrower, any Guarantor or any other party whose financial statement has been delivered to the Lender in connection with the Loan from the date of the most recent financial statement received by the Lender;

(e) as of the date hereof, none of the Borrower or any Guarantor has any claims, counterclaims, defenses, or set-offs with respect to the Loan or any of the Loan Documents, as modified and amended by this Second Modification;

(f) the Borrower is a limited liability company, validly existing and in good standing under the laws of the State of Illinois, and has the requisite power and authority to execute and deliver this Second Modification and to perform the obligations of the Borrower under the Loan Documents, as modified and amended by this Second Modification;

(g) the manager of the Borrower is Beal Holdings, LLC, a Delaware limited liability company (the "Manager"), and the Manager is validly existing under the laws of the State of Delaware, is in good standing under the laws of the States of Delaware and Illinois, and has the requisite power and authority to execute and deliver this Second Modification on behalf of the Borrower to perform the obligations of the Borrower under the Loan Documents, as modified and amended by this Second Modification;

(h) the Articles of Organization, Operating Agreement, Borrowing Resolution and Incumbency Certificate of the Borrower and/or the Manager have not been changed or amended since the most recent date that certified copies thereof were delivered to the Lender;

(i) the execution and delivery of this Second Modification and the performance of the Loan Documents, as modified and amended hereby, have been duly authorized by all requisite action by or on behalf of the Borrower and the Manager, and this Second Modification has been duly executed and delivered on behalf of the parties hereto.

9. Reaffirmation of Guaranty and Environmental Indemnity. Each of the Guarantors hereby expressly (a) consents to the execution by the Borrower and the Lender of this Second Modification; (b) acknowledges that the Guaranty and the Environmental Indemnity are each hereby modified and amended so that all references therein to the Loan (as defined in the Guaranty and the Environmental Indemnity) shall include all of the obligations and liabilities owing from the Borrower to the Lender under and pursuant to the Loan Documents and as evidenced by the Note, as modified and amended by this Second Modification; (c) reaffirms in

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all respects his obligations under the Guaranty and the Environmental Indemnity, as modified and amended by this Second Modification; (d) agrees that the execution and delivery of this Second Modification to, and its acceptance by, the Lender shall not in any manner whatsoever (i) impair or affect the liability of the Guarantors to the Lender under the Guaranty and/or the Environmental Indemnity, (ii) prejudice, waive, or be construed to impair, affect, prejudice or waive the rights and abilities of the Lender at law, in equity or by statute, against the Guarantors pursuant to the Guaranty and/or the Environmental Indemnity, and/or (iii) release or discharge, nor be construed to release or discharge, any of the obligations and liabilities owing to the Lender by the Guarantors under the Guaranty and/or the Environmental Indemnity, and (e) represents that each of the representations and warranties made by the Guarantors in the Guaranty, the Environmental Indemnity and the other Loan Documents remain true and correct as of the date hereof.

10. Conditions Precedent. This Second Modification shall become effective as of the date above first written after receipt by the Lender of the following documents:

(a) Second Modification. This Second Modification to Loan Documents duly executed by the parties hereto;

(b) Date-down Endorsement. A Date-Down Endorsement issued by Chicago Title Insurance Company to its Loan Policy No. 1401 008094557 D1 dated March 26, 2003, dating down title to the Premises to reflect the recordation of this Second Modification;

(c) Other. Such other documents, certificates, resolutions and/or opinions of counsel as the Lender may reasonably request.

11. References. All references in the Loan Documents and/or this Second Modification to any one or more of the "Loan Documents" shall be deemed to be references to such Loan Documents, as further modified and amended by this Second Modification.

12. Entire Agreement. This Second Modification sets forth all of the covenants, promises, agreements, conditions and understandings of the parties relating to the subject matter of this Second Modification, and no covenants, promises, agreements, conditions or understandings, either oral or written, exist between the parties except as set forth herein.

13. Successors. The Loan Documents, as modified by this Second Modification, shall inure to the benefit of the parties hereto and to the Lender's successors and assigns, and shall be binding upon the parties hereto and their respective successors, assigns and legal representatives.

14. Severability. In the event any provision of this Second Modification shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

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15. Amendments, Changes and Modifications. This Second Modification may be amended, changed, modified, altered or terminated only by a written instrument executed by all of the parties hereto.

16. Construction. This Second Modification shall not be construed more strictly against the Lender than against the Borrower or the Guarantors merely by virtue of the fact that this Second Modification has been prepared by counsel for the Lender, it being recognized that the Borrower, the Guarantors and the Lender have contributed substantially and materially to the preparation of this Second Modification, and the Borrower, the Guarantors and the Lender each acknowledges and waives any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Second Modification. Each of the parties to this Second Modification represents that it has been advised by its respective counsel of the legal and practical effect of this Second Modification, and recognizes that it is executing and delivering this Second Modification, intending thereby to be legally bound by the terms and provisions thereof, of its or his own free will, without promises or threats or the exertion of duress upon it. The signatories hereto state that they have read and understand this Second Modification, that they intend to be legally bound by it and that they expressly warrant and represent that they are duly authorized and empowered to execute it.

17. Sections; References.

(a) The words "hereby", "hereof", "herein" and "hereunder", and other words of a similar import refer to this Second Modification as a whole and not to the individual sections or paragraphs in which such terms are used.

(b) References to sections and other subdivisions of this Second Modification are to the designated sections and other subdivisions of this Second Modification as originally executed.

(c) The headings of this Second Modification are for convenience only and shall not define or limit the provisions hereof.

(d) Where the context so requires, words used in singular shall include the plural and vice versa, and words of one gender shall include all other genders.

19. Governing Law. This Second Modification is prepared and entered into with the intention that the law of the State of Illinois shall govern its construction and enforcement.

20. Execution of Counterparts. This Second Modification may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

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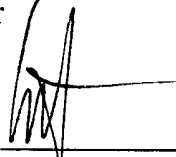
IN WITNESS WHEREOF, the parties hereto have caused this Second Modification of Loan Documents to be executed as of the date set forth above.

BORROWER:

DEARBORN THREE, LLC, an Illinois limited liability company

By: BEAL HOLDINGS, LLC, a Delaware limited liability company

Its: Manger

By: 

Name: William B. Silverstein

Title: Manager

By: 


Name: Thomas B. Silverstein

Title: Manager

GUARANTORS:



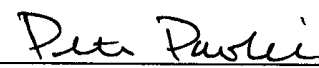
WILLIAM B. SILVERSTEIN



THOMAS B. SILVERSTEIN

LENDER:

LASALLE BANK NATIONAL ASSOCIATION, a national banking association

By: 

Name: Peter Paolilli

Title: VICE PRESIDENT

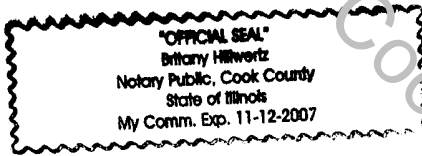
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that WILLIAM B. SILVERSTEIN and THOMAS B. SILVERSTEIN, the Managers of BEAL HOLDINGS, LLC, a Delaware limited liability company, the Manager of DEARBORN THREE, LLC, an Illinois limited liability company, who are 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 severally acknowledged that individually and as such Manager, they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said limited liability companies, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16th day of March, 2006.

Britany Hillwertz
Notary Public



My Commission Expires:

11-12-07

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that WILLIAM B. SILVERSTEIN, who is 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 this 16th day of March, 2006.

Britany Hillwertz
Notary Public

My Commission Expires:



11-12-07

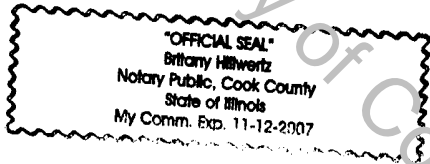
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that THOMAS B. SILVERSTEIN, who is 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 this 16th day of March, 2006.

Britany Hillwertz
Notary Public



My Commission Expires:

11-12-07

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that Peter Paulilli, an Vice President of LASALLE BANK NATIONAL ASSOCIATION, a national banking association, formerly known as LaSalle National Bank, who is 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 as such _____, he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said banking association, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16th day of March, 2006.

Britany Hillwertz
Notary Public



My Commission Expires:

11-12-07

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EXHIBIT "A"

LEGAL DESCRIPTION OF PREMISES

LOTS 40 AND 41 IN BURTON'S SUBDIVISION OF LOT 14 IN BRONSON'S ADDITION TO CHICAGO IN SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property Address of Premises:

1446 North Dearborn Street
Chicago, Illinois 60610

Permanent Tax Index Number:

17-04-209-020-0000

GKF:me
March 15, 2006
(175534233)