



Doc#: 0636026111 Fee: \$38.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/26/2006 11:52 AM Pg: 1 of 8

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SECOND MODIFICATION OF MORTGAGE LOAN

THIS SECOND MODIFICATION OF MORTGAGE LOAN (the "Agreement" or "Second Modification") is made and entered into effective as of the 27th day of September, 2006, by and between **PATRIOT COURTYARDS INVESTORS, LLC**, an Arizona Limited Liability Company ("Borrower"), **JONATHON VENTC**, personally ("Vento"), **RONALD BUCHHOLZ**, personally ("Buchholz") and **DONALD J. ZELEZNAK**, personally ("Zeleznak") (Vento, Buchholz and Zeleznak sometimes being collectively or alternatively referred to herein as the "Guarantors") and **THE PRIVATEBANK AND TRUST COMPANY**, an Illinois Banking Corporation (the "Lender").

RECITALS:

A. Borrower is indebted to Lender in the principal sum of **TEN MILLION FOUR HUNDRED THIRTY NINE THOUSAND TWO HUNDRED TWENTY FIVE AND NO/100 (\$10,439,229.00) DOLLARS**, as evidenced by a certain Secured Promissory Note dated on or about September 27, 2004 (the "Note"), evidencing a certain real estate construction line of credit loan (including provision for letter of credit financing) (the "Loan").

B. Such Note and Loan are secured by various "Loan Documents" including but not limited to:

- (i) a certain first Mortgage, Assignment of Rents and Security Agreement (the "Mortgage") given by Borrower (as Mortgagor) to Lender (as Mortgagee) pertaining to certain commercial "Mortgaged Premises" situated at the **southwest corner of Lehigh Avenue and Patriot Blvd., in Glenview, Cook County, Illinois**, and legally described on **Exhibit "A"** attached hereto and made a part hereof, which Mortgage has been recorded in Cook County, Illinois on October 12, 2004 as **Document No. 0428633039**,

This Instrument Prepared By:

J. Steven Butkus, Esq.
GUERARD, KALINA & BUTKUS
100 W. Roosevelt Road, Suite A-1
Wheaton, IL 60187

P.I.N.: 04-22-101-041-0000

Property Address/Common Description:
**7+/- Acre Parcel @ Southwest Corner of
Lehigh Avenue & Patriot Blvd., Glenview, IL**

After Recording Return To:

The PrivateBank and Trust Company
Attn: Ms. Patricia Kahlenberg
Commercial Loan Department
24 South Second Street
St. Charles, IL 60174

(Patriot Courtyards Office Condominium Project)

BOX 333-CT

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- (ii) a Construction Loan, Letter of Credit and Security Agreement executed by Borrower and Lender (the "**Construction Loan Agreement**" or "**Loan Agreement**");
- (iii) the joint and several Limited Personal Guaranty(s) (the "**Guarantys**") of the Note and the Loan by the aforementioned Guarantors;
- (iv) a Collateral Assignment of Plans, Specifications, Permits, Construction and Service Contracts pertaining to the Project being constructed upon such Mortgaged Premises ("**Collateral Assignment of Plans and Specs**"); and
- (v) various other collateral assignments, pledges, environmental affidavits/indemnities, tenant subordinations and other security instruments pertaining to various contracts, permits and other items (the "**other security instruments**").

C. The parties have previously executed and entered into a certain Mortgage Loan Modification Agreement dated December 22, 2005 and recorded in Cook County, Illinois on August 17, 2006 as **Document No. 062293400** (the "**First Modification**") for purposes of modifying and extending the original Maturity Date and term of the Note and Loan to be September 27, 2006 (the "**Modified Maturity Date**").

D. The Note and Loan (as modified and amended by the First Modification) is to mature on September 27, 2006 (the "**Modified Maturity Date**") and Borrower has requested that Lender: (i) modify and extend such Modified Maturity Date and the term of such Note and Loan an additional nine (9) months, through and including **JUNE 27, 2007** (the "**Second Modified Maturity Date**"); and (ii) agree to release the Guarantys of Guarantors Vento and Zeleznak (but not the continuing personal Guaranty of Buchholz).

E. Lender is willing to so modify, amend and extend the Note and Loan subject to and upon the terms and conditions set forth in this Second Modification.

F. On the basis of prior sales of units or portions of the completed Mortgaged Premises to bona fide third party purchasers (the "**Released Units**") and Lender's receipt of required mandatory principal reduction payments toward the Note and Loan Indebtedness, Lender acknowledges that this Second Modification no longer pertains to any such Released Units for which Lender has previously executed and delivered a partial release of its Mortgage.

NOW, THEREFORE, for good and valuable consideration, the mutual sufficiency and receipt of which is hereby acknowledged, the parties agree as follows:

1. **Incorporation of Recitals**. The foregoing Recitals are true and correct in substance and in fact and are hereby incorporated herein by reference as if the same were fully set forth herein.
2. **Modification and Extension of "Modified Maturity Date"**. The Note, Construction Loan Agreement, Mortgage and all other Loan Documents are hereby modified and amended to modify and extend the "Modified Maturity Date" of September 27, 2006 to be **JUNE 27, 2007** (the "**Second Modified Maturity Date**"), at which date the entire unpaid Principal Balance, unpaid interest and other charges, unless sooner paid or required to be paid, shall be due and payable **IN FULL**, without further notice.

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3. **Modification and Reduction of Principal Amount of Note and Loan.** On the basis of principal reduction payments made to date under the Note and Loan and as a condition of Lender's agreement herein to further modify and extend the term of such Note and Loan, Borrower and Guarantor(s) acknowledge, confirm and agree that the Principal Sum of the Note and Loan shall henceforth not exceed ***One Million Six Hundred Eighty Thousand and No/100 (\$1,680,000.00) Dollars*** and Borrower shall continue to make principal reduction payments, and in any event full repayment of principal and any accrued interest at Maturity, all as further provided in the Note, the Construction Loan Agreement and other Loan Documents, as modified and amended hereby.
4. **Payment Terms During Second Extended Term/Interest Rate/Interest Rate "Floor".** The Note and Loan term through such Second Modified Maturity Date is sometimes referred to herein as the ***Second Extended Term.*** During the Second Extended Term, the regular rate of interest shall continue to be an adjustable, floating rate of interest equal to "Prime Rate" (as defined in the Note) ***plus One (1.0%) Percent per annum*** (the ***"Regular Rate"***) provided further, however, Borrower and Guarantor each acknowledge and agree with Lender that, regardless of the floating, variable feature of such Regular Rate of interest, in no event shall such Regular Rate ever be less than ***Seven and Three-Quarters (7.75%) Percent per annum*** (the ***"Interest Rate Floor"***). During such Second Extended Term, Borrower shall make monthly payments of interest only, all as further provided in the Note. Additionally, during such Second Extended Term, Borrower shall make mandatory principal reduction-partial release payments, as further provided in the Note, the Construction Loan Agreement and other Loan Documents.
5. **Cash Collateral Account Requirement to Secure Letter of Credit.** Borrower hereby acknowledges, covenants, confirms, reaffirms and agrees that upon full payment of the Note and Loan Indebtedness, mandatory principal reduction-partial release payments from sales of Units in the Mortgaged Premises/ Project shall nonetheless continue to be required for purposes of funding a cash collateral account to secure any remaining Letter of Credit financing, all as further provided at Paragraph 4.11 of the Construction Loan Agreement and elsewhere in the Loan Documents.
6. **Continuing "Financial Covenants".** Borrower and the below-referenced remaining Guarantor (Buchholz) shall continue to:
- (i) abide by and perform all terms and conditions of the Construction Loan Agreement and other Loan Documents, including but not limited to maintaining the ***"Loan In Balance"***;
 - (ii) furnish Lender with annual personal financial statements and federal income tax returns within not more than ninety (90) days after the fiscal year end of such persons or entities;
 - (iii) maintain a depository relationship with Lender; and
 - (iv) be restricted from placing any other debt, lien or encumbrance against the Mortgaged Premises.
7. **Release of Certain Guarantors/Amendment to Buchholz Guaranty (FULL-UNLIMITED GUARANTY).** Lender hereby agrees to hereby release and cancel the Limited Personal Guarantys of the Note and Loan of Guarantors, ***Jonathon Vento*** and ***Donald J. Zeleznak***, and each of them, and in return each such Guarantor hereby releases and discharges Lender from any right or claim either of them has or may have ever had in any manner pertaining to the Loan, the Loan Documents, the Mortgaged Premises or the Project. As an express inducement and condition of Lender's agreement to so release Vento and Zeleznak from their respective Personal Guarantys of such Note and Loan,

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Guarantor, **RONALD BUCHHOLZ** hereby acknowledges, confirms and agrees that his Limited Personal Guaranty shall be and hereby is modified and amended:

- (i) to be **UNLIMITED** and shall pertain to **ONE HUNDRED (100%) PERCENT** of Note and Loan Indebtedness; and
 - (ii) have deemed stricken any "Limit" or "Guaranty Limit" restriction or qualification as to the extent of such Guarantor's liability, including but not limited to any such limit, restriction or qualification set forth or identified at Section 2.2 of such Limited Personal Guaranty or anywhere else within any Loan Document.
8. **Waivers/Reaffirmation.** Borrower and remaining Guarantor-Buchholz, as an express inducement to Lender to enter into this Second Modification, each waive any and all errors, imperfections, set offs and defenses that in any manner may exist as of this date with respect to the aforementioned Loan, the obligation to repay such Loan, and any of the collateral for the Loan including such Mortgage. Borrower and Guarantor-Buchholz each hereby affirm and reaffirm the terms, conditions and provisions of the Note and Mortgage (as modified, amended and extended hereby) and the Guaranty and each and every other Loan Document(s) to which any of them is/are a party and Borrower and Guarantor-Buchholz each hereby covenant and agree to hereafter execute such instruments and take such actions as may from time to time be required by Lender to further evidence, effectuate or perfect the intents and purposes hereof and/or any security interests of Lender with respect to any of the collateral for the Loan. The Personal Guaranty of Guarantor-Buchholz and all Indebtedness and obligations thereunder continues to be in full force and effect and is hereby affirmed and reaffirmed.
9. **Authority.** Borrower and Guarantor-Buchholz each hereby warrant and represent that each has full power and authority to execute, enter into, abide by, and perform the terms, provisions, conditions and undertakings set forth in this Second Modification (and the Note, Mortgage and all other Loan Documents modified hereby) and that all requisite resolutions or authorizations for their respective execution and delivery of this Second Modification to Lender and performance thereof have been duly adopted or given. Neither Borrower nor Guarantor-Buchholz are under or subject to any restriction, which would limit or restrict its or his respective execution, delivery and performance of this Second Modification.
10. **Expenses/Enforcement/Miscellaneous.** Borrower and Guarantor-Buchholz each hereby covenant and agree to promptly pay or reimburse to Lender upon notice all recording or filing fees, and all other reasonable out-of-pocket expenses (including Lender's reasonable attorney's fees and the cost of a date down endorsement to Lender's title policy) incurred, sustained or expended by Lender in the negotiation, review and preparation of this Second Modification and any other instruments or documents contemplated hereby or otherwise required by Lender in conjunction herewith. To the extent any terms hereof are inconsistent with the terms of the aforementioned Mortgage and other Loan Documents, the terms and provisions hereof shall govern and control. Otherwise, the terms and conditions of such Note, Mortgage, Guaranty, and the other Loan Documents remain unaltered and intact and are hereby affirmed and reaffirmed by the respective parties thereto. This Second Modification is a "Loan Document" as such term is defined in the Note. This Second Modification contains the entire understanding and terms of the parties with respect to the subject matter hereof and shall be binding upon and shall inure to the benefit of the parties hereto and their respective heirs, successors and assigns. This Second Modification may be executed in multiple counterparts, each of which shall be deemed an original, and all of which, when taken together, shall be deemed a single instrument.

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IN WITNESS WHEREOF, the parties have executed this Second Modification effective as of the date first written above.

BORROWER:

PATRIOT COURTYARDS INVESTORS, LLC, an Arizona Limited Liability Company

By: **Zeltor, LLC**, a Nevada Limited Liability Company, Member

By: Donald J. Zeleznak
Donald J. Zeleznak, Member-Manager

By: **Vento Investments, LLC**, a(n) **ARIZONA** Limited Liability Company, Member

By: Jonathon Vento
Jonathon Vento, Member-Manager

By: **RDB Development, LLC**, a(n) _____ Limited Liability Company, Member

By: Ronald Buchholz
Ronald Buchholz, Member-Manager

CONTINUING GUARANTOR:

Ronald Buchholz
RONALD BUCHHOLZ, personally

RELEASED GUARANTOR(S):

Jonathon Vento
JONATHON VENTO, personally

Donald J. Zeleznak
DONALD J. ZELEZNAK, personally

LENDER:

THE PRIVATE BANK AND TRUST COMPANY,
an Illinois Banking Corporation

By: _____

Its: _____

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STATE OF Illinois
COUNTY OF Kane) SS.

I, the undersigned, a Notary Public, in and for and residing in said County and State, **DO HEREBY CERTIFY**, that **RONALD BUCHHOLZ**, personally, known to me to be the same person whose name is subscribed to the foregoing instrument as such person, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act for the uses and purposes set forth therein. **GIVEN** under my hand and notarial seal this 27th day of September, 2006.

Susan Terwilliger
Notary Public



STATE OF ARIZONA
COUNTY OF MARICOPA) SS.

I, the undersigned, a Notary Public, in and for and residing in said County and State, **DO HEREBY CERTIFY**, that **DONALD J. ZELEZNAK**, personally, known to me to be the same person whose name is subscribed to the foregoing instrument as such person, appeared before me this day in person and acknowledged that he signed and delivered said instrument as his own free and voluntary act for the uses and purposes set forth therein. **GIVEN** under my hand and notarial seal this 19th day of DECEMBER, 2006.

Rebecca Armistead Anders
Notary Public



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EXHIBIT "A"

LEGAL DESCRIPTION

LOT 2 OF PRAIRIE GLEN CORPORATE CAMPUS, PHASE 1, UNIT 1, A RESUBDIVISION OF A PORTION OF LOT 4 IN GLENVIEW NAVAL AIR STATION SUBDIVISION NO. 2, BEING A SUBDIVISION OF PART OF SECTIONS 15, 21, 22, 23, 26, 27, 28, AND 34, TOWNSHIP 42 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 04-22-101-041-0000

Property Address/Common Description:

80,325+/- S.F. Multi-Building Office Condominium

Project known as "Patriot Courtyard," at

2600 Patriot Blvd., Glenview, IL