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THIS DOCUMENT PREPARED BY:

Crowley & Lamb, P.C.
350 North LaSalle Street Suite 900
Chicago, Illinois 60610

AFTER RECORDING RETURN TO:

The PrivateBank and Trust Company
70 West Madison, Suite 200, Chicago,
Illinois 60602
Attn: Daniel Siadak, Managing Director



Doc#: 0636309021 Fee: \$38.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 12/29/2006 11:11 AM Pg: 1 of 8

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THIRD MODIFICATION OF LOAN DOCUMENTS WITH CROSS COLLATERALIZATION

THIS THIRD MODIFICATION OF LOAN DOCUMENTS WITH CROSS COLLATERALIZATION (this "Agreement") is made effective as of the 28TH day of December, 2006, by and among **193 SOUTH EVERGREEN STREET, LLC, an Illinois limited liability company**, with an address at 3416 North Ashland Avenue, Chicago, Illinois 60657 ("Borrower"), **GARY DESTEFANO and DESTEFANO DEVELOPMENT INCORPORATED, an Illinois corporation**, having an address at 3416 North Ashland Avenue, Chicago, Illinois 60657 (collectively "Guarantor") and **THE PRIVATEBANK AND TRUST COMPANY**, its successors and assigns, having an address at 70 West Madison, Suite 200, Chicago, Illinois 60602 ("Lender").

RECITALS:

A. Lender has heretofore made a construction loan ("Loan") to Borrower in the principal amount of ONE MILLION ONE HUNDRED EIGHTY FIVE THOUSAND AND NO/100THS DOLLARS (\$1,185,000.00), as evidenced by a Promissory Note dated January 21, 2005, in the principal amount of the Loan made payable by Borrower to the order of Lender ("Note") and a certain Construction Loan and Security Agreement ("Loan Agreement") dated January 21, 2005 from Borrower in favor of the Lender.

B. The Note is secured by, among other things, (i) that certain Mortgage dated January 21, 2005, from Borrower to Lender recorded with the Recorder of Deeds in Cook County, Illinois (the "Recorder's Office") on January 25, 2005, as Document No. 0502519012 (the "Mortgage"), which Mortgage encumbers the real property and all, improvements thereon legally described on Exhibit "A" hereto ("Property"), and (ii) that certain Assignment of Rents and Leases dated January 21, 2005, from Borrower to Lender and recorded with the Recorder's Office on January 25, 2005, as Document No. 0502519013 (the "Assignment

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of Leases"), (iii) the personal Guaranty ("Guaranty") of Gary DeStefano and DeStefano Development Incorporated, an Illinois Corporation, guaranteeing payment and performance of all obligations of Borrower under the Note and Loan Documents (as hereinafter defined) and (iv) certain other loan documents (the Note, the Mortgage, the Loan Agreement, the Guaranty, the Assignment of Leases and any other document evidencing, securing and guarantying the Loan, in their original form and as amended, are sometimes collectively referred to herein as the "Loan Documents").

C. The Loan Documents were amended by First Modification of Loan Documents dated February 1, 2006 pursuant to which the Maturity Date on the Note was extended from February 1, 2006 to November 1, 2006 and further amended by Second Modification of Loan Documents dated November 1, 2006 pursuant to which the Maturity Date on the Note was extended from November 1, 2006 to July 1, 2007 (the "Loan Modifications").

E. Borrower has requested that Lender advance an additional amount of Five Hundred Fifty Three Thousand Dollars (\$553,000.00) (the "Additional Advance"), which funds are to be used solely for completion of the Project (as defined in the Loan Agreement) and in consideration of Lender agreement to make the Additional Advance to Borrower, Guarantor is willing to unconditionally guaranty payment of the Additional Advance and further to grant a junior mortgage in favor of Lender against the Guarantor's personal residence at 1119 Judson Avenue, Evanston, Illinois 60202-1314, as additional collateral for the Borrower and Guarantor's obligations under the Note, the loan Documents and the Additional Advance.

H. Whereas, Lender is willing to advance the additional amount of Five Hundred Fifty Three Thousand Dollars (\$553,000.00) to Borrower, conditioned on (i) Borrower executing a Non-Revolving Line of Credit Note of even date herewith, evidencing the Additional Advance, (ii) Guarantor unconditionally guaranty payment of the Additional Advance (iii) Gary Destefano and his wife executing such documents as are necessary to grant a junior mortgage in favor of Lender against the Gary Destefano's personal residence at 1119 Judson Avenue, Evanston, Illinois and legally described in Exhibit B hereto, as additional collateral for the Borrower and Guarantor's obligations under the Note, the Loan Documents and the Additional Advance, on the terms and conditions more fully set forth hereinafter.

AGREEMENTS:

NOW, THEREFORE, in consideration of (i) the facts set forth hereinabove (which are hereby incorporated into and made a part of this Agreement), (ii) the agreements by Lender to modify the Loan Documents, as provided herein, (iii) Borrowers agreement to pay Lender an irrevocable loan extension fees (the "Loan Fee") in the amount of \$2,765.00 plus all of Lender's reasonable attorneys fees and costs in connection with this Modification, (iv) the covenants and agreements contained herein and (v) for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Additional Advance.** Lender agrees to advance to Borrower the sum of Five Hundred Fifty Three Thousand Dollars (\$553,000.00), to be evidenced by a Non-Revolving Line of Credit Note (the "LOC Note") of even date herewith, from Borrower in favor of Lender, in form and substance acceptable to Lender. Interest only shall accrue on the unpaid balance of the LOC Note at the "Prime Rate", plus one percent (1.0%) per annum (the "LOC Note Rate") and at the rate of 5.00% per annum above the Note Rate, at the bank's option, upon the occurrence of any default under the LOC Note. Commencing on the date of disbursement and on the first day of each and every month thereafter, with the first payment due February 1, 2007 Borrower shall pay to Lender interest in arrears on the unpaid principal balance of the LOC Note, at the LOC Note Rate. For the purposes hereof, the term "Prime Rate" shall mean the highest prime lending

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rate as published from time to time in the Money Section of the Wall Street Journal., and shall be paid monthly in arrears in arrears . The Additional Advance evidenced by the LOC Note is payable in full on July 1, 2007, (herein called the"LOC Maturity Date").

2. **Additional Collateral.** Gary Destefano acknowledges and agrees that it is a condition of the Additional Advance that Gary Destafano and Emily Destefano execute and deliver to Lender a Junior Mortgage and Security Agreement ("Junior Mortgage")dated of even date herewith, granting Lender a mortgage lien against their personal residence at 1119 Judson Avenue, Evanston, Illinois and legally described in Exhibit B hereto, as additional collateral for the Borrower and Guarantor's obligations under the Note, the Loan Documents and the Additional Advance. Borrower and each Guarantor acknowledges and agrees that a default by Borrower under the Note or the LOC Note shall be deemed an event of default under the Loan Agreement allowing Lender the right to declare all amounts due Lender from Borrower immediately due and payable, without notice and shall afford the Lender the right to pursue an action against Borrower, the Guarantor and the real estate described in Exhibit "A" and Exhibit "B", as Lender deems reasonable and necessary..

3. **Amendment to the Loan Agreement:** Borrower agree that the Loan Agreement shall be amended to include the Additional Advance, evidenced by the LOC Note, as Loan Proceeds (as defined therein). In addition, all references to the Note in the Loan Agreement or the other Loan Documents, shall now include the LOC Note as well.

4**Modification and Reaffirmation of Guaranty.** Guarantor's ratifies and affirms the Guaranty's and agree that the amount of the Guaranty is hereby amended and restated to reflect Guarantor's unlimited and unconditional personal guarantee of the aggregate indebtedness evidenced hereby, One Million Seven Hundred Thirty Eight Thousand Dollars (\$1,738,000) and other wise Guarantor ratifies and affirms the Guaranty and agrees that the Guaranty is in full force and effect following the execution and delivery of this Agreement and the Amended and Restated Note. The representations and warranties of Guarantor in the Guaranty are, as of the date hereof, true and correct and Guarantor does not know of any default thereunder. The Guaranty continues to be the valid and binding obligation of Guarantor, enforceable in accordance with its terms and Guarantor has no claims or defenses to the enforcement of the rights and remedies of Lender thereunder, except as provided in the Guaranty.

5. **Representations and Warranties of Borrower and Guarantor** Borrower and Guarantor hereby represent, covenant and warrant to Lender as follows:

(a) The representations and warranties in the Note (as amended and modified), the LOC Note, the Loan Agreement, the Mortgage, the Junior Mortgage and the other Loan Documents are true and correct as of the date hereof.

(b) There is currently no Event of Default (as defined in the Loan Documents) under the Note (as amended and modified), the LOC Note, the Loan Agreement, the Mortgage, the Junior Mortgage or the other Loan Documents and neither Borrower nor Guarantor knows of any event or circumstance which with the giving of notice or passing of time, or both, would constitute an Event of Default under the the Note (as amended and modified), the LOC Note, the Loan Agreement, the Mortgage, the Junior Mortgage or the other Loan Documents.

(c) The Loan Documents are in full force and effect and, following the execution and delivery of this Agreement, they continue to be the legal, valid and binding obligations of Borrower

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and Guarantor 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 Borrower, Guarantor or any other party whose financial statement has been delivered to Lender in connection with the Loan from the date of the most recent financial statement received by Lender.

(e) As of the date hereof, neither Borrower nor Guarantor have any claims, counterclaims, defenses, or set-offs with respect to the Loan, the LOC Note or the Loan Documents as modified herein.

(f) The execution and delivery of this Agreement and the performance of the Loan Documents as modified herein have been duly authorized by all requisite action by or on behalf of Borrower and Guarantors. This Agreement has been duly executed and delivered on behalf of Borrower and Guarantors.

6. **Title Policy.** As a condition precedent to the agreements contained herein, Borrower shall, at its sole cost and expense, cause Greater Illinois Title Company to issue a Lender's title insurance policy No. 4369253 (the "**Title Policy**"), as of the date this Agreement is recorded, reflecting the recording of this Agreement and the Junior Mortgage and insuring the lien of the Junior Mortgage, subject only to the Permitted Exceptions set forth in the Junior Mortgage any other encumbrances expressly agreed to by Lender.

7. **Expenses.** As a condition precedent to the agreements contained herein, Borrower shall pay all out-of-pocket costs and expenses incurred by Lender in connection with this Agreement, including, without limitation, title charges, recording fees, appraisal fees and attorneys' fees and expenses.

8. **Miscellaneous.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

(b) This Agreement shall not be construed more strictly against Lender than against Borrower or Guarantor merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that Borrower, Guarantor and Lender have contributed substantially and materially to the preparation of this Agreement, and Borrower, Guarantor and Lender each acknowledge and waive any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Agreement. Each of the parties to this Agreement represents that it has been advised by its respective counsel of the legal and practical effect of this Agreement, and recognizes that it is executing and delivering this Agreement, intending thereby to be legally bound by the terms and provisions thereof, of its 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 Agreement, 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.

(c) Notwithstanding the execution of this Agreement by Lender, the same shall not be deemed to constitute Lender a venturer or partner of or in any way associated with Borrower nor shall privity of contract be presumed to have been established with any third party.

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(d) Borrower, Guarantor and Lender each acknowledges that there are no other understandings, agreements or representations, either oral or written, express or implied, that are not embodied in the Loan Documents and this Agreement, which collectively represent a complete integration of all prior and contemporaneous agreements and understandings of Borrower, Guarantor and Lender; and that all such prior understandings, agreements and representations are hereby modified as set forth in this Agreement. Except as expressly modified hereby, the terms of the Loan Documents are and remain unmodified and in full force and effect.

(e) This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(f) Any references to the "Note", the "Mortgage" or the "Loan Documents" contained in any of the Loan Documents shall be deemed to refer to the Amended and Restated Note, the Mortgage and the other Loan Documents as amended hereby. The paragraph and section headings used herein are for convenience only and shall not limit the substantive provisions hereof. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders. Any word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

(g) This Agreement may be executed in one or more counterparts, all of which, when taken together, shall constitute one original Agreement.

(h) Time is of the essence of each of Guarantor and Borrower's obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement dated as of the day and year first above written.

LENDER:

THE PRIVATEBANK AND TRUST
COMPANY

By: Allison Mandell
Its: MANAGING DIRECTOR

BORROWER:

195 SOUTH EVERGREEN STREET, LLC,
an Illinois limited liability company

By: DeStefano Development, Incorporated., an
Illinois corporation, its Manager

By: Gary DeStefano
Gary DeStefano, Its President

GUARANTOR:

GARY DESTEFANO

DESTEFANO DEVELOPMENT
INCORPORATED, an Illinois corporation

By: Gary DeStefano
Gary DeStefano, Its President

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, _____, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that _____, Managing Director of THE PRIVATEBANK AND TRUST COMPANY, known to me to be the same person whose name is subscribed to the foregoing instrument as such Managing Director, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary acts, and as the free and voluntary act of THE PRIVATEBANK AND TRUST COMPANY, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 28 day of December, 2006.

My Commission Expires:

8/4/2010



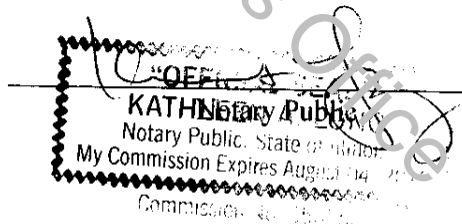
STATE OF ILLINOIS)
) SS.
COUNTY OF _____)

I, _____, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Gary DeStefano, individually and as President of DeStefano Development, Incorporated, an Illinois corporation, the manager of 193 SOUTH EVERGREEN STREET, LLC, an Illinois limited liability company, known to me to be the same person whose name is subscribed to the foregoing instrument as such manager, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary acts, and as the free and voluntary act of DeStefano Development, Inc., an Illinois corporation, as the manager for 193 SOUTH EVERGREEN STREET, LLC, an Illinois limited liability company for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 28 day of December, 2006.

My Commission Expires:

8/4/2010



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EXHIBIT A

LEGAL DESCRIPTION

THE WEST ½ (EXCEPT THE EAST 3.08 FEET) OF THAT PART OF THE WEST ½ OF THE NORTHWEST ¼ OF SECTION 32, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, DESCRIBED AS FOLLOWS: COMMENCING AT A POINT IN THE CENTER OF ROAD, 418 FEET SOUTH OF THE NORTHEAST CORNER OF THE WEST ½ OF THE NORTHWEST ¼ OF SAID SECTION 32, THENCE 4.80 CHAINS, THENCE SOUTH 77 FEET, THENCE EAST 4.80 CHAINS, THENCE NORTH 77 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

P.I.N. NO. 03-32-103-007-0000

COMMONLY KNOWN AS: 193 SOUTH EVERGREEN STREET, ARLINGTON HEIGHTS, ILLINOIS 60005

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EXHIBIT B

LEGAL DESCRIPTION

NEW COLLATERAL

LOT 16 IN BLOCK 79 IN THE NORTHWESTERN UNIVERSITY SUBDIVISION OF THAT PART OF THE NORTH ½ OF THE NORTH ½ OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF CHICAGO AVENUE, EXCEPT THE 15-1/2 ACRES IN THE NORTHEAST CORNER THEREOF, IN COOK COUNTY, ILLINOIS.

P.I.N.: 11-19-209-001 VOL. 58

Commonly Known as: 1119 JUDSON AVENUE, EVANSTON, ILLINOIS 60202-1314

Property of Cook County Clerk's Office