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Cook County Recorder of Deeds
Date: 05/02/2007 10:34 AM Pg: 1 of 6

Recorder's use only.

MODIFICATION OF MORTGAGE AND SECURITY AGREEMENT

made by

E & R DEVELOPERS, LLC, an Illinois limited liability company,

and

HERITAGE COMMUNITY BANK,

an Illinois banking corporation.

PREPARED BY AND WHEN
RECORDED RETURN TO:
Alexander R. Domanskis
Boodell & Domanskis, LLC
205 N. Michigan Avenue, Suite 4307
Chicago, IL 60601

Property Address(es): 4954-4958 S. King Drive, and
352 E. 50th Street, Chicago, IL

Tax Number(s): 20-10-117-021-0000

BOX 333-CT1

LK9

Property of Cook County Clerk's Office

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MODIFICATION OF MORTGAGE AND SECURITY AGREEMENT

THIS MODIFICATION OF MORTGAGE AND SECURITY AGREEMENT (this "Agreement") is made this 20th day of April, 2007, by and between E & R DEVELOPERS, LLC, an Illinois limited liability company ("Mortgagor"), and HERITAGE COMMUNITY BANK, an Illinois banking corporation ("Mortgagee").

RECITALS

A. Mortgagor has heretofore executed and delivered to Mortgagee that certain Adjustable Rate Term Note, dated February 25, 2005, in the original principal amount of Six Hundred Seventy Five Thousand and 00/100 dollars (\$675,000.00), and Mortgagor has heretofore executed and delivered to Mortgagee that certain Adjustable Rate Revolving Credit Note, dated February 25, 2005, in the original principal amount of Seven Hundred Twenty Five Thousand and 00/100 Dollars (\$725,000.00) (the "Original Notes"), as amended by that certain Loan Modification Agreement dated June 14, 2006, increasing the amount of the Original Notes to \$2,635,500.00.

B. The Original Notes are secured by, among other things, that certain Mortgage and Security Agreement (the "Original Mortgage"), dated February 25, 2005, from Mortgagor in favor of Mortgagee, and recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on March 4, 2005 as document no. 0506333028, which Original Mortgage encumbers certain real property commonly known as 4954-4958 S. King Drive, Chicago, Illinois and 352 E. 50th Street, Chicago, Illinois and legally described in Exhibit A attached hereto and made a part hereof, as amended by the Modification of Mortgage dated June 14, 2006 and recorded July 10, 2006 as document No. 0619133079.

C. Concurrently with the execution and delivery of this Agreement, Mortgagor and Mortgagee have executed and delivered that certain Loan Modification Agreement (the "Modification"), of even date with this Agreement, pursuant to which Modification, among other things, Mortgagor and Mortgagee have agreed to increase the principal amount of the loan evidenced by the Original Notes to Three Million Eighty Thousand Five Hundred and 00/100 Dollars (\$3,080,500.00) and extending the Maturity Date to August 25, 2007.

D. Mortgagee, as the owner of the Original Notes and the Notes as modified by the Loan Modification Agreement dated June 14, 2006 and this current Loan Modification Agreement, and as the mortgagee under the Original Mortgage as modified June 14, 2006, and Mortgagor have agreed to modify the Original Mortgage to reflect the agreements of Mortgagor and Mortgagee set forth in the Loan Modification Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein, as well as other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Mortgagor and Mortgagee hereby agree as follows:

1. Recitals. The foregoing recitals are hereby incorporated into and made a part of this Agreement.

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2. Loan Modification Agreement.

(a) Any and all references in the Original Mortgage to the Original Notes are hereby amended to incorporate all changes made to the two Notes pursuant to the Loan Modification Agreement and this Agreement.

(b) Notwithstanding anything to the contrary contained in the Original Mortgage, the term "Principal Amount" means Three Million Eighty Thousand Five Hundred and 00/100 Dollars (\$3,080,500.00).

3. Continuing Effect; Ratification. Mortgagor expressly ratifies and confirms the terms and provisions of the Mortgage, as modified and amended by this Agreement, and acknowledges and agrees that the Mortgage, as modified and amended by the terms of this Agreement, is and shall remain in full force and effect, and is and shall be binding upon Mortgagor and Mortgagor's successors and assigns, and does and shall secure the full amount of the Note as amended by the Loan Modification Agreement. All references in the Loan Modification Agreement or in the Other Loan Documents (as defined in the Mortgage, as modified and amended by this Agreement) to the Mortgage shall be deemed to be a reference to the Mortgage as modified and amended by this Agreement.

4. Certifications, Representations and Warranties. Mortgagor hereby certifies, represents and warrants to Mortgagee that all certifications, representations and warranties contained in the Mortgage and in all certificates heretofore delivered to Mortgagee by Mortgagor 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 Agreement.

5. Additional Certifications, Representations and Warranties. In addition to the certifications, representations and warranties set forth in the Mortgage, Mortgagor hereby certifies, represents and warrants to Mortgagee as follows:

(a) Mortgagor has full right, power and authority to enter into and execute and deliver this Agreement and to otherwise perform and consummate the transactions contemplated hereby.

(b) This Agreement has been duly executed and delivered by Mortgagor, and constitutes the valid and legally binding obligation of Mortgagor, enforceable in accordance with its terms. The execution and delivery of this Agreement and compliance with the provisions hereof do not and will not conflict with or constitute a breach or violation of or default under any agreement or other instrument to which Mortgagor is a party, or by which Mortgagor is bound, or to which any of Mortgagor's properties are subject, or any existing law, administrative regulation, court order or consent decree to which Mortgagor is subject.

(c) There is no litigation or administrative proceeding pending or threatened to restrain or enjoin the transactions contemplated by this Agreement or questioning the validity hereof, or in any way contesting the powers of Mortgagor, or in which an unfavorable decision, ruling or finding would adversely affect the transactions contemplated by this Agreement.

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(d) Mortgagor is in full compliance with all of the terms and conditions of this Agreement and of the Mortgage, as modified and amended by this Agreement, and no event of default has occurred and is continuing with respect thereto, and no event has occurred and is continuing that, with the lapse of time or the giving of notice or both would constitute such an event of default; and Mortgagor hereby releases and waives any and all claims or causes of action which Mortgagor may have against Mortgagee or its agents.

(e) Mortgagor does not now have or hold any defense to the performance of any of its obligations under the Mortgage, as modified and amended by this Agreement, and does not have any claim against Mortgagee.

6. Costs and Expenses. Mortgagor shall pay any and all costs and expenses, including, without limitation, recording fees, attorneys' fees and expenses and title charges (including the title insurance premiums required to be paid in order for Mortgagee to obtain title insurance insuring the lien of the Mortgage, as modified by this Agreement, in the amount of \$3,080,500.00, and on terms satisfactory to Mortgagee), incurred by Mortgagee in connection with, or arising as a result of, this Agreement, including, without limitation, the preparation and negotiation of this Agreement and any other document required in connection herewith.

7. Construction.

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

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

(c) 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.

8. Binding Agreement. This Agreement shall be binding upon, and shall inure to the benefit of, the parties hereto and their respective successors and assigns.

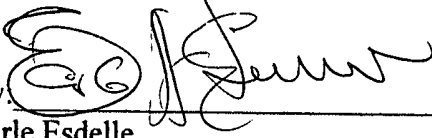
SIGNATURES ON NEXT PAGE.

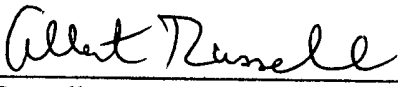
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IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

MORTGAGOR:

E & R DEVELOPERS, LLC,
an Illinois limited liability company

By: 
Earle Esdelle,
Manager

By: 
Albert Russell,
Manager

MORTGAGEE:

HERITAGE COMMUNITY BANK,
an Illinois Banking corporation

By: 
Lori Moseley, Vice President

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EXHIBIT A

LEGAL DESCRIPTION

LOT 6 AND THE SOUTH ½ OF LOT 5 IN BLOCK 1 IN HARDIN'S SUBDIVISION OF THE SOUTH ½ OF THE NORTH ½ OF THE SOUTH ¼ OF THE NORTHWEST ¼ OF SECTION 10, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

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