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Doc#: 0726131098 Fee: \$34.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 09/18/2007 02:50 PM Pg: 1 of 6

THIS DOCUMENT WAS
PREPARED BY AND AFTER
RECORDING RETURN TO:

Thomas A. McCarthy
Quarles & Brady LLP
500 West Madison Street
Suite 3700
Chicago, Illinois 60661
(312) 715-5000

SECOND MORTGAGE MODIFICATION AGREEMENT

THIS SECOND MORTGAGE MODIFICATION AGREEMENT (this "Agreement") dated for reference purposes only is as of August 9, 2007, is made by and between AMTRUST BANK, a federal savings bank, (formerly known as Ohio Savings Bank, "Lender"), and RAINBO HOMES II, L.L.C., an Illinois limited liability company ("Borrower"), with respect to the following facts and circumstances:

RECITALS:

A. Lender provided financing to Borrower pursuant to the terms and conditions of that certain Construction Loan Agreement between Borrower and Lender, dated July 21, 2005, as amended by that certain Modification Agreement dated May 25, 2007 (as amended from time to time, the "Loan Agreement") whereby Lender agreed to provide financing to Borrower in the form of a revolving line of credit in an amount of up to \$25,000,000.00 (the "Loan").

B. In connection with the Loan, Lender is the current holder of:

1. Amended and Restated Revolving Mortgage Note dated May 25, 2007 (the "Note"), evidencing the Loan in the original principal amount of \$25,000,000.00, executed by Borrower in favor of Lender;
2. That certain Construction Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated July 21, 2005, recorded with the Cook County Recorder of Deeds ("Official Records") on August 2, 2005, as Document No. 0521439040, as modified by that certain Mortgage Modification Agreement dated May 25, 2007, recorded in the Official Records on June 1, 2007 as Document No. 0715218041 (the "Mortgage"), executed by Borrower in favor of Lender, encumbering certain property (the "Property"), in the City of

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Chicago, County of Cook, State of Illinois and more specifically described in Exhibit "A" attached hereto and made a part hereof;

3. That certain Assignment of Rents and Leases and Agreements affecting Real Estate dated July 21, 2005, recorded with the Cook County Recorder of Deeds on August 2, 2005, as Document No. 0521439041 (the "**Assignment**"), executed by Borrower in favor of Lender; and
4. Certain other loan documents.

The foregoing documents, and any other documents evidencing, securing or pertaining to the Loan are sometimes hereinafter referred to collectively as the "**Loan Documents**".

C. Borrower has requested that Lender agree to a modification of certain terms of the Loan Agreement and pursuant to that request Lender and Borrower have entered into that certain Second Modification Agreement dated of even date herewith (the "**Second Modification**"), wherein the parties agree, inter alia, to increase the original principal amount of the Note to \$27,000,000.00, and the Second Modification is hereby incorporated by reference as if fully set forth herein.

D. In connection with the Loan Modification the Borrower has executed that certain Second Amended and Restated Revolving Mortgage Note (the "**Restated Note**") in the original principal amount of \$27,000,000.00, dated of even date herewith, given in favor of Lender.

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

1. Recitals. The foregoing recitals are incorporated by reference as though fully set forth herein.
2. Security for Mortgage and Assignment. The terms of the Mortgage and the Assignment are further modified to provide that the Mortgage and the Assignment secure the payment of the Restated Note in the original principal sum of \$27,000,000.00.
3. Time of the Essence. Time is of the essence in the performance of every provision hereof.
4. Severability. If any provision of this Agreement or the application hereof to any party or circumstance shall, to any extent, be held invalid or unenforceable, then the remainder of this Agreement, or the application of such provision, to persons or circumstances other than those as to whom or which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Agreement shall be valid and enforceable to the fullest extent permitted by law.
5. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, legal representatives and assigns.
6. Loan Documents Continue. Borrower hereby further ratifies and acknowledges the continuing validity and enforceability of the Loan Documents and the obligations and first liens evidenced thereby. Except as expressly provided in this Agreement, all terms, covenants, conditions and provisions of the Loan Documents shall be and remain in full force and effect as written unmodified hereby. In the event of any conflict between the terms of this Agreement and the Loan Documents, the terms of this Agreement shall control.

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[SIGNATURES ON NEXT PAGE]

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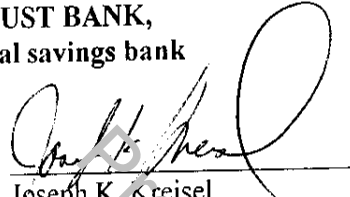
A large, thick black scribble redacts the signature area. The redaction consists of several horizontal and diagonal strokes, completely obscuring any text or handwriting that might have been present.

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IN WITNESS WHEREOF, Borrower and Lender have caused this Agreement to be executed by persons duly authorized thereunto as of the day and year first above written.

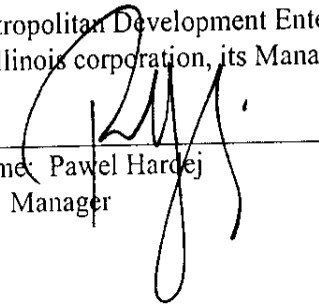
LENDER:

**AMTRUST BANK,
a federal savings bank**

By: 
Name: Joseph K. Kreisel
Title: Vice President

BORROWER:

**RAINBO HOMES II, L.L.C.,
an Illinois limited liability company**

By: Metropolitan Development Enterprises, Inc.,
an Illinois corporation, its Manager
By: 
Name: Pawel Hardej
Its: Manager

AGREEMENT IS NOT TO BE EXECUTED UNDER A POWER OF ATTORNEY
ALL SIGNATURES MUST BE NOTARIZED


Property of Cook County Clerk's Office

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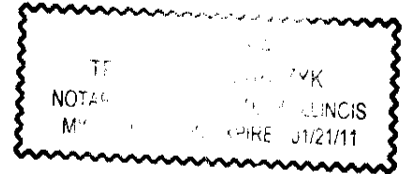
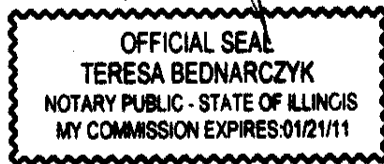
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 9th day of August, 2007, by PAWEL HARDEJ, the President of Metropolitan Development Enterprises, Inc., an Illinois corporation, the Manager of RAINBO HOMES II, L.L.C, an Illinois limited liability company, on behalf of said company.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public



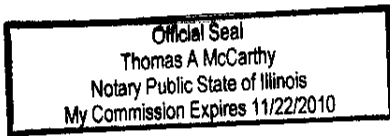
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

The foregoing instrument was acknowledged before me this 9th day of August, 2007, by JOSEPH K. KREISEL, the Vice President of AmTrust Bank, a federal savings bank, on behalf of said company.

IN WITNESS WHEREOF, I hereunto set my hand and official seal.



Notary Public



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EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1:

LOTS 2, 3, 4, 5, 6, 7 AND 8 IN BLOCK 1 IN KEENEY'S ADDITION TO RAVENSWOOD, A SUBDIVISION OF PART OF THE SOUTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 7 AND PART OF THE SOUTHWEST QUARTER OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE WEST 107 FEET OF LOT 1 IN KEENEY'S ADDITION TO RAVENSWOOD IN THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

THE WEST 107 FEET OF LOT 10 IN BLOCK 1 IN INGLEDEW'S ADDITION TO RAVENSWOOD IN THE WEST HALF OF THE SOUTHWEST QUARTER OF SECTION 8, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.s 14-08-315-036-0000
14-08-315-037-0000
14-08-315-038-0000
14-08-315-039-0000
14-08-315-044-0000
14-08-315-046-0000

COMMON ADDRESS: 4836-4850 North Clark Street, Chicago, Illinois