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THIS INSTRUMENT PREPARED BY:
AND AFTER RECORDING MAIL TO:
Community Bank of Ravenswood
2300 West Lawrence Avenue
Chicago, Illinois 60625
Attn: Maribel Velasquez

Doc#: 0726940089 Fee: \$46.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 09/26/2007 11:32 AM Pg: 1 of 12

SECOND MODIFICATION AGREEMENT

THIS SECOND MODIFICATION AGREEMENT (hereinafter referred to as this "Second Modification Agreement") made as of this 5th day of September, 2007, by and among T. & A. CUSTOM BUILDING & REMODELING, INC., an Illinois corporation ("Borrower"), AVINOAM SHAMIR and ROSALIE SHAMIR (hereinafter collectively referred to as the "Guarantors") (Borrower and Guarantors are hereinafter collectively referred to as the "Obligors") and RAVENSWOOD BANK, formerly known as COMMUNITY BANK OF RAVENSWOOD ("Lender").

WITNESSETH:

WHEREAS, Borrower has executed and delivered to Lender that certain mortgage note dated December 10, 2004, in the principal amount of One Million Five Hundred Eighty-Eight Thousand and 00/100 Dollars (\$1,588,000.00) (the "First Note") and amended and restated by that certain amended and restated mortgage note dated January 27, 2006 in the principal amount of One Million Nine Hundred Eighty-Eight Thousand and 00/100 Dollars (\$1,988,000.00) (the "Amended Note") (the First Note and the Amended Note may be hereinafter referred to as the "Note") which Note is secured by the following documents (the following documents and any and all other instruments executed by any Obligor, as modified, restated or replaced from time to time, are hereinafter collectively referred to as the "Loan Documents"):

- (i) mortgage and security agreement dated December 10, 2004, recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office"), as Document No. 0435747131 and modified by that certain modification agreement dated January 27, 2006 and recorded in the Recorder's Office as Document No. 0605843150 (the "Mortgage") on property commonly known as 1625-29 West North Shore, Chicago, Illinois and legally described on Exhibit "A" attached hereto and made a part hereof (the "North Shore Premises");

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- (ii) assignment of rents and of lessor's interest in leases dated encumbering the North Shore Premises dated December 10, 2004 made by Borrower in favor of Lender, recorded in the Recorder's Office, as Document No. 0435747132 (the "Assignment of Rents");
- (iii) junior mortgage and security agreement dated December 10, 2004, recorded in the Recorder's Office as Document No. 0435747133 as modified by that certain modification agreement dated January 27, 2006 and recorded in the Recorder's Office as Document No. 0605843150 (the "Reba Junior Mortgage") (the North Shore Mortgage and the Reba Mortgage are hereinafter sometimes collectively referred to as the "Mortgage") on property commonly known as 702-704 Reba Place, Evanston, Illinois and legally described in Exhibit "B" attached hereto and made a part hereof (the "Reba Premises") (the North Shore Premises and the Reba Premises are hereinafter sometimes collectively referred to as the "Premises");
- (iv) junior assignment of rents and of lessor's interest in leases dated December 10, 2004 encumbering the Reba Premises made by Borrower in favor of Lender, recorded in the Recorder's Office, as Document No. 0435747134 (the "Reba Assignment of Rents") (the North Shore Assignment of Rents and the Reba Assignment of Rents are hereinafter sometimes collectively referred to as the "Assignment of Rents")
- (iv) guaranty dated December 10, 2004 made by Guarantors in favor of Lender (the "Guaranty");
- (v) environmental indemnity agreement dated December 10, 2004 made by Obligors in favor of Lender (the "Indemnity Agreement");
- (vi) construction loan agreement dated December 10, 2004 between Borrower and Lender (the "Loan Agreement");
- (vii) security agreement and assignment of contractual agreements affecting real estate dated December 10, 2004 made by Borrower in favor of Lender (the "Security Agreement"); and
- (viii) assignment of sales contracts dated December 10, 2004 made by Borrower in favor of Lender (the "Assignment").

WHEREAS, all defined terms used herein and not otherwise defined shall have the meaning ascribed to such term in the Loan Documents.

WHEREAS, Obligors are desirous of, *inter alia* (i) increasing the principal amount of the loan from \$1,988,000.00 to \$2,313,000.00; and (ii) making certain other changes thereto, and Lender is willing to consent to such changes subject to the terms and provisions hereinafter provided.

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NOW THEREFORE, in consideration of the mutual promises of the parties hereto, and upon the express conditions that the lien of the Mortgage held by Lender is a valid, first and subsisting lien on the Premises (as defined in the Mortgage) and that the execution of this Second Modification Agreement will not impair the lien of said Mortgage and that there are no existing junior mortgages or other liens subsequent to the lien of the Mortgage held by Lender that will not be paid in full and released concurrently herewith (for breach of which conditions, or either of them, this Modification Agreement shall not take effect and shall be void), **IT IS AGREED AS FOLLOWS:**

1. The parties represent and agree that the foregoing recitals are true and correct.
2. As of September 5, 2007, the total outstanding principal balance of the Note is \$1,980,742.96. Concurrent with the execution of this Second Modification Agreement, the Borrower shall execute and deliver to Lender a second amended and restated mortgage note of even date herewith in the principal amount of Two Million Three Hundred Thirteen Thousand and 00/100 Dollars (\$2,313,000.00), payable to the order of Lender (the "Second Amended Note"). Each reference in the Loan Documents to the term "Note" shall hereafter be deemed to be a reference to the Second Amended Note. Each reference in the Loan Documents to the term "Loan" shall hereafter mean that certain \$2,313,000.00 construction loan made by Lender to Borrower and evidenced by the Second Amended Note. Notwithstanding anything to the contrary contained in the Note or the Loan Documents, Borrower and Guarantors agree that Lender shall disburse the additional proceeds as follows: \$150,000.00 to be used towards construction costs and the remainder to replenish the interest reserve.
3. The North Shore Mortgage and the Reba Mortgage are each hereby modified by amending and restating in their entirety the first "Whereas" recital on page 1 of each Mortgage to read as follows:

"WHEREAS, the Mortgagor has concurrently herewith, executed and delivered to the Mortgagee, the Mortgagor's Second Amended and Restated Mortgage Note dated as of September 5, 2007, payable to the order of Mortgagee, in the principal sum of Two Million Three Hundred Thirteen Thousand and 00/100 Dollars (\$2,313,000.00) (herein called the "Note") bearing interest at the variable rate specified therein, due in the manner as provided therein and in any event on the 5th day of June, 2008, the terms and provisions of which Note are incorporated herein and made a part hereof by this reference with the same effect as if set forth at length; and"

4. The North Shore Assignment of Rents and the Reba Assignment of Rents are each hereby modified by amending and restating in their entirety the first "Whereas" recital on page 1 of each Assignment of Rents to read as follows:

"WHEREAS, Assignor has executed a second amended and restated mortgage note (hereinafter referred to as "Note") dated as of September 5, 2007, payable to the order of RAVENSWOOD BANK, formerly known as COMMUNITY

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BANK OF RAVENSWOOD (hereinafter referred to as "Assignee") in the principal amount of Two Million Three Hundred Thirteen Thousand and 00/100 Dollars (\$2,313,000.00); and".

5. The Guaranty is hereby modified by amending and restating in their entirety the first two "Whereas" paragraphs on page 1 of the Guaranty to read as follows:

"WHEREAS, pursuant to the terms of that certain Construction Loan Agreement dated December 10, 2004 herewith (as modified, restated or replaced from time to time, the "Loan Agreement") between T. & A. CUSTOM BUILDING & REMODELING, INC., an Illinois corporation ("Borrower") and Lender, Lender has agreed to make a construction loan to Borrower in the maximum principal amount of \$2,313,000.00 (the "Loan"); and

WHEREAS, the Loan is evidenced by a certain second amended and restated mortgage note dated as of September 5, 2007 in the maximum principal amount of \$2,313,000.00 (the "Note"); and"

6. The Loan Agreement is hereby modified as follows:

a. The first sentence of paragraph 3 is hereby amended and restated to read as follows: "Lender agrees to lend to Borrower, and Borrower agrees to borrow from Lender an amount not to exceed Two Million Three Hundred Thirteen Thousand and 00/100 Dollars (\$2,313,000.00) at any one time for the purposes and upon the terms and subject to the conditions contained in this Agreement (the "Loan")."

b. Paragraph 5.1 is hereby amended and restated in its entirety to read as follows: "A second amended and restated mortgage note (the "Note") executed by Borrower dated as of September 5, 2007, payable to the order of Lender, in the principal amount of \$2,313,000.00."

c. Paragraph 6.1(b) is hereby modified by deleting the amount "\$1,988,000.00" as it appears therein and replacing it with the amount "\$2,313,000.00".

7. Concurrent with the execution of this Second Modification Agreement, the Guarantors, shall execute and deliver to Lender a junior mortgage (the "Crystal Mortgage") and a junior assignment of rents (the "Crystal Assignment") encumbering certain real property and the improvements constructed thereon (the real property and the improvements being herein together called the "Crystal Premises"), located at 371 Crystal Court, Boulder City, Clark County, Nevada, in such form as Lender shall require, and all references in the Loan Documents to the loan documents securing the Note shall hereafter include the Crystal Mortgage and the Crystal Assignment.

8. The Loan Documents are hereby amended to secure the obligations and liability evidenced by the Second Amended Note.

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9. Upon the effectiveness of this Second Modification Agreement, each reference in any of the Loan Documents, including the Indemnity Agreement, the Security Agreement and the Assignment shall mean and be a reference to such document, as amended hereby. Each of the Loan Documents shall remain in full force and effect and is hereby ratified and confirmed. The execution, delivery and effectiveness of this Second Modification Agreement shall not operate as a waiver of any right, power or remedy of Lender under any of the Loan Documents, not constitute a waiver of any default or Event of Default or any provision of any of the Loan Documents.

10. Except for the modifications stated herein, the Note and Loan Documents are not otherwise changed, modified or amended. Except as expressly provided herein, the Note and other Loan Documents and each other instrument or agreement delivered by any Obligor to or for the benefit of Lender in connection with the loan evidenced by the Note shall remain in full force and effect in accordance with their respective terms and the execution and delivery of this Second Modification Agreement shall not operate to waive any rights or remedies that Lender may have with respect to the Second Amended Note and other Loan Documents, to forgive or waive any violation, default or breach under the Second Amended Note or any other Loan Document, or to obligate Lender in any manner to make any further extensions of credit other than as expressly set forth herein.

11. Contemporaneously with the execution of this Second Modification Agreement by Lender, Obligors shall pay to Lender a non-refundable modification fee in the amount of \$3,250.00, all recording fees and charges, title insurance charges and premiums, appraisal fees, and all other expenses, charges, costs and fees necessitated by or otherwise relating to this Second Modification Agreement (the "Additional Fees"). If any of the Additional Fees are not paid at the time this Second Modification Agreement is executed by Lender, such Additional Fees shall be paid by Obligors within five days after written demand therefor by Lender, and if not timely paid, they shall bear interest from the date so incurred until paid at an annual rate equal to the Default Rate (as defined in the Note).

12. The Premises described in the Mortgage shall remain in all events subject to the lien, charge or encumbrance of the Mortgage, and nothing herein contained, and nothing done pursuant hereto, shall affect or be construed to affect the lien, charge or encumbrance of the Mortgage, or the priority thereof over any other liens, charges, or encumbrances or conveyances, or, except as expressly provided herein, to release or affect the liability of any party or parties whomsoever may now or hereafter be liable under or on account of the Note, the Mortgage and/or the Assignment of Rents, nor shall anything herein contained or done in pursuance thereof affect or be construed to affect any other security or instrument, if any, held by Lender as security for or evidence of the aforesaid indebtedness.

13. This Second Modification Agreement shall extend to and be binding upon each of the Obligors and their heirs, legatees, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

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14. Each Obligor hereby ratifies and confirms his or its respective obligations and liabilities under the Note, the Guaranty and other Loan Documents, as hereby amended, and the liens and security interest created thereby, and acknowledge that he or it have no defenses, claims or set-offs against the enforcement by Lender of their respective obligations and liabilities under the Note, the Guaranty and other Loan Documents, as so amended.

15. This Second Modification Agreement shall, in all respects, be governed by and construed in accordance with the laws of the State of Illinois (exclusive of choice of law principals), including all matters of construction, validity and performance.

16. This Second Modification Agreement constitutes the entire agreement between the parties with respect to the aforesaid modification and shall not be amended or modified in any way except by a document in writing executed by all of the parties thereto.

17. This Second Modification Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be one agreement.

18. Lender's consent to this Second Modification Agreement shall be subject to Lender (or Lender's nominee) having received the following in a form and substance acceptable to Lender on or before September 30, 2007 (the "Modification Termination Date"):

(a) An endorsement to Chicago Title Insurance Company Loan Policy No. 1401 004343310 (the "Title Policy") which (i) amends the description of the Mortgage insured under the Title Policy to include this Second Modification Agreement, (ii) amends the description of the Assignment of Rents to include this Second Modification Agreement, (iii) extends the effective date of the Title Policy to the date of the recording of this Second Modification Agreement, (iv) includes no additional exceptions to title other than those that have been approved in writing by Lender, (v) increases the amount of insurance to \$2,313,000.00, and (vi) states that all real estate taxes and assessments applicable to the Premises which are due and payable as of the date of such endorsement have been paid in full; and

(b) Such other documents as Lender may reasonably require.

The Obligors' failure to deliver the aforementioned documents and items to Lender on or before the Modification Termination Date shall, at the option of Lender, result in this Second Modification Agreement (including all agreements and waivers of Lender contained herein) being null and void.

16. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS SECOND MODIFICATION AGREEMENT SHALL BE TRIED AND DETERMINED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, OR, AT THE SOLE OPTION OF LENDER IN ANY OTHER COURT IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR HEREBY EXPRESSLY

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WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS PARAGRAPH.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR AND LENDER HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS SECOND MODIFICATION AGREEMENT, OR IN ANY WAY CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE DEALINGS OF OBLIGORS AND LENDER WITH RESPECT TO THIS SECOND MODIFICATION AGREEMENT, OR THE TRANSACTION RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR AND LENDER HEREBY AGREE THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT ANY OBLIGOR OR LENDER MAY FILE A COPY OF THIS EXECUTED SECOND MODIFICATION AGREEMENT WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF EACH OBLIGOR AND LENDER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

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IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the date first above written.

T. & A. CUSTOM BUILDING & REMODELING, INC., an Illinois corporation

By: *Avinoam Shamir*
Avinoam Shamir, President

Attest: *Rosalie Shamir*
Rosalie Shamir, Secretary

Avinoam Shamir
Avinoam Shamir, individually

Rosalie Shamir
Rosalie Shamir, individually

RAVENSWOOD BANK

By: *in N/A*

Its: *Relationship Officer*

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that AVINOAM SHAMIR and ROSALIE SHAMIR, the President and Secretary, respectively, of T. & A. CUSTOM BUILDING & REMODELING, INC., an Illinois corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person and acknowledged that they signed, sealed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 10th day of September, 2007



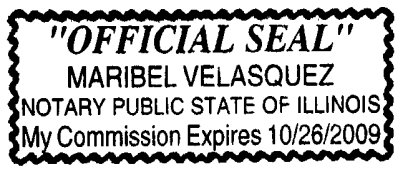
Maribel Velasquez
Notary Public

My Commission Expires: 10-26-2009

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that AVINOAM SHAMIR, 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 10th day of September, 2007.



Maribel Velasquez
Notary Public

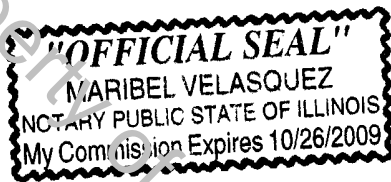
My commission expires: 10-26-2009

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STATE OF ILLINOIS)
)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that ROSALIE SHAMIR, 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 she signed and delivered the said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial seal, this 10th day of September, 2007.



Maribel Velasquez
Notary Public

My commission expires: 10-26-2009

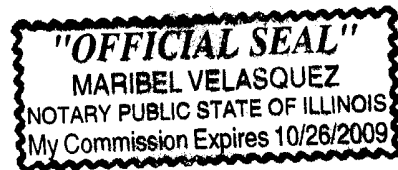
STATE OF ILLINOIS)
)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that _____ of RAVENSWOOD BANK, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____, appeared before me this day in person and acknowledged that s/he signed and delivered the said instrument as his/her own free and voluntary act, and as the free and voluntary act of said bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 10th day of September, 2007.

Maribel Velasquez
Notary Public

My Commission Expires: 10-26-2009



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EXHIBIT "A"

PIN: 11-31-411-007-0000

ADDRESS: 1625-29 West North Shore, Chicago, Illinois

LOTS 16 AND 17 IN BLOCK 5 IN WILLIAM L. WALLEN'S ADDITION TO ROGERS PARK, SAID ADDITION BEING A SUBDIVISION OF LOTS 2 AND 3 (EXCEPT THE WEST 17 FEET THEREOF CONVEYED TO CHICAGO AND NORTHWESTERN RAILWAY COMPANY) IN THE SUBDIVISION OF THE NORTHEAST $\frac{1}{4}$ OF THE SOUTHEAST $\frac{1}{4}$ OF SECTION 31, TOWNSHIP 41 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING EAST OF THE CHICAGO AND NORTHWESTERN RAILROAD, IN COOK COUNTY, ILLINOIS.

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EXHIBIT "B"

PIN: 11-19-320-008-0000

ADDRESS: 702-704 Reba Place, Evanston, Illinois

LOT 1 IN BLOCK 2 IN GREEN AND HUBBARD'S SUBDIVISION OF THE NORTH 12.46 ACRES OF LOT 9 IN THE ASSESSOR'S SUBDIVISION OF THE SOUTH HALF OF THE SOUTHWEST QUARTER OF SECTION 19, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Property of Cook County Clerk's Office