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RECORDATION REQUESTED BY:

Crowley Barrett & Karaba, Ltd.
20 S. Clark Street, Suite 2310
Chicago, IL 60603-1806
Attention: Tonya M. Parravano, Esq.



Doc#: 0819918107 Fee: \$56.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 07/17/2008 03:37 PM Pg: 1 of 11

THIS INSTRUMENT PREPARED BY AND WHEN RECORDED RETURN TO:

Crowley Barrett & Karaba, Ltd.
20 S. Clark Street, Suite 2310
Chicago, IL 60603-1806
Attention: Tonya M. Parravano, Esq.

FIRST MODIFICATION AND EXTENSION AGREEMENT

THIS FIRST MODIFICATION AND EXTENSION AGREEMENT is made as of July 15, 2008, by and between 9-25 W. HUBBARD, LLC, an Illinois limited liability company, KHALDOUN FAKHOURY and DEBBIE M. CRONK, also known as DEBBIE M. FAKHOURY (collectively, jointly and severally, "**Borrower**") to and for the benefit of ELGIN STATE BANK, an Illinois state bank ("**Lender**").

WITNESSETH:

WHEREAS, Borrower owns fees simple title to the parcel of real estate known as 9-25 West Hubbard Street, Chicago, Illinois, as legally described on Exhibit A attached hereto (the "**Property**");

WHEREAS, on or about November 4, 2004, Lender made a loan (the "**Loan**") to Borrower in the original principal amount of EIGHT MILLION FIVE HUNDRED THOUSAND AND 00/100 Dollars (\$8,500,000.00) (the "**Loan Amount**") to refinance the Property;

WHEREAS, the Loan is evidenced and secured by the following instruments, each dated as of November 4, 2004, unless otherwise noted ("**Loan Documents**"):

1. Promissory Note made by Borrower payable to Lender in the amount of EIGHT MILLION FIVE HUNDRED THOUSAND AND 00/100 DOLLARS (\$8,500,000.00) (the "**Original Note**");
2. Mortgage executed by Borrower in favor of Lender encumbering the Property, recorded in the Cook County Recorder's Office, Cook County, Illinois on November 15, 2004 as Document No. 0432003088 (the "**Mortgage**");

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3. Assignment of Rents from Borrower to Lender affecting the Property, recorded in the Cook County Recorder's Office, Cook County, Illinois on November 15, 2004 as Document No. 0432003089 (the "**Assignment of Rents**");
4. Security Agreement – Chattel Mortgage executed by Borrower (the "**Security Agreement**");
5. any and all other documents or instruments given at any time to evidence and/or secure the Loan.

WHEREAS, as of the date hereof, the outstanding principal balance on the Loan is EIGHT MILLION TWO HUNDRED SIXTY-NINE THOUSAND TWO HUNDRED SIXTY-NINE AND 63/100 DOLLARS (\$8,269,269.63);

WHEREAS, Borrower has requested Lender to modify and amend certain terms and provisions of the Loan Documents in order to, among other things, change the interest rate on the Loan and extend the Maturity Date of the Loan;

WHEREAS, Lender is willing to grant Borrower's request on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. **Loan Fee**. Concurrently with the execution of this Agreement, and as a condition precedent to the terms hereof, Borrower shall pay to Lender (a) a non-refundable loan fee in the amount of Seventy Thousand and No/100 Dollars (\$70,000.00) (the "**Loan Fee**"), plus (b) any and all third party costs incurred by Lender in connection herewith.

2. **Modification of Loan Documents**. Subject to the terms and provisions herein contained, the Loan Agreement and the corresponding provisions of the other Loan Documents shall be modified and amended, effective as of the date hereof, so as to provide as follows:

(a) **Maturity Date**. The Maturity Date of the Loan is hereby extended to July 15, 2013.

(b) **Interest Rate**. Commencing July 15, 2008, the outstanding principal balance of the Loan will accrue interest at a fixed rate of Five and One Half of One Percent (5.50%).

(c) **Debt Service Coverage**. Paragraph 44 of the Mortgage is hereby modified in its entirety so as to provided as follows:

44. **Debt Service Coverage**. At all times the Debt Service Coverage Ratio as calculated by Mortgagee, in its sole reasonable discretion, shall never be less than 1.250 to 1.000. This coverage ratio will be evaluated annually.

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Debt Service Coverage Ratio is defined as: Total annual required debt service plus rent expense excluding all non related party rents divided into the sum of net income after income taxes (as defined by GAAP), depreciation (as defined by GAAP), amortization (as defined by GAAP), interest and building rent excluding non related party rents less owner distributions.

Except as provided above, all computations made to determine compliance with the requirements contained in this paragraph shall be made in accordance with generally accepted accounting principles, applied on a consistent basis, and certified by Borrower as being true and correct.

(d) Mortgage. The first paragraph of the recitals in the Mortgage is hereby modified in its entirety so as to provide as follows:

“WHEREAS, Mortgagor is justly indebted to Mortgagee in the principal sum of Eight Million Three Hundred Sixty-Nine Thousand Two Hundred Sixty-Nine and 63/100 Dollars (\$8,369,269.63), as evidenced by a certain First Replacement Promissory Note dated July 15, 2008, executed by Mortgagor, made payable to the order of and delivered to Mortgagee (hereinafter referred to as the “Note”), whereby Mortgagor promises to pay the said principal sum or so much thereof as may be advanced by the holder or holders of the Note from time to time, together with interest thereon, from such date, at the rate set forth therein, in installments as set forth therein at the office of Mortgagee, or at such other place as may be designated in writing by the legal holders thereof until the entire principal and accrued interest has been paid pursuant to the terms of said Note.”

(e) Assignment of Rents. The first recital in the Assignment of Rents is hereby modified in its entirety so as to provide as follows:

“WHEREAS, Assignor has executed a First Replacement Promissory Note dated July 15, 2008 in the principal amount of Eight Million Three Hundred Sixty-Nine Thousand Two Hundred Sixty-Nine and 63/100 Dollars (\$8,369,269.63) (the “Note”), payable to the order of Elgin State Bank, an Illinois state bank (hereinafter referred to as the “Assignee”); and”

(f) Security Agreement. Paragraph (i) on the first page of the Security Agreement is hereby modified in its entirety so as to provide as follows:

“(i) Indebtedness of Debtor to Secured Party in the sum of Eight Million Three Hundred Sixty-Nine Thousand Two Hundred Sixty-Nine and 63/100 Dollars (\$8,369,269.63), evidenced by the First Replacement Promissory Note dated July 15, 2008, executed by Debtor, in said amount

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payable to the order of Secured Party as therein specified, together with interest thereon as provided in said Note, and any renewals or extensions thereof, plus all costs of collection, legal expenses and attorneys' fees incurred by Secured Party upon the occurrence of a default under this agreement, in collecting or enforcing payment of such indebtedness, or in preserving, protecting or realizing on the Collateral herein;"

3. **Replacement Note.** Simultaneously with the execution and delivery of this Agreement, Borrower shall execute and deliver to Lender the First Replacement Promissory Note dated July 15, 2008 in the principal amount of Eight Million Three Hundred Sixty-Nine Thousand Two Hundred Sixty-Nine and 63/100 Dollars (\$8,369,269.63) (the "**First Replacement Note**"), which shall replace and be substituted for the Original Note in its entirety.

4. **Reaffirmation of Loan Documents.** Except as expressly herein provided, Borrower and Lender hereby reaffirm and incorporate herein by reference each and every term, provision, representation and warranty contained in the Loan Documents, and Borrower and Lender agree that said terms, provisions, representations and warranties shall remain in full force and effect.

5. **Conditions Precedent.** The parties agree that Lender's obligations under this Agreement shall be subject to the Lender's receipt of the following:

- (a) The fully executed First Replacement Note;
- (b) Borrower's payment of the Loan Fee and all costs and expenses related to this Agreement.

6. **No Defenses.** Each Borrower represents to Lender that it has no defenses, setoffs, claims or counterclaims of any kind or nature whatsoever against Lender in connection with the Loan Documents or any amendments to said documents or any action taken or not taken by the Lender with respect thereto or with respect to the collateral. Without limiting the generality of the foregoing, each Borrower hereby releases and forever discharges Lender, its affiliates, and each of its officers, agents, employees, attorneys, insurers, successors and assigns, from any and all liabilities, or causes of action, known or unknown, arising out of any action of inaction with respect to the Loan Documents.

7. **Disclaimer.** Each Borrower expressly disclaims any reliance on any oral representation made by Lender with respect to the subject matter of this Agreement. Each Borrower acknowledges and agrees that Lender is specifically relying upon the representations, warranties, releases and agreements contained herein, and that this Agreement is executed by Borrower and delivered to Lender as an inducement to decrease the interest rate and extend the term of the Loan.

8. **Costs.** Borrower agrees to pay upon demand all of Lender's out-of-pocket expenses, including attorneys' fees, incurred in connection with this Agreement. Lender may pay someone else to help collect the loans secured by the Loan Documents and to enforce the Loan Documents

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and the Borrower will pay that amount. This includes, subject to any limits under applicable law, Lender's attorneys' fees and legal expenses, whether or not there is a lawsuit, including attorneys' fees for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also will pay any court costs, in addition to all other sums provided by law.

9. **Jurisdiction, Jury Waiver.** This Agreement has been delivered to Lender and accepted by Lender in the State of Illinois. If there is a lawsuit, under the Loan Documents, this Agreement, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Cook County, the State of Illinois. **LENDER AND BORROWER HEREBY WAIVE THE RIGHT TO ANY JURY TRIAL IN ANY ACTION, PROCEEDING, OR COUNTERCLAIM BROUGHT BY EITHER LENDER OR BORROWER AGAINST THE OTHER. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.**

10. **Successors and Assigns.** All covenants and agreements contained by or on behalf of Borrower, shall bind their respective successors and assigns and shall inure to the benefit of Lender, its successors and assigns. Borrower shall not, however, have the right to assign its rights under this Agreement or the Loan Documents or any interest therein, without the prior written consent of Lender.

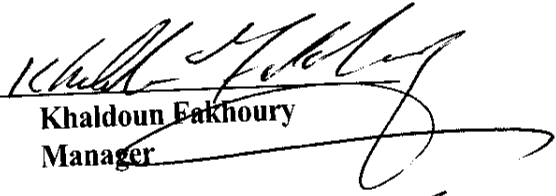
11. **Counterparts.** This Agreement may be executed by the parties hereto in any number of counterparts, each of which shall constitute an original document, and all of which when taken together shall constitute one and the same agreement.

[SIGNATURE PAGE FOLLOWS]

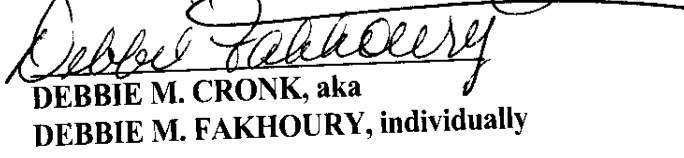
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IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed and acknowledged as of the day and year first above written.

9-25 W. HUBBARD, LLC,
an Illinois limited liability company

By: 
Khaldoun Fakhoury
Manager


KHALDOUN FAKHOURY, individually

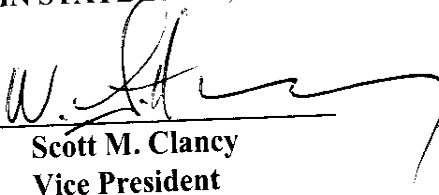

DEBBIE M. CRONK, aka
DEBBIE M. FAKHOURY, individually

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IN WITNESS WHEREOF, Lender has caused these presents to be executed the day and year first above written.

ELGIN STATE BANK, an Illinois state bank

By: 
Scott M. Clancy
Vice President

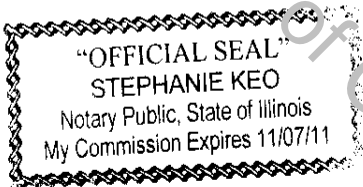
Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS
COUNTY OF Kane)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that KHALDOUN FAKHOURY, Manager of **9-25 W. HUBBARD, LLC**, an Illinois limited liability company, is 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 to me that he signed and delivered the said instrument as his own free and voluntary act and the free and voluntary act of said company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 15th day of July, 2008.



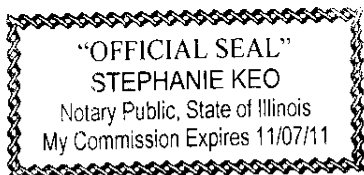
Stephanie Keo
NOTARY PUBLIC

My Commission Expires:
11/07/11

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 **KHALDOUN FAKHOURY**, being the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me 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 15th day of July, 2008.



Stephanie Keo
NOTARY PUBLIC

My Commission Expires:
11/07/11

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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 **DEBBIE M. CRONK, aka DEBBIE M. FAKHOURY**, being the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged to me 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 15th day of July, 2008.



Stephanie KEO
NOTARY PUBLIC

My Commission Expires:
11/07/11

Property of Cook County Clerk's Office

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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 SCOTT M. CLANCY, personally known to me to be a Vice President of ELGIN STATE BANK, an Illinois state bank, personally appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his 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 15th day of July, 2008.



Stephanie KEO
 NOTARY PUBLIC

My Commission Expires:

11/07/11

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Exhibit A

Legal Description for Real Property

Parcel 1 :

Lots 14 and 15 in Block 1 in Wolcott's Addition to Chicago in Section 9, Township 39 North, Range 14, East of the Third Principle Meridian, in Cook County, Illinois.

Parcel 2 :

The East 1/2 of Lot 12 and all of Lot 13 in Block 1 in Wolcott's Addition to Chicago in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 3 :

Lot 11 (except the East 1 foot) in block 1 in Wolcott's Addition to Chicago in the East 1/2 of the Northeast 1/4 of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Parcel 4 :

The West 1/2 of Lot 12 and the East 1 foot of Lot 11 in Block 1 in Wolcott's Addition to Chicago in Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois.

Address: 9-25 West Hubbard Street
Chicago, Illinois

PIN: 17-09-262-003
17-09-262-004
17-09-262-005
17-09-262-006
17-09-262-007