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THIS DOCUMENT PREPARED BY:

Crowley & Lamb, P.C.
350 North LaSalle Street, Suite 900
Chicago, Illinois 60654

AFTER RECORDING RETURN TO:

Diamond Bank, FSB
1051 Perimeter Drive
Schaumburg, Illinois 60173
Attn: Senior Vice President



Doc#: 0912631053 Fee: \$54.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 05/08/2009 10:55 AM Pg: 1 of 10

only

THIRD MODIFICATION OF LOAN DOCUMENTS

THIS THIRD MODIFICATION OF LOAN DOCUMENTS (this "Agreement") is made effective as of the 5th day of April, 2009, by and among **2849-51 NORTH ASHLAND LLC**, an Illinois limited liability company ("Borrower"), and **ANTONIO FIORENTINO and JOSEPH FULCO** having an address at 1039 S. Lytle, Unit 101, Chicago, Illinois 60607 (together, "Guarantor") and **DIAMOND BANK, FSB**, its successors and assigns, having an address as set forth above ("Lender").

RECITALS:

A. Lender has heretofore made a construction loan (the "Loan") to Borrower in the principal amount of TWO MILLION THREE HUNDRED SIXTY THOUSAND AND 00/100THS DOLLARS U.S. (\$2,360,000.00), as evidenced by a Construction Note dated September 5, 2007, in the principal amount of the Loan made payable by Borrower to the order of Lender (the "Original Note") and a certain Construction Loan Agreement (the "Loan Agreement") dated September 5, 2007 from Borrower in favor of the Lender. The Original Note was replaced by that certain Amended and Restated Construction Note dated September 5, 2008 in the principal amount of the Loan made payable by Borrower to the order of Lender under the terms of a that certain Modification of Loan Documents ("Modification") dated September 5, 2008 executed among the parties hereto. The Original Note was further replaced by that certain Second Amended and Restated Construction Note dated December 5, 2008 in the principal amount of the Loan made payable by Borrower to the order of Lender (the "Note") under the terms of a that certain Second Modification of Loan Documents ("Second Modification") dated December 5, 2008 executed among the parties hereto.

B. The Note is secured by, among other things, (i) that certain Construction Mortgage dated September 5, 2007, from Borrower to Lender recorded with the Recorder of Deeds in Cook County, Illinois (the "Recorder's Office") on September 12, 2007 as Document No. 0725549011 (the "Mortgage"), which Mortgage encumbers the real property and all, improvements thereon legally described on Exhibit A hereto

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("Property"), and (ii) that certain Assignment of Rents and Leases dated September 5, 2007, from Borrower to Lender and recorded with the Recorder's Office on September 12, 2007 as Document No. 0725549012 (the "Assignment of Leases"), (iii) that certain Junior Mortgage dated September 5, 2007, from J&C Property Investment Corporation, an Illinois corporation ("Additional Mortgagor"), to Lender recorded with the Recorder's Office on September 12, 2007 as Document No. 0725549013 (the "Additional Mortgage"), which Additional Mortgage encumbers the real property and all, improvements thereon legally described on Exhibit B hereto ("Additional Property"), (iv) that certain Junior Assignment of Rents and Leases dated September 5, 2007, from Additional Mortgagor to Lender and recorded with the Recorder's Office on September 12, 2007 as Document No. 0725549014 ("Additional Assignment"), (v) the personal Guaranty of Payment and Completion (the "Guaranty") of Guarantor, guaranteeing payment and performance of all obligations of Borrower under the Note and Loan Documents (as hereinafter defined) and (vi) certain other loan documents (the Note, the Mortgage, the Loan Agreement, the Modification, the Second Modification, the Additional Mortgage, Additional Assignment, the Guaranty, the Assignment of Leases and any other document evidencing, securing and guarantying the Loan, in their original form and as amended from time to time, are sometimes collectively referred to herein as the "Loan Documents").

C. Whereas, the Note matures by its terms on April 5, 2009. The Borrower and Guarantor have requested that Lender extend the maturity date of the Note until October 5, 2009 and increase the principal amount of the Loan and Lender is willing to extend the maturity date of the Note until October 5, 2009 and increase the principal amount of the Loan, on the terms and conditions more fully set forth hereinafter and in the Amended Note.

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 and Borrower to modify the Loan Documents, as provided herein, (iii) Borrower's agreement to pay a renewal fee and all of Lender's reasonable attorneys' fees and costs in connection with this Agreement, (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. **Extension of the Maturity Date/ Additional Advance** (a) Lender and Borrower agree that the Maturity Date for the Loan shall hereby be amended and extended from April 5, 2009 until October 5, 2009. All references in any and all Loan Documents to "Maturity Date", "Construction Loan Maturity Date" or words of similar import shall now mean October 5, 2009.

(b) Lender agrees to advance to Borrower an additional amount of \$75,000.00 (the "Additional Advance") and increase the outstanding principal balance of the Loan by said amount, subject to the terms and conditions of the Amended Note described hereinafter and the other Loan Documents. Borrower shall execute and deliver to Lender an Interest Reserve Agreement ("Interest Reserve Agreement") of even date herewith between Lender and Borrower, in the form presented by Lender. The Additional Advance shall be used to fund the Interest Reserve (as defined in the Interest Reserve Agreement) as set forth below. Borrower agrees that the Loan Agreement shall be amended to provide that from the Additional Advance described above, Borrower agrees that Lender shall withdraw from the Additional Advance and deposit into the Account (as defined in the Interest Reserve Agreement), the sum of \$75,000.00 and that the Interest Reserve shall be funded by such sum of \$75,000.00, to provide for the payment of interest on the Loan prior to the Maturity Date as amended herein). Based on the Additional Advance, the Mortgage and the other Loan Documents (including but not limited to the Loan Agreement and the Guaranty) are hereby amended to increase the Loan principal amount to Two Million Four Hundred Thirty Five Thousand and 00/100ths Dollars U.S. (\$2,435,000.00).

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2. **Amendment of the Note.** The Note shall be amended and restated by that certain Third Amended and Restated Construction Note of even date herewith executed by Borrower in favor of the Lender (the "Amended Note") in the principal amount of \$2,435,000.00. As of the date hereof, the Amended Note restates and replaces the Note and is not a repayment or novation of the Note. All references in the Loan Documents to "Note" or words of similar import shall now mean the Amended Note. Notwithstanding any other provision of the Loan Documents, the interest rate applicable to the Loan shall be as set forth in the Amended Note.

3. **Reaffirmation of Guaranty.** 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 Note and that the Guarantor remains liable to Lender for all amounts due in connection with the Amended 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.

4. **Continuing Validity.** Except as expressly modified above, the terms of the original Mortgage and the other Loan Documents shall remain unchanged and in full force and effect and are legally valid, binding, and enforceable in accordance with their respective terms. Consent by Lender to this Agreement does not waive Lender's rights to require strict performance of the Mortgage (as amended above) nor obligate Lender to make any future modifications. Nothing in this Agreement shall constitute a satisfaction of the promissory notes or other credit agreement secured by the Mortgage. It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorser to the Amended Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Agreement. If any person who signed the original Mortgage does not sign this Agreement, then all persons signing below acknowledge that this Agreement is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Agreement or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

5. **Construction Mortgage.** The Mortgage constitute a "construction mortgage" for the purposes of Sections 9-334 and 2A-309 of the Uniform Commercial Code, as those sections have been adopted by the State of Illinois.

6. **Construction Loan.** If some or all of the proceeds of the Loan are to be used to construct or complete construction of any improvements on the Property, the improvements shall be completed no later than the maturity date of the Amended Note (or such earlier date as Lender may reasonably establish) and Borrower shall pay in full all costs and expenses in connection with the work. Lender will disburse loan proceeds under such terms and conditions as Lender may deem reasonably necessary to insure that the interest created by the Mortgage shall have priority over all possible liens, including those of material suppliers and workmen. Lender may require, among other things, that disbursement requests be supported by receipted bill, expense affidavits, waivers of liens, construction progress reports, and such other documentation as Lender may reasonably request.

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

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(a) The representations and warranties in the Amended Note, the Loan Agreement, the Mortgage, the Additional 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 Amended Note, the Mortgage, the Additional Mortgage or the other Loan Documents and none of the Borrower, Additional Mortgagor or Guarantor know 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 Amended Note, the Mortgage, the Additional 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, Additional Mortgagor 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, Additional Mortgagor, 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, none of the Borrower, Additional Mortgagor or Guarantor have any claims, counterclaims, defenses, or set-offs with respect to the Loan 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, Additional Mortgagor and Guarantor. This Agreement has been duly executed and delivered on behalf of Borrower, Additional Mortgagor and Guarantor.

8. **Title Policy.** At Lender's request, Borrower shall at its sole cost and expense, cause Freedom Title Corporation to issue an endorsement to Lender's title insurance policy (the "Title Policy"), as of the date this Agreement is recorded, reflecting the recording of this Agreement and insuring the first priority of the lien of the Mortgage and second priority of the Additional Mortgage, subject only to the exceptions set forth in the Title Policy as of its date of issuance and any other encumbrances expressly agreed to by Lender.

9. **Expenses and Fee.** As conditions precedent to the agreements contained herein, Borrower shall (i) pay to Lender 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 and (ii) deliver to Lender: (a) a copy of this Agreement duly executed by all parties except Lender, (b) the Amended Note duly executed by Borrower, (iii) the Interest Reserve Agreement duly executed by Borrower and (iv) such other documents required by Lender in connection herewith.

10. **Miscellaneous.**

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

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- (b) This Agreement shall not be construed more strictly against Lender than against Borrower, Additional Mortgagor or Guarantor merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that Borrower, Additional Mortgagor, Guarantor and Lender have contributed substantially and materially to the preparation of this Agreement, and Borrower, Additional Mortgagor, 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, Additional Mortgagor or Guarantor nor shall privity of contract be presumed to have been established with any third party.
- (d) Borrower, Additional Mortgagor, 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, Additional Mortgagor, 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", "Junior Mortgage" or the "Loan Documents" contained in any of the Loan Documents shall be deemed to refer to the Amended Note, the Mortgage, the Additional 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 Guarantor, Additional Mortgagor and Borrower's obligations under this Agreement.


[signature page attached]

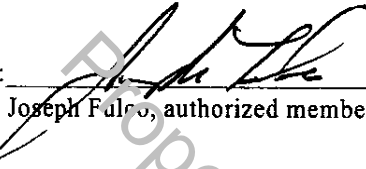
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IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement dated as of the day and year first above written.

BORROWER:

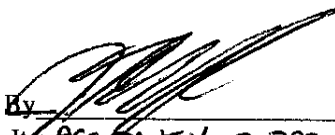
2849-51 NORTH ASHLAND LLC,
an Illinois limited liability company

By: 
Antonio Fiorentino, authorized member

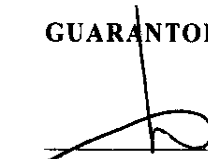
By: 
Joseph Fulco, authorized member

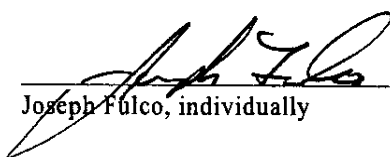
LENDER:

DIAMOND BANK, FSB

By: 
Assistant Vice President

GUARANTOR:

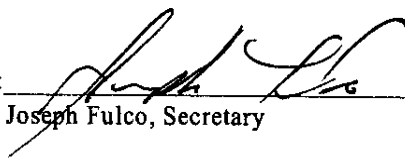

Antonio Fiorentino, individually


Joseph Fulco, individually

Agreed:

ADDITIONAL MORTGAGOR:

J&C PROPERTY INVESTMENT CORPORATION,
an Illinois corporation

By: 
Joseph Fulco, Secretary

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

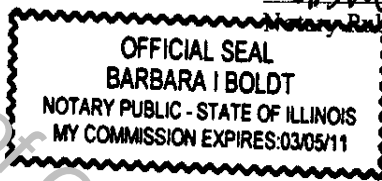
I, Barbara Boldt, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Jonathan Marciniak, VP president of Diamond Bank, FSB, known to me to be the same person whose name is subscribed to the foregoing instrument as such VP President, appeared before me this day in person 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 Diamond Bank, FSB, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 27 day of April, 2009.

Barbara Boldt
Notary Public

My Commission Expires:

03/05/11



STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, Jonathan Marciniak, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Antonio Fiorentino and Joseph Felco, individually and as members of 2849-51 NORTH ASHLAND LLC, an Illinois limited liability company and known to me to be the same persons whose names are subscribed to the foregoing instrument as such manager, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act, and as the free and voluntary act of 2849-51 NORTH ASHLAND LLC, an Illinois limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 27th day of April, 2009.

Jonathan Marciniak
Notary Public

My Commission Expires:

4/17/2010

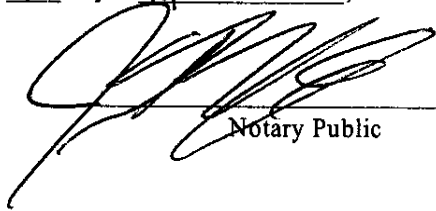


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STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

I, Jonathan Marciniak, a Notary Public in and for said County in the State aforesaid,
DO HEREBY CERTIFY that Joseph Fulco, the Secretary of J&C PROPERTY INVESTMENT
CORPORATION, personally known to me to be the same person whose name is subscribed to the
foregoing instrument as such person, appeared before me this day in person and acknowledged that he
personally signed and delivered the said instrument as his own free and voluntary act, and as the free and
voluntary act of such company, for the uses and purposes therein set forth.

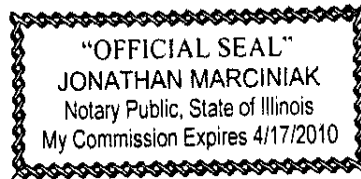
GIVEN under my hand and notarial seal this 27th day of April, 2009.



Notary Public

My Commission Expires:

4/17/2010



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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1: LOT 22 (EXCEPT THAT PART LYING 50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SECTION 29 TAKEN FOR WIDENING ASHLAND AVENUE) IN SUBDIVISION OF BLOCK 5 IN WILLIAM LILL AND HEIRS OF MICHAEL DIVERSEY'S DIVISION OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PARCEL 2: LOT 23 IN BLOCK 5 IN WILLIAM LILL AND HEIRS OF MICHAEL DIVERSEY'S DIVISION OF THE SOUTHWEST 1/4 OF THE NORTHWEST 1/4 OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART OF SAID LOT 23 LYING WEST OF A LINE 50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SAID SECTION 29) IN COOK COUNTY, ILLINOIS

P.I.N. 14-29-124-004 AND 14-29-124-005

COMMONLY KNOWN AS: 2849-51 N. ASHLAND AVENUE, CHICAGO, ILLINOIS 60657

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EXHIBIT B

LEGAL DESCRIPTION

LOTS 25 AND 26 IN LAFLIN'S SUBDIVISION OF BLOCK 16 IN CANAL TRUSTEES'
SUBDIVISION OF THE SOUTHEAST 1/4 OF SECTION 17, TOWNSHIP 39 NORTH, RANGE 14,
EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

P.I.N. 17-17-417-038 AND 17-17-417-039

COMMONLY KNOWN AS: 1152-54 W. TAYLOR, CHICAGO, ILLINOIS

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