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Doc#: 1036131096 Fee: \$70.00  
Eugene "Gene" Moore RHSP Fee:\$10.00  
Cook County Recorder of Deeds  
Date: 12/27/2010 04:41 PM Pg: 1 of 18

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**This is a Loan Modification Agreement.**

Prepared by:  
Hauselman, Rappin & Olswang, Ltd.  
39 S LaSalle # 1105  
Chicago, IL 60603

Return to:  
Hauselman, Rappin & Olswang, Ltd.  
39 S LaSalle # 1105  
Chicago, IL 60603  
Elisa J. Szopa

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## LOAN MODIFICATION AGREEMENT

THIS LOAN MODIFICATION AGREEMENT ("Agreement") is executed on the 7<sup>th</sup> day of November, 2010, by and between RNNB, LLC, an Illinois limited liability company, its successors and assigns ("**Lender**"), Preferred-Bourbonnais, LLC, an Illinois limited liability company ("**Borrower**"), Preferred-Halsted II, LLC ("**Mortgagor**"), Thomas Morabito and Evan Oliff (individually, and jointly, the "**Guarantor**").

### WITNESSETH

**WHEREAS**, Borrower holds fee simple title to the real property commonly known as 580 Main Street NW, Bourbonnais, Illinois 60914 and legally described in Exhibit A attached hereto ("**Premises #1**"); and

**WHEREAS**, Mortgagor holds fee simple title to the real property commonly known as 11515, 11517, and 11521 Halsted Street, Chicago, Illinois 60628 and legally described in Exhibit B attached hereto ("**Premises #2**"); and

**WHEREAS**, on or about November 28, 2007, Busey Bank, an Illinois banking corporation ("**Original Lender**"), made a commercial loan to Borrower in the original principal amount of ONE MILLION SEVEN HUNDRED THOUSAND and 00/100 Dollars (\$1,700,000.00) (the "**Loan**") guaranteed by the Guarantor; and

**WHEREAS**, the Loan is evidenced and secured by the following instruments, each dated as of November 28, 2007, unless as otherwise noted (individually and collectively referred to herein as the "**Loan Documents**");

1. Promissory Note executed by Borrower in the original principal amount of ONE MILLION SEVEN HUNDRED THOUSAND and 00/100 Dollars (\$1,700,000.00), as modified by: (i) the Change in Terms Agreement dated September 2, 2009; and (ii) the Change in Terms Agreement dated February 28, 2010, and replaced by the Promissory Note executed by Borrower in the original principal amount of ONE MILLION SIX HUNDRED NINETY TWO THOUSAND EIGHT HUNDRED SEVENTY EIGHT and 04/100 U.S. DOLLARS (\$1,692,878.04), and any further renewals, amendments, or modifications thereof (collectively, the "**Note**");
2. Mortgage executed by Borrower to and for the benefit of Original Lender covering the real estate commonly known as 580 Main Street NW, Bourbonnais, Illinois 60914 and recorded in the Office of the Recorder of Deeds, Kankakee County, Illinois on November 29, 2007, as Document No. 200726132 ("**Mortgage #1**");
3. Mortgage executed by Mortgagor to and for the benefit of Original Lender

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covering the real estate commonly known as 11515, 11517, and 11521 Halsted Street, Chicago, Illinois 60628, and recorded in the Office of the Recorder of Deeds, Cook County, Illinois on December 3, 2007, as Document No. 0733705127 ("**Mortgage #2**");

4. Commercial Guaranty executed by Thomas Morabito and Evan Oliff to and for the benefit of Original Lender, and any further renewals, amendments, or modifications thereof (jointly, the "**Guaranty**"); and
5. Any and all other documents or instruments given at any time to evidence and secure the Loan.

**WHEREAS**, on September 28, 2010, Original Lender assigned to Lender all of its right, title, and interest in and to the Loan Documents, as evidenced by the Assignment of Mortgage and Related Documents, executed by Original Lender and recorded in the Office of the Recorder of Deeds, Cook County, Illinois on October 8, 2010, as Document No. 1028131093, and in the Office of the Recorder of Deeds, Kankakee County, Illinois on October 4, 2010 as Document No. 201013450; and

**WHEREAS**, the Borrower and Guarantor hereby acknowledge and affirm that the total principal amount of \$1,692,878.04, plus accrued interest, late charges, advances, attorneys fees and costs remains unpaid under the Note as of November 8, 2010; and

**WHEREAS**, Borrower and Guarantor have defaulted on their obligations to Lender under the Loan Documents; and

**WHEREAS**, the term "Liabilities" shall mean all liabilities, indebtedness and obligations of Borrower or Guarantor to the Lender, howsoever created, arising or evidenced, whether now existing or hereafter arising, whether direct or indirect (including those acquired by assignment), absolute or contingent, due or to become due, primary or secondary, joint or several, whether existing or arising through discount, overdraft, purchase, direct loan, participation, operation of law, or otherwise, including, but not limited to, all liabilities, indebtedness and obligations of Borrower and Guarantor to the Lender pursuant to this Agreement, the Note, any letter of credit, any standby letter of credit or any of the Loan Documents and reasonable outside attorneys' and paralegals' fees or charges relating to the preparation of this Agreement, the Loan Documents and the enforcement of Lender's rights, remedies, powers and security interests under this Agreement and the Loan Documents, including, but not limited to, the drafting of any documents in the preparation and enforcement of the loans evidenced by the Loan; and

**WHEREAS**, Borrower and Guarantor acknowledge and confirm that material

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defaults have occurred and exist under the Loan Documents ("Subject Defaults") and Borrower and Guarantor acknowledge and confirm that each is obligated to pay all Liabilities, all without setoff, counterclaim or defenses; and

**WHEREAS**, Borrower and Guarantor have requested that Lender modify the terms and conditions of the Loan Documents subject to the terms and conditions set forth in this Agreement, and Lender agrees to modify the terms and conditions of the Loan Documents subject to the terms and conditions set forth in this Agreement, and provided that the Loan Documents, and any and all modifications thereof, and the liens of any of the foregoing, as amended hereby, shall have the same validity, priority and effect against all of the real and personal property to which said liens had immediately prior to the execution and delivery of this Agreement; and

**NOW, THEREFORE**, for and in consideration of the foregoing recitals, the mutual promises and covenants set forth herein, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Guarantor agree as follows:

1. **MODIFICATIONS.** The Loan Documents are hereby modified as follows:
  - A. **DECREASE OF PRINCIPAL BALANCE.**
    - (i) Upon receipt of the documents required by Lender in paragraph 2(i) hereinbelow, the outstanding principal balance of the Loan shall be reduced from ONE MILLION SIX HUNDRED NINETY TWO THOUSAND EIGHT HUNDRED SEVENTY EIGHT and 04/100 Dollars (\$1,692,878.04) to FOUR HUNDRED THOUSAND and 00/100 Dollars (\$400,000.00).
  - B. **MODIFICATION OF MATURITY DATE.**
    - (i) The Maturity Date of the Note is hereby modified and retroactively extended from September 21, 2010 to November 30, 2015 (the "Maturity Date").
  - C. **INTEREST RATE.**
    - (i) The interest rate of the Note is hereby modified and increased to seven percent (7.00%) per annum, effective as of the date of this Agreement. The annual interest rate is computed on a 365/360 basis; that is, by applying the ratio of the annual interest rate over a year of 360 days, multiplied by the outstanding principal balance, multiplied by the actual number of days the principal balance is outstanding

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## D. PAYMENTS DUE LENDER.

- (i) Borrower shall pay to Lender twelve (12) consecutive equal monthly interest payments in the amount of \$2,333.33, beginning December 1, 2011, with all subsequent payments to be due on the same day of each month thereafter, to and including November 1, 2012; and
- (ii) Borrower shall pay to Lender forty-eight (48) consecutive equal monthly payments of principal and interest, in an amount necessary to amortize the outstanding principal balance over a period of 120 months, each estimated to be in the sum of \$4,644.34, beginning December 1, 2012, with all subsequent payments to be due on the same day of each month thereafter; provided that Borrower's final payment of all unpaid principal and accrued interest together with all other amounts due under the Note shall be due and payable in full on the Maturity Date.

## 2. ADDITIONAL COVENANTS.

- (i) On or before the date of this Agreement, Borrower and Guarantor shall execute and deliver to Lender, or if required by Lender to Lender's nominee, in form acceptable to Lender, an Agreement to Accept Deed in Partial Payment of Debt, Borrower's Affidavit, Resolution, and Warranty Deed, and any other documents required by Lender to convey clear and marketable title to Premises # 1 to Lender; and
- (ii) On or before the dated of this Agreement, Borrower shall execute and deliver to Lender an Assignment of Leases for the Premises # 1, in form and substance acceptable to Lender.

3. REAFFIRMATION OF NOTE. Borrower and Guarantor hereby acknowledge and reaffirm their obligations under the Loan and the Loan Documents, and acknowledge and agree that such indebtedness is owing to Lender and is enforceable against Borrower and Guarantor in accordance with the terms therein (as modified by this Agreement), subject to no defenses, counterclaims, deductions or set-offs whatsoever. Except as set forth in Section 5 hereof, nothing contained in this Agreement, or the transactions contemplated hereby, shall be deemed or construed to be a consent to or a waiver of any breach or default in the performance by Borrower or Guarantor of their obligations to Lender, whether evidenced by the Note, the Loan, other Loan Documents, or otherwise, nor (except as set forth in Section 5) shall Lender be impaired or limited in its ability to fully and completely enforce any and all of the rights and remedies presently available to it under the Loan Documents for a breach of Borrower's or Guarantor's obligations as required therein as may exist subsequent to the time of the making of this Agreement.

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4. **REAFFIRMATION OF GUARANTY.** Guarantor hereby approves, confirms and consents to the Agreement, and further hereby reaffirms the Guaranty and agrees that the Guaranty shall continue to secure the Loan as modified herein.
5. **FORBEARANCE AND WAIVER OF SUBJECT DEFAULTS.** Provided no Event of Default (other than the Subject Defaults) hereafter arises under this Agreement, the Note or any of the other Loan Documents, Lender shall forbear from taking any action or exercising any remedies in connection with the Subject Defaults. Upon the occurrence of an Event of Default (other than the Subject Defaults), Lender's obligation to forbear as set forth herein shall terminate, and at such time Lender shall be permitted to take any action or enforce any remedy permitted under the Loan Documents in connection with the Subject Defaults. If as of the Maturity Date no Event of Default (other than the Subject Defaults) has occurred and is continuing hereunder or under any of the other Loan Documents, then in such case, an d without any further action by Lender, Borrower or Guarantor, the Subject Defaults shall be deemed waived.
6. **EXPENSES.** Borrower, Mortgagor, and Guarantor shall be solely responsible for any and all costs, expenses, fees, charges, taxes, of whatever kind and nature incurred by Lender in connection with this Agreement, including, without limitation, reasonable attorneys' fees and expenses incurred in the preparation hereof in an amount not to exceed Five Thousand and 00/100 Dollars (\$5,000.00).
7. **INTENT OF PARTIES.** Borrower, Mortgagor, and Guarantor acknowledge and agree that the liens evidenced by the Loan Documents shall in no way be deemed to or have been subordinated, released, modified, terminated, or otherwise affected by this Agreement, it being understood by the parties hereto that the liens of said documents shall continue in full force and effect, and are to have the same validity, priority and effect that they had immediately prior to the execution of this Agreement and the documents and instruments executed and delivered pursuant to this Agreement, and shall survive and not be merged into the execution and delivery of this Agreement or any of the documents and instruments to be executed pursuant to this Agreement, without interruption; and that Lender has fulfilled any and all of Lender's obligations under the Loan Documents to date.
8. **RELEASE.** Borrower, Mortgagor, and Guarantor do hereby each release Lender and its officers, directors, employees, agents, attorneys, personal representatives, successors, predecessors and assigns from all manner of actions, cause and causes of action, suits, deaths, sums of money, accounts, reckonings, bonds, bills, specialties, covenants, controversies, agreements, promises, variances, trespasses, damages, judgments, executions, claims and demands, whatsoever, in law or in

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equity, and particularly, without limiting the generality of the foregoing, in connection with the Loan Documents and any agreements, documents and instruments relating to the Loan Documents and the administration of the Loan Documents and the Liabilities, all indebtedness, obligations and liabilities of Borrower, Mortgagor, and Guarantor to the Lender and any agreements, documents and instruments relating to the Loan Documents (collectively, the "Claims"), which Borrower, Mortgagor, and Guarantor now have against the Lender or ever had, or which might be asserted by Borrower, Mortgagor, or Guarantor's heirs, executors, administrators, representatives, agents, successors, or assigns based on any Claims which exist on or at any time prior to the date of this Agreement. Borrower, Mortgagor, and Guarantor expressly acknowledge and agree that they have been advised by counsel in connection with this Agreement and that they each understand that this Paragraph constitutes a general release of the Lender and that Borrower, Mortgagor, and Guarantor intend to be fully and legally bound by the same. Borrower, Mortgagor, and Guarantor hereby waive any and all defenses accruing on or before the date hereof that Borrower, Mortgagor, and Guarantor have against Lender in any manner whatsoever, including, but not limited to, relating to the Loan, the Loan Documents, the Liabilities and the administration of the Loan Documents and the Liabilities. Borrower, Mortgagor, and Guarantor further expressly acknowledge and agree that this general release and waiver shall have full force and effect notwithstanding the occurrence of a default pursuant to this Agreement or under the Loan Documents.

9. **EFFECT OF AGREEMENT.** Except as specifically amended or modified by the terms of this Agreement, all terms and provisions of each of the Loan Documents shall remain in full force and effect. The provisions of this Agreement shall govern and control in the event of any conflict with the provisions of any of the Loan Documents. Borrower, Mortgagor, and Guarantor acknowledge and agree that all of its covenants, representations, warranties and agreements set forth in the Loan Documents are and remain in full force and effect. A default by Borrower, Mortgagor, or Guarantor in the performance of their obligations under this Agreement shall constitute an event of default under the Note and the other Loan Documents, and in such event Lender shall be entitled to exercise any and all of rights and remedies as set forth in the Note and the other Loan Documents.
10. **CONFIDENTIALITY.** Borrower, Mortgagor, and Guarantor agree to hold and maintain the terms and conditions of this Agreement, and the negotiations held in connection thereto, in strict confidence. Borrower, Mortgagor, and Guarantor agree not to disclose the terms and conditions of this Agreement, and the negotiations held in connection thereto, to any company, entity, or person without the prior written consent of Lender.
11. **COUNTERPARTS.** This Agreement may be executed in two or more

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counterparts, each of which shall be deemed an original and all of which together shall be considered one and the same Agreement. Delivery of an executed counterpart of a signature page to this Agreement by facsimile shall be effective as delivery of a manually executed counterpart of this Agreement, with the original executed counterpart to be delivered within three (3) business days from the date of receipt of the facsimile.

[Signature Page Follows]

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the day first above written.

**LENDER:**

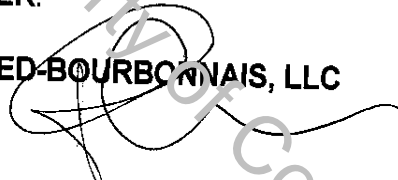
**RNNB, LLC**

By:   
Patrick Fitzgerald

Its: Manager

**BORROWER:**

**PREFERRED-BOURBONNAIS, LLC**

By:   
Thomas Morabito

Its: Manager

By:   
Evan Oliff

Its: Manager

**MORTGAGOR:**

**PREFERRED-HALSTED II, LLC**

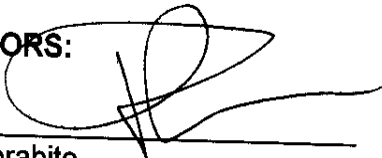
By:   
Thomas Morabito


Its: Manager

By:   
Evan Oliff

Its: Manager

**GUARANTORS:**

  
Thomas Morabito

  
Evan Oliff

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STATE OF ILLINOIS

COUNTY OF COOK

I, MIRELA S IOSEF, Notary Public of the County and State aforesaid, certify, that Patrick Fitzgerald, personally known to me to be the Manager of RNNB, LLC, and personally known to me to be the same person whose name is subscribed on the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Manager of said Company, he signed and delivered said instrument as his free and voluntary act and as the free and voluntary act of said Company for purposes therein set forth.

Witness my hand and official stamp or seal, this 7<sup>th</sup> day of November, 2010.

Mirela S Iosef  
Notary Public

My commission expires: \_\_\_\_\_



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STATE OF ILLINOIS

COUNTY OF COOK



I, Stephanie Hedrick, Notary Public of the County and State aforesaid, certify, that Thomas Morabito, personally known to me to be a Manager of Preferred-Bourbonnais, LLC, and personally known to me to be the same person whose name is subscribed on the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Manager of said Company, he signed and delivered said instrument as his free and voluntary act and as the free and voluntary act of said Company for purposes therein set forth.

Witness my hand and official stamp or seal, this 7 day of November, 2010.

Stephanie Hedrick  
Notary Public

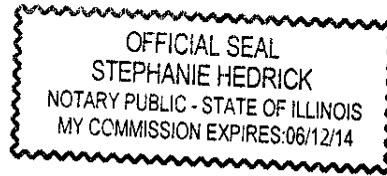
My commission expires: 06/12/14

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STATE OF ILLINOIS

COUNTY OF COOK



I, Stephanie Hedrick, Notary Public of the County and State aforesaid, certify, that Evan Oliff, personally known to me to be a Manager of Preferred-Bourbonnais, LLC, and personally known to me to be the same person whose name is subscribed on the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Manager of said Company, he signed and delivered said instrument as his free and voluntary act and as the free and voluntary act of said Company for purposes therein set forth.

Witness my hand and official stamp or seal, this 7 day of November, 2010.

Stephanie Hedrick  
Notary Public

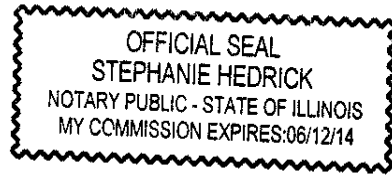
My commission expires: 06/12/14

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STATE OF ILLINOIS

COUNTY OF COOK



I, Stephanie Hedrick, Notary Public of the County and State aforesaid, certify, that Thomas Morabito, personally known to me to be a Manager of Preferred-Halsted II, LLC, and personally known to me to be the same person whose name is subscribed on the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Manager of said Company, he signed and delivered said instrument as his free and voluntary act and as the free and voluntary act of said Company for purposes therein set forth.

Witness my hand and official stamp or seal, this 7 day of November, 2010.

Stephanie Hedrick  
Notary Public

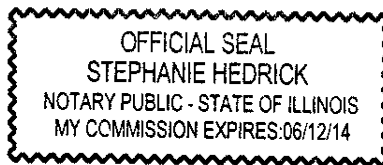
My commission expires: 6/12/14

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COUNTY OF COOK



I, Stephanie Hedrick, Notary Public of the County and State aforesaid, certify, that Evan Oliff, personally known to me to be a Manager of Preferred-Halsted II, LLC, and personally known to me to be the same person whose name is subscribed on the foregoing instrument, appeared before me this day in person and severally acknowledged that as such Manager of said Company, he signed and delivered said instrument as his free and voluntary act and as the free and voluntary act of said Company for purposes therein set forth.

Witness my hand and official stamp or seal, this 7 day of November, 2010.

Stephanie Hedrick  
Notary Public

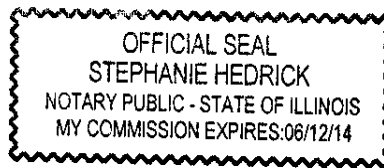
My commission expires: 6/12/14

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STATE OF ILLINOIS

COUNTY OF COOK



I, Stephanie Hedrick, notary public of the County and State aforesaid, do hereby certify that Thomas Morabito, personally known to me as being 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 free and voluntary act, for the uses and purposes therein set forth.

Witness my hand and official stamp or seal, this 7 day of November, 2010.

[Signature]  
Notary Public

My commission expires: 6/12/14

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STATE OF ILLINOIS

COUNTY OF COOK



I, Stephanie Hedrick, notary public of the County and State aforesaid, do hereby certify that Evan Oliff, personally known to me as being 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 free and voluntary act, for the uses and purposes therein set forth.

Witness my hand and official stamp or seal, this 7<sup>th</sup> day of November, 2010.

[Signature]  
Notary Public

My commission expires: 6/12/14

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**EXHIBIT A**  
**LEGAL DESCRIPTION**

LOT 1, OAK RUN ESTATES 15<sup>th</sup> ADDITION, PART OF THE ORIGINAL LOT 3 OF BELA T. CLARK'S SUBDIVISION OF THE MESHEKETENO RESERVATION IN TOWNSHIP 31 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN IN KANKAKEE COUNTY, ILLINOIS.

Commonly known as 580 Main Street NW, Bourbonnais, Illinois 60914

Permanent Index No. 09-19-100-217

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## EXHIBIT B LEGAL DESCRIPTION

LOTS 126 AND 127 (EXCEPT THE WEST 17 FEET THEREOF TAKEN FOR HALSTED STREET), IN SHARPSHOOTER'S PARK SUBDIVISION, IN SECTION 21, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Commonly known as 11515, 11517, and 11521 Halsted Street, Chicago, Illinois 60628

Permanent Index No. 25-21-317-024-0000

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