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Cook County Recorder of Deeds
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Property of Cook County Clerk's Office

MODIFICATION OF RELATED DOCUMENTS

by

JOE MANNANCHERIL AND MOSMI MANNANCHERIL,

and **AMERICAN ENTERPRISE BANK**, an Illinois state chartered bank

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THIS DOCUMENT PREPARED BY AND AFTER RECORDING RETURN TO:

Deutsch, Levy & Engel, Chartered
225 W. Washington Street, Suite 1700
Chicago, Illinois 60606
Attn: Aaron B. Zarkowsky, Esq.

THIS DOCUMENT MODIFIES THE FOLLOWING MORTGAGES:

Document No. 0534905014 Recorded
December 15, 2005

Document No. 0532626159 Recorded
Mortgage December 15, 2005

FIRST AMERICAN TITLE

ORDER # NCS 466116 & 466117
L Whitman

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MODIFICATION OF RELATED DOCUMENTS

THIS MODIFICATION OF RELATED DOCUMENTS (this "Modification") is made as of the 10th day of November, 2010, by and among **JOE MANNANCHERIL** (the "Original Borrower"), **MOSMI MANNANCHERIL** ("Additional Borrower" and together with the Original Borrower, the "Borrowers"), and **AMERICAN ENTERPRISE BANK**, an Illinois state chartered bank, its successors and assigns ("Lender").

RECITALS:

A. The Lender made a loan ("Loan") to the Original Borrower in the original principal amount of \$492,000 pursuant to the terms and conditions of a Business Loan Agreement dated as of November 10, 2005 between Borrower and the Lender (the "Loan Agreement"), and as evidenced by a Promissory Note dated as of November 10, 2005, in the principal amount of the Loan made payable by Borrower to the order of Lender ("Note"). The current outstanding principal amount of the Loan is \$449,877.76.

B. The Note is secured by, among other things, certain documents dated as of November 10, 2005, including (i) that certain Mortgage from Original Borrower to Lender recorded with the Recorder of Deeds in Cook County, Illinois (the "Recorder's Office") on December 15, 2005, as Document No. 0534905014 ("Mortgage"), which Mortgage encumbers the real property and all improvements thereon legally described on Exhibit A hereto ("Property"); (ii) a Mortgage from Original Borrower to Lender recorded with the Recorder's Office on December 15, 2005, as Document No. 0532626159 ("Junior Mortgage"), which Junior Mortgage encumbers the real property and all improvements thereon legally described on Exhibit B hereto ("Additional Property") and (iii) certain other documents (the Note, the Loan Agreement, the Mortgage, the Junior Mortgage, the other documents evidencing, securing and guarantying the Loan, in their original form and as amended, are sometimes collectively referred to herein as the "Related Documents").

C. The Borrower desires to amend the Related Documents in order to, among other things, extend the maturity date of the Note, and the Lender has agreed to such request upon the terms and conditions hereinafter set forth.

AGREEMENTS:

NOW, THEREFORE, in consideration of (i) the facts set forth hereinabove, (ii) the agreements by Lender to modify the Related Documents as provided herein, (iii) the covenants and agreements contained herein, and (iv) for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

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1. **Incorporation and Definitions.** The foregoing recitals and all exhibits and schedules attached hereto are hereby made a part of this Modification. The capitalized terms not otherwise defined herein shall have the meanings provided in the Related Documents.

2. **Amendment and Restatement of the Note.** In consideration of the Lender's agreements herein, the Borrowers agreed to deliver to the Lender their Promissory Note of even date herewith (the "Amended and Restated Note"). The Amended and Restated Note will amend and restate, in its entirety, the Note. Each and every one of the Related Documents shall be amended such that any reference to the Note shall now refer to the Amended and Restated Note.

3. **Real Estate Tax Escrow.** The Borrowers shall deposit with the Lender, on the first day of each month until the Loan is fully paid, a sum equal to one-twelfth (1/12th) of one hundred five percent (105.00%) of the most recent ascertainable annual general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes") on the Property. If requested by the Lender, the Borrowers shall also deposit with the Lender an amount of money which, together with the aggregate of the monthly deposits to be made pursuant to the preceding sentence as of one month prior to the date on which the next installment of annual Taxes for the current calendar year become due, shall be sufficient to pay in full such installment of annual Taxes, as estimated by the Lender. Such deposits are to be held without any allowance of interest and are to be used for the payment of Taxes next due and payable when they become due. So long as no Event of Default shall exist, the Lender shall, at its option, pay such Taxes when the same become due and payable (upon submission of appropriate bills therefor from the Borrowers) or shall release sufficient funds to the Borrowers for the payment thereof. If the funds so deposited are insufficient to pay any such Taxes for any year (or installments thereof, as applicable) when the same shall become due and payable, the Borrowers shall, within ten (10) days after receipt of written demand therefor, deposit additional funds as may be necessary to pay such Taxes in full. If the funds so deposited exceed the amount required to pay such Taxes for any year, the excess shall be applied toward subsequent deposits. Said deposits need not be kept separate and apart from any other funds of the Lender. The Lender, in making any payment hereby authorized relating to Taxes, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof.

4. **Lender's Interest In and Use of Deposits.** Upon an Event of Default, the Lender may, at its option, apply any monies at the time on deposit pursuant to the foregoing section to cure an Event of Default or to pay any of the Loan in such order and manner as the Lender may elect. If such deposits are used to cure an Event of Default or pay any of the Loan, the Borrowers shall immediately, upon demand by the Lender, deposit with the Lender an amount equal to the amount expended by the Borrowers from the deposits. When the Loan has

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been fully paid, any remaining deposits shall be returned to the Borrowers. Such deposits are hereby pledged as additional security for the Loan and shall not be subject to the direction or control of the Borrowers. The Lender shall not be liable for any failure to apply to the payment of Taxes any amount so deposited unless the Borrowers, prior to an Event of Default, shall have requested the Lender in writing to make application of such funds to the payment of such amounts, accompanied by the bills for such Taxes. The Lender shall not be liable for any act or omission taken in good faith or pursuant to the instruction of any party.

5. **Taxes for the Additional Property.** The Borrowers represent and warrant to the Lender that the senior mortgagee for the Additional Property currently requires the Borrowers to escrow, on a monthly basis, Taxes for the Additional Property substantially similarly to the requirements set forth in Section 3 above. The Borrowers shall, upon the Lender's request provide evidence satisfactory to the Lender of the compliance with the obligations to pay or escrow Taxes on the Additional Property. In the event that the senior mortgagee on the Additional Property ceases to require the Borrowers to escrow for Taxes for the Additional Property the Borrowers shall comply with Section 3 hereof with respect to Taxes for the Additional Property.

6. **Financial Statements.** The Borrowers represent and warrant that the financial statements for the Borrowers, the Property and the Additional Property previously submitted to the Lender are true, complete and correct in all material respects, disclose all actual and contingent liabilities of the Borrowers or relating to the Property and the Additional Property and do not contain any untrue statement of a material fact or omit to state a fact material to such financial statements. The Borrowers shall furnish to the Lender such financial information regarding the Borrowers, the Property and the Additional Property as the Lender may from time to time reasonably request, which shall include, without any further request therefor, (i) annual financial statements for the Property and the Additional Property including a balance sheet, statement of income and rent roll (if applicable), no later than thirty (30) days after the end of each calendar year, all in form, scope and detail satisfactory to the Lender and certified by the Borrowers; (ii) annual financial statements for the Borrowers certified by the Borrowers to be true, correct and complete, in each case, no later than ninety (90) days after the end of each year, and (iii) within thirty (30) days after their filing, copies of the federal income tax returns of the Borrowers. Such financial statements of the Borrowers shall also include a calculation of Income and Debt Service (as such terms are defined in Section 7 below) for the year to which they apply and shall be certified as true and correct by the Borrowers.

7. **Debt Service Coverage Ratio.**

(a) During any calendar year, the Borrowers shall not permit the ratio of Income (as defined below) during such year to Debt Service (as defined below) during such year to be less than 1.35 to 1.00 (the "Debt Service Coverage Ratio").

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(b) As used herein, “Income” during any year shall mean the aggregate of (i) Schedule “C” receipts minus operating expenses (not including depreciation or amortization) plus (ii) W-2 income plus (iii) Schedule “E” Rents minus expenses (not including depreciation or amortization) as reported on the Borrower’s annual federal tax returns for such year. As used herein, “Debt Service” for any year shall equal the sum of all scheduled principal and interest payments on the indebtedness of the Borrowers, including the Loan and the indebtedness of the Borrowers for the Additional Property, due and payable during such year.

(c) Income and Debt Service shall be calculated by the Lender based on the financial information provided to the Lender by the Borrowers and independently verified by the Lender and the calculations so verified shall be final and binding upon the Borrowers and the Lender.

(d) If at any time during any year the Lender reasonably believes that an event has occurred which will cause a decrease in the Income during such year and, as a result thereof, the ratio of Income to Debt Service during such year (or any year thereafter) shall be less than 1.35 to 1.00, then an Event of Default shall be deemed to exist upon the Borrowers’ receipt of written notice of such Event of Default from the Lender unless the Borrowers, within thirty (30) days after receipt of such notice from the Lender, has delivered to the Lender evidence reasonably satisfactory to the Lender that the ratio of Income to Debt Service as of such day is or shall be at least 1.35 to 1.00.

8. Auto-Debit. Interest, principal payments and any fees and expenses owed the Lender from time to time will be deducted by the Lender automatically on the due date from the Borrower’s account with the Lender. The Borrower will maintain sufficient funds in the account on the dates the Lender enters debits authorized by this Modification. If there are insufficient funds in the account on the date the Lender enters any debit authorized by this Modification, the debit will be reversed.

9. Representations and Warranties of the Borrowers. The Borrowers hereby jointly and severally represent, covenant, and warrant to Lender as follows:

(a) The representations and warranties in the Loan Agreement and the other Related Documents are true and correct as of the date hereof.

(b) There is currently no Event of Default (as defined in the Note) under the Note, the Loan Agreement, or the other Related Documents and Borrower does not know of any event or circumstance which with the giving of notice or passing of time, or both,

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would constitute an Event of Default under the Note, the Loan Agreement, or the other Related Documents.

(c) The Related Documents are in full force and effect and, following the execution and delivery of this Modification, they continue to be, as to the Original Borrower, and will be as to the Additional Borrower, the legal, valid and binding obligations of the Borrowers 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 the Borrowers 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, the Borrowers have no claims, counterclaims, defenses, or set-offs with respect to the Loan or the Related Documents as modified herein.

10. Conditions Precedent. The agreement of Lender to amend the Note and the Related Documents is subject to the following conditions precedent:

(a) Lender shall have received this Modification duly executed by each Borrower.

(b) Lender shall have received the Amended and Restated Note duly executed by each of the Borrowers.

(c) Borrower shall, at its sole cost and expense, cause First American Title Company to issue an endorsement to Lender's title insurance policies No. LP-1254490 as to the Property and No. 220-224419-TAL for the Additional Property (together, the "Title Policies"), as of the date this Modification is recorded, reflecting the recording of this Modification and insuring the first priority of the lien of the Mortgage and the Junior Mortgage, as the case may be, subject only to the exceptions set forth in the applicable Title Policy as of the date of issuance and any other encumbrances expressly agreed to by Lender.

(d) The Borrower shall pay to the Lender a non-refundable fee in the amount of One Thousand Five Hundred and 00/100 Dollars (\$1,500.00), which shall be due and payable in full as a condition precedent to the Lender's obligations contained herein.

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(e) Borrower shall pay all out-of-pocket costs and expenses incurred by Lender in connection with this Modification, including, without limitation, title charges, recording fees, appraisal fees and attorneys' fees and expenses.

(f) Lender shall have received such other documents as may be reasonably requested by Lender or its counsel.

11. **Release.** The Borrowers each hereby acquit, and forever discharge the Lender and each and every past and present subsidiary, affiliate, stockholder, officer, director, agent, servant, employee, representative, and attorney of the Lender from any and all claims, causes of action, suits, debts, liens, obligations, liabilities, demands, losses, costs and expenses (including reasonable attorneys' fees) of any kind, character, or nature whatsoever, known or unknown, fixed or contingent, which the Borrowers may have or claim to have now or which may hereafter arise out of or be connected with any act of commission or omission of the Lender existing or occurring prior to the date of this Modification or any instrument executed prior to the date of this Modification including, without limitation, any claims, liabilities or obligations arising with respect to the Loan evidenced by the Note or any of the Related Documents. The provisions of this Section of this Modification shall be binding upon the Borrowers and their respective heirs, executors and administrators and shall inure to the benefit of the Lender, and its successors and assigns, and shall survive the termination of the Related Documents.

12. **Miscellaneous.**

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

(b) This Modification shall not be construed more strictly against Lender than against the Borrowers merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that the Borrowers and Lender have contributed substantially and materially to the preparation of this Modification, and the Borrowers and Lender each acknowledges and waives any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Modification. Each of the parties to this Modification represents that it has been advised by its respective counsel of the legal and practical effect of this Modification, and recognizes that it is executing and delivering this Modification, 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 Modification, 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.

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(c) Notwithstanding the execution of this Modification by Lender, the same shall not be deemed to constitute Lender a venturer or partner of or in any way associated with the Borrowers nor shall privity of contract be presumed to have been established with any third party.

(d) The Borrowers 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 Related Documents and this Modification, which collectively represent a complete integration of all prior and contemporaneous agreements and understandings of the Borrowers and Lender; and that all such prior understandings, agreements and representations are hereby modified as set forth in this Modification. Except as expressly modified hereby, the terms of the Related Documents are and remain unmodified and in full force and effect.

(e) This Modification 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 "Loan Agreement" or the "Related Documents" contained in any of the Related Documents shall be deemed to refer to the Amended and Restated Note, the Loan Agreement, and the other Related 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 Modification may be executed in one or more counterparts, all of which, when taken together, shall constitute one original Modification.

(h) Time is of the essence of each of the Borrowers' obligations under this Modification.

(Signature Page Follows)

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

LENDER:

AMERICAN ENTERPRISE BANK

By: Keith J. Comtois
Name: Keith J. Comtois
Title: Senior Vice President

STATE OF ILLINOIS)
).ss
COUNTY OF COOK)

I David Suden, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Keith J. Comtois, the Senior Vice President of American Enterprise Bank, 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 that he signed and delivered 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 31 day of December, 2010.

David Suden
Notary Public

My Commission Expires: 07/11/12



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Exhibit A

Lots 20 and 21 in Block 1 in Henry Wisner's Subdivision of Lots 8 and 9 in Brands Subdivision of the Northeast $\frac{1}{4}$ of Section 26, Township 40 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

13-26-229-037-0000

Commonly known as 3200 West Diversey Ave., Chicago, Illinois

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Exhibit B

The North ½ of Lot 40 and all of Lot 41 in Talman and Thelle's "L" Extension Subdivision of Lot 1 in the Subdivision of Block 5 in the Subdivision of the West ¼ of the Southwest ¼ of Section 22, Township 41 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois.

FOR INFORMATIONAL PURPOSES:
Property Address: 8135 Kilpatrick Ave., Skokie, IL 60076
PIN: 10-22-319-040

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