

# UNOFFICIAL COPY

THIS DOCUMENT PREPARED BY  
AND AFTER RECORDING RETURN TO:

Howard & Howard Attorneys  
200 South Michigan Avenue  
Suite 1100  
Chicago, Illinois 60604  
Attn: Aaron B. Zarkowsky, Esq.



Doc#: 1416345002 Fee: \$56.00  
RHSP Fee: \$9.00 RPRF Fee: \$1.00  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 06/12/2014 08:26 AM Pg: 1 of 10

*This space reserved for Recorder's use only.*

## THIRD MODIFICATION OF LOAN DOCUMENTS

**THIS THIRD MODIFICATION OF LOAN DOCUMENTS** (this "Modification") is made as of the 5th day of June, 2014 (the "Effective Date"), by and among Park Place Venture, LLC a Delaware limited liability company ("Borrower"), David Scherer and Michael Episcopo (each of said individuals being a "Guarantor" and together the "Guarantors") and **NORTHBROOK BANK & TRUST COMPANY**, an Illinois banking corporation, its successors and assigns ("Lender"), successor pursuant to a Purchase and Assumption Agreement by and between the FDIC, as Receiver of the Assets and Liabilities of First Chicago Bank & Trust ("First Chicago") pursuant to 12 U.S.C. 1821(D)(2)(A) as Seller and Lender as Buyer, dated July 8, 2011 (the "FDIC Agreement").

### RECITALS:

A. First Chicago made a revolving line of credit (the "Loan") to the Borrower in the maximum principal amount of Seven Hundred Fifty Thousand and no/100 Dollars (\$750,000) as evidenced by a Promissory Note dated May 26, 2011, in the principal amount of the Loan made payable by Borrower to the order of Lender ("Note").

B. The Note is secured by, among other things documents dated May 26, 2011, including (i) that certain Revolving Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing from Borrower to First Chicago recorded with the Recorder of Deeds in Cook County, Illinois (the "Recorder's Office") on May 27, 2011, as Document No. 1114718013 ("Mortgage"), which Mortgage encumbers the real property and all improvements thereon legally described on Exhibit A hereto ("Property"), (ii) that certain Assignment of Rents and Leases from Borrower to First Chicago and recorded in the Recorder's Office on May 27, 2011, as Document No. 1114718014 (the "Assignment of Leases"); (iii) that certain Environmental Indemnity Agreement from Borrower and each Guarantor to First Chicago (the "Indemnity Agreement"); (iv) that certain Guaranty of Payment from the Guarantors to First Chicago (the "Guaranty"); and (v) certain other loan documents (the Note, the

SA4408080 2/2 CAC

Chicago Title Property Clerk's Office

10

# UNOFFICIAL COPY

Mortgage, the Assignment of Leases, the Indemnity Agreement, the Guaranty, the other documents evidencing, securing and guarantying the Loan, in their original form and as amended, are sometimes collectively referred to herein as the "Loan Documents").

C. Lender succeeded to certain assets of First Chicago pursuant to the FDIC Agreement, and the Borrower and the Guarantors acknowledge and agree that the Lender is the successor to First Chicago in full replacement and stead of First Chicago as the "lender" (or such other equivalent term used in the Loan Documents) and entitled to the benefits of the Loan Documents.

D. The Loan Documents were amended pursuant to that certain First Modification of Loan Documents dated as of February 21, 2012 and recorded March 12, 2012 as document number 7207215095 and that certain Second Modification of Loan Documents dated as of May 26, 2013 and recorded July 22, 2013 as document number 1320313051.

E. Borrower and Alberto and Rosalba Hernandez (together, "Buyer") are parties to that certain Chicago Association of Realtors Residential Real Estate Purchase and Sale Contract accepted by the Borrower on or about March 13, 2014 (the "Contract") whereby the Borrower will convey to the Buyer the property commonly known as 3646 W. 51<sup>st</sup> Street, Chicago, Illinois (the "Disposed Property"). In consideration for the Borrower's conveyance of the Disposed Property to the Buyer, the Buyer will sell to the Borrower the property commonly known as 5029 S. Lawndale, Chicago, Illinois (the "Acquired Property").

F. Borrower has requested that the Loan Documents be amended to provide for the release of the Disposed Property as collateral for the Loan in consideration of the encumbrance of the Acquired Property as additional security for the Loan. The Lender will agree to the Borrower's 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 Loan 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:

1. **Incorporation and Definitions.** The foregoing recitals and all exhibits and schedules hereto constitute an integral part of this Modification, evidencing the intent of the parties in executing this Modification and describing the circumstances surrounding its execution. Accordingly, the recitals, exhibits and schedules are, by this express reference, made a part of the covenants hereof, and this Modification shall be construed in the light thereof. The capitalized terms not otherwise defined herein shall have the meanings provided in the Mortgage.

# UNOFFICIAL COPY

## **2. Release of Disposed Property, Encumbrance of Acquired Property, and Conforming Modifications to Loan Documents.**

(a) The Mortgage, the Assignment of Leases and the other Loan Documents are each hereby amended by amending and restating the legal description, whether set forth in Exhibit A to such document, or otherwise, in the form set forth on Exhibit A attached hereto and made a part hereof. The Borrower and Lender acknowledge and agree that the amendment and restatement of Exhibit A results in the removal and release of the Disposed Property as collateral for the Loan, and the encumbrance of the Acquired Property as collateral for the Loan.

(b) The Borrower agrees that, despite the date of acquisition of the Acquired Property relative to the date of acquisition of the other parcels identified in Exhibit A, all representations, warranties, covenants, obligations and burdens set forth in the Loan Agreement shall be in full force and effect as to the Acquired Property as if the Acquired Property was identified on Exhibit A as of the date of execution and delivery of the original Loan Documents.

## **3. Representations and Warranties of Borrower.** Borrower hereby represents, covenants and warrants to Lender as follows:

(a) The representations and warranties in the 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 Mortgage) under the Note, the Mortgage or the other Loan Documents and Borrower does not 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 Note, the Mortgage or the other Loan Documents.

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

# UNOFFICIAL COPY

(f) Borrower, its manager, Origin Manager, LLC, a Delaware limited liability company ("Origin") and Origin's member, ORIGIN HOLDING COMPANY, LLC, a Delaware limited liability company ("Origin Holding"), validly exist under the laws of the State of their respective formation or organization and each of them has the requisite power and authority to execute and deliver this Modification and to perform the Loan Documents as modified herein. The execution and delivery of this Modification and the performance of the Loan Documents as modified herein have been duly authorized by all requisite action by or on behalf of Borrower. This Modification has been duly executed and delivered on behalf of Borrower by the Borrower's manager (in such capacity), and each Guarantor.

(g) Origin is the sole manager of the Borrower.

4. **Reaffirmation of Guaranty.** Each Guarantor ratifies and affirms the Guaranty and agrees that the Guaranty is in full force and effect following the execution and delivery of this Modification. The representations and warranties of the Guarantors in the Guaranty are, as of the date hereof, true and correct and none of the Guarantors knows of any default thereunder. The Guaranty continues to be the valid and binding obligation of each Guarantor, enforceable in accordance with its terms and no Guarantor has claims or defenses to the enforcement of the rights and remedies of Lender thereunder, except as provided in the Guaranty.

5. **Continuing Effect; Ratification.** This Modification shall constitute one of the Loan Documents. The Borrower and the Guarantors expressly ratify the terms and provisions of the Loan Documents that they are a party to, and acknowledge and agree that such terms and provisions shall continue in full force and effect, and shall be binding upon the Borrower and its successors and assigns, except to the extent that such terms and provisions are directly in conflict with the terms of this Modification, in which case, the express terms of this Modification shall govern.

6. **Title Endorsement.** Borrower shall, at its sole cost and expense, at the Lender's direction either (i) cause First American Title Insurance Company to issue an endorsement to Lender's title insurance policy No. 482347 (the "Title Policy"), 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, 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; or (ii) cause Chicago Title Insurance company to insure the Mortgage, reflecting the recording of this Modification, insuring the first priority of the lien of the Mortgage on the Acquired Property subject only to the exceptions set forth in the Title Policy expressly agreed to by Lender.

7. **Conditions Precedent.** The agreement of the Lender to amend the Loan Documents is subject to the following conditions precedent:

(a) Bank shall have received this Modification duly executed by the Borrower and each Guarantor.

# UNOFFICIAL COPY

(b) Bank shall have received resolutions of the Borrower approving the execution of this Modification in form and content acceptable to the Lender.

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

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

## 8 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 Borrower or the Guarantors merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that Borrower, the Guarantors and Lender have contributed substantially and materially to the preparation of this Modification, and Borrower, the Guarantors 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.

(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 Borrower or the Guarantors nor shall privity of contract be presumed to have been established with any third party.

(d) Borrower, the Guarantors 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 Modification, which collectively represent a complete integration of all prior and contemporaneous agreements and understandings of Borrower, the Guarantors 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 Loan Documents are and remain unmodified and in full force and effect.

# UNOFFICIAL COPY

(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 "Mortgage" or the "Loan Documents" contained in any of the Loan Documents shall be deemed to refer to the Note, the 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 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 Borrower's obligations under this Modification.

(Signature Page Follows)









# UNOFFICIAL COPY

## EXHIBIT A

### THE PROPERTY

#### Parcel 1:

LOTS 14, 18, 19, 20, 23, 24, 27, 28, 29, 30, 31, 32, 33, 34, 35 AND 37 IN PARK PLACE UNIT 1 BEING A SUBDIVISION OF PART OF THE SOUTH 1/2 OF THE EAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 6, 2007 AS DOCUMENT NO. 0734003180, IN COOK COUNTY, ILLINOIS, EXCEPT THE FOLLOWING DESCRIBED SOLD PROPERTY.

(UNIT 37-3): THE WEST 20.00 FEET OF THE EAST 60.17 FEET OF LOT 37 IN PARK PLACE UNIT 1, BEING A SUBDIVISION OF PART OF THE SOUTH 1/2 OF THE EAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 6, 2007 AS DOCUMENT

NO. 0734003180, IN COOK COUNTY, ILLINOIS.

(UNIT 37-4): THE WEST 22.33 FEET OF LOT 37 IN PARK PLACE UNIT 1, BEING A SUBDIVISION OF PART OF THE SOUTH 1/2 OF THE EAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 6, 2007 AS DOCUMENT NO. 0734003180, IN COOK COUNTY, ILLINOIS.

#### PARCEL 2:

LOT 36, EXCEPT THE WEST 20.00 FEET OF THE EAST 41.00 FEET OF LOT 36 IN PARK PLACE UNIT 1, BEING A SUBDIVISION OF PART OF THE SOUTH 1/2 OF THE EAST 1/4 OF THE NORTHWEST 1/4 OF SECTION 11, TOWNSHIP 38 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED DECEMBER 6, 2007 AS DOCUMENT NO. 0734003180, IN COOK COUNTY, ILLINOIS.

#### Permanent index numbers:

- 19-11-121-014-0000 (affects Lot 14)
- 19-11-121-018-0000 (affects lot 18)
- 19-11-121-019-0000 (affects Lot 19)
- 19-11-121-020-0000 (affects Lot 20)
- 19-11-121-023-0000 (affects Lot 23)
- 19-11-121-024-0000 (affects Lot 24)
- 19-11-123-001-0000 (affects Lot 27)
- 19-11-123-002-0000 (affects Lot 28)
- 19-11-123-003-0000 (affects Lot 29)
- 19-11-123-004-0000 (affects Lot 30)
- 19-11-123-005-0000 (affects Lot 31)
- 19-11-123-006-0000 (affects Lot 32)
- 19-11-123-007-0000 (affects Lot 33)
- 19-11-123-008-0000 (affects Lot 34)
- 19-11-123-009-0000 (affects Lot 35)
- 19-11-123-010-0000 (affects Parcel 2 and other land)
- 19-11-123-011-0000 (affects that part of Parcel 1 falling in Lot 37 and other land)