

ILLINOIS

Permanent Tax Index Numbers:  
13-36-307-050-0000

Property Address:  
1950 N. California Avenue  
Chicago, IL 60647

**MODIFICATION OF LOAN DOCUMENTS**

NOTICE 526-CTI

**THIS MODIFICATION OF LOAN DOCUMENTS** (this "Modification") is made as of the 5<sup>th</sup> day of September, 2014, by and among **1950 NORTH CALIFORNIA, LLC**, an Illinois limited liability company ("Borrower"), **ROBERT HERNANDEZ ENTERPRISES I, INCORPORATED**, an Illinois corporation and **ROBERTO HERNANDEZ, JR.** (each a "Guarantor" and sometimes collectively, the "Guarantors") and **ALBANY BANK AND TRUST COMPANY, N.A.**, a national banking association, its successors and assigns ("Bank").

**RECITALS:**

A. Bank has heretofore made a loan ("Loan") to Borrower in the original principal amount of Six Hundred Seventy-five Thousand and 00/100 Dollars (\$675,000.00) as evidenced by an Installment Note dated December 7, 2011, in the principal amount of the Loan, made payable by Borrower to the order of Bank ("Note").

B. The Note is secured by, among other things, (i) that certain Mortgage with Assignment of Rents Rider dated December 7, 2011 from Borrower to Bank recorded with the Recorder of Deeds in Cook County, Illinois (the "Recorder's Office") on December 9, 2011, as Document No. 1134316111 ("Mortgage"), which mortgage encumbers the real property and all improvements thereon legally described on Exhibit A hereto ("Property"); (ii) that certain Security Agreement Inventory and Accounts Receivable dated December 7, 2011 pledging collateral on business assets from ROBERT HERNANDEZ ENTERPRISES I, INCORPORATED, an Illinois corporation d/b/a FRANK'S SERVICE, 2801 W. ARMITAGE, CHICAGO, IL to Bank ("Security Agreement"); (iii) a certain Hypothecation Agreement dated December 7, 2011 ("Hypothecation") and (iv) certain other loan documents (the Note, the Mortgage, the Security Agreement, the Hypothecation and the other documents evidencing,

**THIS DOCUMENT PREPARED BY AND  
AFTER RECORDING RETURN TO:**

**ALBANY BANK AND TRUST COMPANY, N.A.  
3400 W. Lawrence Avenue  
Chicago, Illinois 60625  
Attn: Loan Operations Department**

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securing and guarantying the Loan, in their original form and as amended, are sometimes collectively referred to herein as the "Loan Documents").

C. The Loan is further secured by those guaranties dated December 7, 2011 from Guarantors to Bank (the "Guaranty").

D. Borrower desires to amend the Loan Documents in order to (i) extend the Maturity Date, (ii) modify the Interest Rate, (iii) re-amortized the payments of the Note and (iv) make other certain changes subject to terms and provisions hereafter provided, with all other terms and conditions remaining the same and in full force.

## AGREEMENTS:

NOW, **THEFORE**, in consideration of (i) the facts set forth hereinabove, (ii) the agreements by Bank 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 Loan Documents.

2. **Loan Amount.** As of the date hereof, the current outstanding principal balance of the Note is \$641,290.14. Any reference in the Note to the outstanding principal balance amount shall mean \$641,290.14.

3. **Maturity Date.** The Maturity Date of the Note is extended from January 1, 2015 to January 5, 2020. Any reference in the Note or any other Loan Documents to the Maturity Date shall mean January 5, 2020.

4. The first paragraph of the Note commencing "FOR VALUE RECEIVED" is hereby deleted in its entirety and restated to read as follows:

"FOR VALUE RECEIVED, 1950 NORTH CALIFORNIA, LLC, an Illinois limited liability company ("Borrower") promises to pay to the order of ALBANY BANK AND TRUST COMPANY, N.A., 3400 W. LAWRENCE AVENUE, CHICAGO, IL 60625, (hereinafter, together with any holder hereof, called the "Bank"), at its office in Chicago, Illinois, the principal amount of Six Hundred Forty-one Thousand Two Hundred Ninety and 14/100 (\$641,290.14)

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Dollars (US) (the "Loan") or such lesser principal amount as may then be owed by Borrower to the Bank hereunder, with interest thereon from date hereof at the stated fixed rate of 5.75% (the "Interest Rate") until paid, with 62 monthly consecutive principal and interest payments of \$4,531.68, commencing on October 5, 2014, with all subsequent payments to be due on the same day of each month after that, and one final irregular payment due, if not sooner paid, on January 5, 2020 (the "Maturity Date") and that will be for all principal and interest not yet paid.

5. **Interest Calculation Method.** The Note and the other Loan Documents are hereby amended by adding the following:

5.1 Interest on the Note shall be calculated on the basis of a 360-day year and the actual number of days elapsed in any portion of a month in which interest is due. Borrower hereby acknowledges and agrees that the use of a 360-day year in the calculation of the interest hereunder will result in a greater effective rate of interest than the stated rate set forth above. Borrower hereby waives any and all counter claims, defenses, causes of action, arguments or other claims it may have against Bank in connection with or in any way related to the calculation of interest based upon a 360-day year.

6. **Prepayment Penalty.** The Prepayment Penalty paragraph is hereby amended in its entirety and substituted with the following:

6.1 Concurrent with the repayment of this Note, prepayments may be made subject to payment of a premium equal to: 3% of the outstanding principal balance on any prepayment received prior to January 5, 2016, 2% of the outstanding principal balance on any prepayment payment received from January 6, 2016 to January 5, 2018, 1% of the outstanding principal balance on any prepayment payment received from January 6, 2018 to January 5, 2019 and 0% if repaid thereafter, by giving Bank notice of its intention to do so and by paying such amount together with all accrued late charges, interest and other sums owing under the Note including any release fees through such prepayment.

7. **Interest After Default.** The fourth paragraph Note and the other Loan Documents are hereby amended in its entirety and substituted with the following:

7.1 The principal of each of said payments unless paid when due shall bear interest after maturity at the higher of the stated Interest Rate + 4.00% per annum or Prime Rate + 4.00% per annum. Said payments are to be made at Albany Bank and Trust Company, N.A. in Chicago, Illinois or at such place as the Bank may, from time to time designate in writing. In the event of a default by Borrower under any of the terms, conditions or provisions of the Note, or the Mortgage(s) securing the Note, the remaining

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principal shall bear interest at the higher of the stated Interest Rate + 4.00% per annum or Prime Rate + 4.00% per annum. If the designation of said rate includes the term "P" or "Prime Rate", such term shall mean the prime rate of interest quoted from time to time by The Wall Street Journal, and said rate shall fluctuate when and as said prime rate fluctuates. The Bank is not obligated to give notice of such fluctuations.

7.2 All references to an interest rate in the Note or any other Loan Documents of Albany Bank Prime Rate is hereby deleted and substituted in lieu thereof are corresponding references to Prime Rate.

8. The fifth paragraph of the Note commencing "This loan is payable" is hereby amended by adding, "unless otherwise amended or extended from time to time." at the end of the first sentence after "3 years".

9. **Event of Default.** The Note and the other Loan Documents are hereby amended by adding the following additional event of default:

9.1 The Bank in good faith believes itself insecure.

10. The Mortgage is hereby amended as follows:

10.1 The first paragraph of the Mortgage commencing "THIS INDENTURE" is hereby amended by adding, "as amended, restated or replaced from time to time, being collectively referred to herein as the Note," between "Installment Note of the Mortgagor" and "of even date".

10.2 The second paragraph of the Mortgage commencing "This loan is payable" is hereby amended by adding, "unless otherwise amended or extended from time to time." at the end of the first sentence after "3 years".

10.3 All references in the Mortgage to an interest rate of Albany Bank Prime Rate are hereby deleted and substituted in lieu thereof are corresponding references to Prime Rate.

11. **Not a Novation.** This Modification renews the debt previously evidenced by, that certain Note made by Borrower in favor of Bank, and is not a repayment or novation thereof. Upon the execution of this Modification by Borrower, all indebtedness outstanding under the Note dated December 7, 2011, being \$641,290.14 in principal, shall be deemed to be outstanding under this Modification.

12. **Extension Fee.** In consideration of the Bank's agreements contained herein, the Borrower hereby agrees to pay to the Bank \$250.00 (the "Extension Fee").

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13. **Representations and Warranties of Borrower.** Borrower hereby represents, covenants and warrants to Bank 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 default or event of default 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 a default or 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, Guarantor or any other party whose financial statement has been delivered to Bank in connection with the Loan from the date of the most recent financial statement received by Bank.

(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.

(f) Each Borrower that is not a natural person validly exists under the laws of the State of its formation or organization and 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.

(g) To the best of Borrower's and Guarantors' knowledge, the Borrowers and Guarantors warrants it is not a Forbidden Entity. For purposes hereof, a "Forbidden Entity" is any of the following:

(1) The government of the Republic of the Sudan and any of its agencies, including but not limited to political units and subdivisions;

(2) Any company that is wholly or partially managed or controlled by the government of the Republic of the Sudan and any of its agencies, including but not limited to political units and subdivisions;

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(3) Any company (i) that is established or organized under the laws of the Republic of the Sudan; or (ii) whose principal place of business is in the Republic of the Sudan;

(4) Any company (i) identified by the Office of Foreign Assets Control in the United States Department of the Treasury as sponsoring terrorist activities; or (ii) fined, penalized, or sanctioned by the Office of Foreign Assets Control in the United States Department of the Treasury for any violation of any United States rules and restrictions relating to the Republic of the Sudan that occurred at any time following the effective date of this Act; and

(5) Any company who has failed to certify under oath that it does not own or control any property or asset located in, have employees or facilities located in, provide goods or services to, obtain goods or services from, have distribution agreements with, issue credits or loans to, purchase bonds or commercial paper issued by, or invest in (i) the Republic of the Sudan; or (ii) any company domiciled in the Republic of the Sudan.

14. **Title Policy.** As a condition precedent to the agreements contained herein, Borrower shall, at its sole cost and expense, cause Chicago Title Insurance Company to issue an endorsement to Bank's title insurance policy number 1410-NW1700526-UL (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 Bank.

15. **Reaffirmation of Guaranty.** Guarantors ratify and affirm the Guaranty and agree that the Guaranty is in full force and effect following the execution and delivery of this Modification. The representations and warranties of Guarantors in the Guaranty are, as of the date hereof, true and correct and Guarantors does not know of any default thereunder. The Guaranty continues to be the valid and binding obligation of Guarantors, enforceable in accordance with its terms and Guarantors has no claims or defenses to the enforcement of the rights and remedies of Bank thereunder, except as provided in the Guaranty.

16. **Expenses.** As a condition precedent to the agreements contained herein, Borrower shall pay all out-of-pocket costs and expenses incurred by Bank in connection with this Modification, including, without limitation, title charges, recording fees, appraisal fees and attorneys' fees and expenses.

17. **Miscellaneous.**

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

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

(c) Borrower and Bank 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 and Bank; 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.

(d) This Modification shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(e) 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.

(f) This Modification may be executed in one or more counterparts, all of which, when taken together, shall constitute one original Modification.

(g) Time is of the essence of each of Borrower's 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.

**BANK:**

ALBANY BANK AND TRUST COMPANY, N.A.

By: [Signature]  
Name: Igor Vorobeychik  
Title: Loan Officer

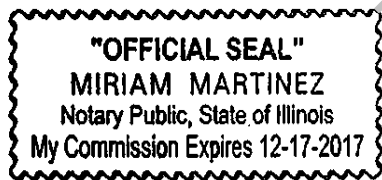
STATE OF ILLINOIS     )  
  ) .ss  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Igor Vorobeychik, Loan Officer of ALBANY BANK AND TRUST COMPANY, N.A., 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 18 day of September, 2014.

[Signature]  
Notary Public

My Commission Expires: 12-17-2017







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

**GUARANTORS:**

ROBERT HERNANDEZ ENTERPRISES I, INCORPORATED, an Illinois corporation

By: *Robert Hernandez*  
Robert Hernandez, President of  
ROBERT HERNANDEZ ENDTERPRISES I, INCORPORATED

By: *Roberto Hernandez, Jr.*  
Roberto Hernandez, Jr., Individually

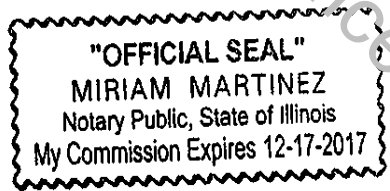
STATE OF ILLINOIS )  
  ) SS  
COUNTY OF Cook )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that **Robert Hernandez, President for ROBERT HERNANDEZ ENTERPRISES I, INCORPORATED, an Illinois corporation** is personally known to me to be the same person whose name is subscribed to the forgoing instrument, appeared before me this day in person and acknowledged that she signed and delivered 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 18<sup>th</sup> day of September, 2014.

*Miriam Martinez*  
Notary Public

My Commission Expires: 12-17-2017





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## EXHIBIT A

### THE PROPERTY

LOTS 1, 2 AND THE NORTH ½ OF LOT 3 IN BLOCK 1 IN HANSBROUGH AND HESS' SUBDIVISION OF THE EAST ½ OF THE SOUTHWEST ¼ OF SECTION 36, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 13-36-307-050-0000

PROPERTY ADDRESS: 1950 N. CALIFORNIA AVENUE, CHICAGO, IL 60646

Property of Cook County Clerk's Office