

# UNOFFICIAL COPY

Doc#: 1715317004 Fee: \$72.00  
Karen A. Yarbrough  
Cook County Recorder of Deeds  
Date: 06/02/2017 09:34 AM Pg: 1 of 13

**THIS DOCUMENT WAS PREPARED  
BY AND AFTER RECORDING  
SHOULD BE RETURNED TO:**

Justin M. Newman  
Thompson Coburn LLP  
55 E. Monroe Street  
37<sup>th</sup> Floor  
Chicago, IL 60603

**NCS-P 49772**

## LOAN MODIFICATION AGREEMENT

THIS LOAN MODIFICATION AGREEMENT (the "Agreement") is made and entered into as of the 31<sup>st</sup> day of May, 2017 by and among **MB FINANCIAL BANK, N.A.** (herein called "Lender"), **7445 SHERIDAN ROAD, LLC**, an Illinois limited liability company (herein called "Borrower"), and **THE WATERFORD, LLC**, an Illinois limited liability company (herein called "LLC"). **JONATHAN H. AARON** (herein called "Aaron"), **KENNETH RIPSTEIN** (herein called "Ripstein") and **DANIEL SHABAT** (herein called "Shabat" and individually and collectively with LLC, Aaron and Ripstein called "Guarantor").

### WITNESSETH

WHEREAS, Borrower is the owner of certain real estate commonly known as 7445 N. Sheridan Road, which is located in Chicago, Illinois and more particularly described on Exhibit A attached hereto (the "Premises"); and

WHEREAS, Lender has heretofore made a loan (the "Loan") to Borrower in the stated principal sum of Six Million Dollars and No Cents (\$6,000,000.00); and

WHEREAS, the Loan is evidenced and secured by the following documents in favor of Lender (hereinafter, together with all other documents evidencing, securing or otherwise governing the Loan, collectively referred to as the "Loan Documents") each of which is dated as of October 31, 2016 unless otherwise stated:

- a. Note (the "Note") made by Borrower to Lender in the stated principal sum of Six Million Dollars and No Cents (\$6,000,000.00);
- b. Guaranty (herein called "Guaranty") made by Guarantor in favor of Lender;
- c. Mortgage (herein called "Mortgage") made by Borrower encumbering the Premises and the improvements thereon and all other property, assets and

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collateral therein described, which was recorded in the Office of the Recorder of Deeds of Cook County, Illinois on November 10, 2016 as document number 1631515134 (herein called the "Recorder's Office");

d. Assignment of Rents and Leases made by Borrower, as assignor, to Lender, as assignee, which was recorded in the Recorder's Office on November 10, 2016 as document number 1631515135;

e. Security Agreement made by Borrower, as debtor, to Lender, as secured party;

f. Undated Uniform Commercial Code Financing Statements made by Borrower, as debtor, to Lender, as secured party, which were recorded in the Recorder's Office on November 10, 2016 as document number 1631515136 and filed with the Illinois Secretary of State's Office on November 9, 2016 as document number 21864196;

g. Environmental Indemnity Agreement made by Borrower and Guarantor in favor of Lender,

h. Subordination of Management Agreement made by JK Management Group, LLC and LLC in favor of Lender, which was recorded in the Recorder's Office on November 10, 2016 as document number 1631515137; and

i. Closing Certificate made by Borrower and Guarantor in favor of Lender; and

WHEREAS, Lender and Borrower have agreed to certain modifications to the Loan Documents; and

WHEREAS, the agreements of the parties are set forth herein and limited to this Agreement.

## AGREEMENT

NOW, THEREFORE, for valuable considerations, the receipt and sufficiency of which are hereby acknowledged, it is agreed, as of the date hereof, as follows:

1. **Preambles.** The preambles hereto are incorporated herein by reference as fully and with the same force and effect as if each and every term, provision and condition thereof was specifically recited herein at length.

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2. **Definitions.** All capitalized terms herein not otherwise defined shall have the same meanings as in the Note, Mortgage and in the other Loan Documents.

3. **Payment of Fee.** For and as additional consideration of Lender agreeing to enter into this Agreement, concurrent with Borrower's execution of this Agreement, Borrower shall pay Lender a fee of Five Thousand Dollars and No Cents (\$5,000.00).

4. **Increase in Loan Amount.** The Loan Amount is hereby increased to Six Million One Hundred Eight Thousand One Hundred Seventy Dollars and No Cents (\$6,108,170.00). Any reference to the Note, the Loan or the Loan Amount in any of the Loan Documents shall mean and refer to the Note, the Loan and the Loan Amount in the amount of Six Million One Hundred Eight Thousand One Hundred Seventy Dollars and No Cents (\$6,108,170.00).

5. **Pledge Agreement.** As additional collateral further securing the Loan, simultaneous with Borrower's execution of this Agreement, Borrower shall execute a Pledge Agreement (the "Pledge Agreement") in favor of Lender. Any reference to Loan Documents in any of the Loan Documents shall hereby be amended to also mean and refer to the Pledge Agreement.

6. **Amendment to Note.** In addition to any other modifications contained in this Agreement, the terms of the Note are hereby amended as follows:

(a) The final sentence of Section 1 of the Note is hereby deleted in its entirety and replaced with the following:

"Subject to the required principal payments hereunder, One Hundred Eighty Three Thousand Two Hundred Dollars and No Cents (\$183,200.00) of the Loan proceeds shall be available to Borrower for work needed to rehabilitate the Premises, as determined by Lender in Lender's reasonable discretion (the "Rehabilitation Proceeds") and the remaining Six Million Dollars and No Cents (\$6,000,000.00) shall be available to Borrower for the acquisition of the Premises. Borrower must provide evidence to Lender, approved of by Lender in Lender's sole discretion, of Borrower expending not less than (i) \$45,800.00 in upfront equity plus (ii) the amount of any increases in the proposed budget tendered by Borrower (as determined by Lender in Lender's sole discretion) (collectively referred to herein as the "Borrower Contribution"). Lender shall have no obligation to advance any of the Rehabilitation Proceeds until such time as Borrower has properly made the Borrower Contribution and until Lender has reviewed and approved the expenditures of the Rehabilitation Proceeds. The Rehabilitation Proceeds shall be deposited by Lender into a pledged account at Lender and shall not be disbursed to Borrower until Lender has reviewed and approved paid invoices and lien waivers for the Rehabilitation Proceeds."

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(b) The first paragraph of Section 7 is hereby deleted in its entirety and is hereby replaced with the following:

"7. **Payments.** From December 5, 2016 through and including May 5, 2017, Borrower shall make monthly payments of principal in the amount of Twelve Thousand Five Hundred Five Dollars and No Cents (\$12,505.00) plus interest on or before the fifth (5<sup>th</sup>) day of each month. From May 6, 2017 through and including the Maturity Date, Borrower shall make monthly payments of principal in the amount of Twelve Thousand Seven Hundred Sixty Dollars and No Cents (\$12,760.00) plus interest on or before the fifth (5<sup>th</sup>) day of each month with the first such payment due on June 5, 2017.

(c) The Pledge Agreement shall further secure the Note and the other Loan Documents.

7. **Amendment to Mortgage.** The Mortgage is modified to secure the Note as hereby modified and is deemed amended to conform to the terms and provisions hereof and the amendments and modifications to the Loan and Loan Documents effected hereby.

8. **Amendment to Guaranty.** In addition to any other modifications contained in this Agreement, the terms of the Guaranty are hereby amended as follows:

(a) Section 35 of the Guaranty is deleted in its entirety and hereby replaced with the following:

"Notwithstanding anything contained herein to the contrary, the financial obligations hereunder of Aaron shall not exceed the Guaranteed Amount of Two Million One Hundred Thirty Seven Thousand Eight Hundred Fifty Nine Dollars and Fifty Cents (\$2,137,859.50) plus costs of collection.

(b) Section 36 of the Guaranty is deleted in its entirety and hereby replaced with the following:

"Notwithstanding anything contained herein to the contrary, the financial obligations hereunder of Ripstein shall not exceed the Guaranteed Amount of Two Million One Hundred Thirty Seven Thousand Eight Hundred Fifty Nine Dollars and Fifty Cents (\$2,137,859.50) plus costs of collection.

(c) Section 37 of the Guaranty is deleted in its entirety and hereby replaced with the following:

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"Notwithstanding anything contained herein to the contrary, the financial obligations hereunder of Shabat shall not exceed the Guaranteed Amount of One Million Eight Hundred Thirty Two Thousand Four Hundred Fifty One Dollars and No Cents (\$1,832,451.00) plus costs of collection.

(d) The Guaranty is modified to secure the Note as hereby modified and is deemed amended to conform to the terms and provisions hereof and the amendments and modifications to the Loan and Loan Documents effected hereby.

9. **Amendment to Loan Documents.** The Loan Documents are modified to secure the Note as hereby modified and are deemed amended to conform to the terms and provisions hereof and the amendments and modifications to the Loan and Loan Documents effected hereby.

10. **Continued Priority.** In the event that, by virtue of any of the terms, conditions and provisions of this Agreement, a lien or other property interest in the Premises otherwise junior in priority to the liens created by the Loan Documents shall gain superiority over the liens created by the Loan Documents, this Agreement shall, nunc pro tunc, be null and void without further action of the parties hereto to the fullest extent as if it had never been executed, to the end that the priority of the Loan Documents shall not be impaired.

11. **Title Insurance.** Concurrent with the execution and delivery hereof by Borrower, Borrower agrees to provide Lender with an endorsement to its mortgagee's policy of title insurance ("Title Policy"), which endorsement shall be acceptable to Lender and shall guarantee as of the date hereof that:

- (a) there are no objections to title except (a) general real estate taxes for the year 2016 (second installment) and subsequent years;
- (b) reflects the recording of this Agreement;
- (c) reflects the increased Loan Amount; and
- (d) re-dates the effective date of the Title Policy to the date of recording of this Agreement.

12. **Lender Expenses.** Borrower agrees to pay all costs, fees and expenses (including but not limited to legal fees) incurred by Lender in connection with the preparation and recording of this Agreement. Such of the foregoing as are incurred prior to the execution and delivery of this Agreement shall be paid concurrent with such execution and delivery. All other fees, costs and expenses shall be paid within five (5) business days after notice from Lender of the amount due and the reason therefor.

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13. **Non-Waiver.** In the event Lender shall at any time or from time to time disburse portions of the Loan without Borrower first satisfying all conditions precedent set forth herein or in the Loan Documents, Lender shall not thereby be deemed to have waived its right to require such satisfaction of the same or other condition as a condition precedent to its obligations to make further disbursement of the Loan. Any forbearance by Lender in exercising any right or remedy under the Note, Guaranty, Mortgage, or any of the other Loan Documents or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of that right or remedy or any other right or remedy. The acceptance by Lender of any payment after the due date of such payment, or in an amount which is less than the required payment, shall not be a waiver of Lender's right to require prompt payment when due of all other payments or to exercise any right or remedy with respect to any failure to make prompt payment. Enforcement by Lender of any of its rights or remedies under any of the Loan Documents with respect to Borrower' and Guarantor's obligations under the Loan Documents shall not constitute an election by Lender of remedies so as to preclude the exercise of any other right or remedy available to Lender.

14. **Ratification.** The Loan Documents are hereby ratified, confirmed and approved and are and shall remain in full force and effect pursuant to the terms and conditions set forth therein, except to the extent otherwise expressly modified hereby. Each of the Loan Documents is hereby modified and amended so that all reference to such documents shall be deemed to be a reference to the Loan Documents as hereby modified and amended.

15. **Joinder of Guarantor.** Notwithstanding anything to the contrary contained herein, Guarantor has entered into this Agreement for the purpose of ratifying and confirming Guarantor's obligations under the Guaranty and the other Loan Documents, as amended hereby, and to acknowledge that the Guaranty and the other Loan Documents, as amended hereby, remain in full force and effect.

16. **Release.** Borrower, Guarantor and any other obligor under the Loan, on behalf of themselves and their respective successors and assigns (collectively and individually, the "Mortgagor Parties"), hereby fully, finally and completely release, remise, acquit and forever discharge, and agree to hold harmless Lender and its respective successors, assigns, affiliates, subsidiaries, parents, officers, shareholders, directors, employees, fiduciaries, attorneys, agents and properties, past, present and future, and their respective heirs, successors and assigns (collectively and individually, the "Mortgagee Parties"), of and from any and all claims, controversies, disputes, liabilities, obligations, demands, damages, debts, liens, actions, and causes of action of any and every nature whatsoever, known or unknown, direct or indirect, whether at law, by statute or in equity, in contract or in tort, under state or federal jurisdiction, and whether or not the economic effects of such alleged matters arise or are discovered in the future (collectively, the "claims"), which the Mortgagor Parties have as of the date of this agreement or may claim

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to have against the Mortgagee Parties, including but not limited to, any claims arising out of or with respect to any and all transactions relating to the Loan or the Loan Documents occurring on or before the date of this Agreement, including but not limited to, any loss, cost or damage of any kind or character arising out of or in any way connected with or in any way resulting from the acts, actions or omissions of the Mortgagee Parties occurring on or before the date of this Agreement. The foregoing release is intended to be, and is, a full, complete and general release in favor of the Mortgagee Parties with respect to all claims, demands, actions, causes of action and other matters described therein, or any other theory, cause of action, occurrence, matter or thing which might result in liability upon the Mortgagee Parties arising or occurring on or before the date of this Agreement. The Mortgagor Parties understand and agree that the foregoing general release is in consideration for the agreements of Lender contained herein and that they will receive no further consideration for such release. Furthermore, each of the Mortgagor Parties represents and warrants to Lender that she, he or it: (i) read this agreement, including without limitation, the release set forth in this section (the "Release Provision"), and understands all of the terms and conditions hereof, and (ii) executes this Agreement voluntarily with full knowledge of the significance of this Release Provision and the releases contained herein and execution hereof. The Mortgagor Parties agree to assume the risk of any and all unknown, unanticipated, or misunderstood claims that are released by this Agreement.

17. **Counterpart.** This Agreement may be executed in separate counterparts and such counterparts, taken together, shall constitute a fully executed and enforceable Agreement.

*[Remainder of page intentionally left blank; signature page follows.]*

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

**LENDER:**

**MB FINANCIAL BANK, N.A.**

By: [Signature]  
Name: Mark Dantekian  
Title: Vice President

**BORROWER:**

**7445 SHERIDAN ROAD, LLC, an Illinois limited liability company**

By: [Signature]  
Jonathan Aaron, Manager

**GUARANTOR:**

**THE WATERFORD, LLC, an Illinois limited liability company**

By: [Signature]  
Jonathan Aaron, Manager

[Signature]  
**JONATHAN H. AARON**

[Signature]  
**KENNETH RIPSTEIN**

[Signature]  
**DANIEL SHABAT**

Property of Cook County Clerk's Office



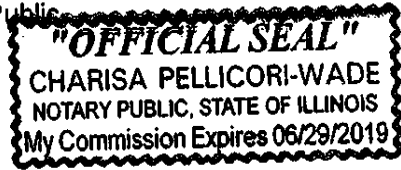
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STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

I, the undersigned, a Notary Public in and for the county and state aforesaid, do hereby certify that MATT DUNTEMANN the VP of **MB Financial Bank, N.A.** personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he/she signed, sealed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of **MB Financial Bank, N.A.**, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 31<sup>st</sup> day of May, 2017.

Charisa Pellicori-Wade  
Notary Public




Notary Public for Cook County Clerk's Office

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STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for the County and State aforesaid, hereby certify that **JONATHAN AARON**, the Manager of **7445 SHERIDAN ROAD, LLC**, an **Illinois limited liability company**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of **7445 SHERIDAN ROAD, LLC** for the uses and purposes therein set forth.

Given under my hand and notarial seal this 26 day of MAY, 2017.

  
\_\_\_\_\_  
Notary Public



STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for the County and State aforesaid, hereby certify that **JONATHAN AARON**, the Manager of **THE WATERFORD, LLC**, an **Illinois limited liability company**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act and as the free and voluntary act of **THE WATERFORD, LLC**, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 26 day of MAY, 2017.

  
\_\_\_\_\_  
Notary Public



# UNOFFICIAL COPY

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the County and State aforesaid, hereby certify that **JONATHAN H. AARON**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 26 day of MAY, 2017.

*Ruth Rubin*  
Notary Public



STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the County and State aforesaid, hereby certify that **KENNETH RIPSTEIN**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 26 day of MAY, 2017.

*Ruth Rubin*  
Notary Public




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STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for the County and State aforesaid, hereby certify that **DANIEL SHABAT**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 26 day of MAY, 2017.

  
\_\_\_\_\_  
Notary Public



Notary Public for Cook County Clerk's Office

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## EXHIBIT A

### LEGAL DESCRIPTION

THE SOUTH 120 FEET OF LOT 3 AS MEASURED PERPENDICULARLY TO THE SOUTH LINE THEREOF IN BLOCK 6 IN BIRCHWOOD BEACH, BEING A SUBDIVISION OF PART OF SECTION 29, TOWNSHIP 41 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

**Address of Property:**  
7445 N. Sheridan Road  
Chicago, IL 60626

**Permanent Index No.:**  
11-29-308-005-0000

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