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This instrument was prepared by  
and, after recording, return to:

William J. Mitchell  
MELTZER, PURTILL & STELLE  
1515 East Woodfield Rd., Ste 250  
Schaumburg, IL 60173-5431



Doc# 1723557227 Fee \$50.00

RHSP FEE:\$9.00 RPRF FEE: \$1.00

KAREN A. YARBROUGH

COOK COUNTY RECORDER OF DEEDS

DATE: 08/23/2017 03:46 PM PG: 1 OF 7

For Recorder's Use Only

**SUPPLEMENTAL AGREEMENT**

**Re: Palatine Lake Cook Road LLC  
Loan No. 60909895**

THIS SUPPLEMENTAL AGREEMENT ("Agreement") is made as of July 10, 2017 between LAKESIDE BANK ("Bank") and PALATINE LAKE COOK ROAD LLC, an Illinois limited liability company ("Borrower").

RECITALS

Bank has agreed to extend a construction loan to Borrower in the amount of \$648,605.00 ("Loan") for the construction of certain improvement located at 221 Lake Cook Road, Palatine, Illinois 60074 and legally described in Exhibit A hereto ("Property"). The Loan is made pursuant to the terms of a Construction Loan Agreement made between Borrower and Bank as of July 10, 2017, evidenced by a Promissory Note dated as of July 10, 2017, made by Borrower, payable to the order of Bank, in the principal amount of the Loan ("Note") and further evidenced and secured by the "Loan Documents" and or "Related Documents" referenced in the Loan Agreement, including (i) a Commercial Security Agreement, (ii) one or more Construction Mortgage agreements and one or more Assignment of Rents agreements, each encumbering the Property, (iii) certain Commercial Guaranty agreements and (iv) Limited Liability Company Resolution to Borrow/Grant Collateral (collectively, the "Loan Documents").

Borrower and Bank have negotiated certain changes to the Loan Documents and have elected to enter into this Agreement to amend and supplement the Loan Documents as provided herein, which changes and modifications shall govern and control any contrary provisions in the Loan Documents.

ACCORDINGLY, Bank and Borrower agree as follows:

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1. RECITALS: The recitations of fact and agreement set forth in the foregoing Recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement as though such Recitals were fully set forth in this Section 1, and this Agreement shall be construed in accordance therewith.

2. AMENDMENTS TO LOAN DOCUMENTS: The Loan Documents are amended to include the following revisions:

- A. Bank acknowledges that Borrower has satisfied the equity requirement by its acquisition of the Property and other pre-development costs incurred by Borrower.
- B. Disbursements of the Loan shall be made periodically in accordance with the terms of the Loan Documents generally, governed by the terms of any construction escrow agreement in force from time to time with the title company providing title insurance coverage to the Bank, and Borrower's repayment obligations shall be only for those amounts so disbursed. Absent a default, until the interest reserve is fully depleted, Bank shall make all interest payments from such reserve before debiting Borrower's account.
- C. Borrower shall have a grace period of five (5) days after the date when payment is due to remit payment of principal and/or interest due under the Note, and a grace period of ten (10) days after written notice with regard to payment of any other amounts due under the Loan Documents.
- D. With respect to any default occasioned by the death or incompetency of a guarantor of the Loan, Borrower shall have the opportunity for ninety (90) days thereafter to provide substitute collateral or guarantor reasonably acceptable to Bank. Further, the death of a member of Borrower shall not constitute a default.
- E. With respect to any default arising from an involuntary bankruptcy proceeding or judgment against Borrower or any guarantor, such parties shall have a period of sixty (60) days to cause the stay, discharge, appeal, release or satisfaction of any such action.
- F. All "confession of judgment" and related clauses shall be stricken from the Loan Documents in their entirety.
- G. Default provisions titled "Insecurity" shall be stricken from the Loan Documents in their entirety.
- H. Default provisions triggered by "a material adverse change" shall be based under Lender's commercially reasonable judgment, made in good faith, that payment or performance obligations are likely to be materially impaired.
- I. Notwithstanding any provision which prohibits the transfer of interests in the Property or Borrower or assets of the guarantors, the members of Borrower and of

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any guarantor shall be permitted to transfer their membership interests in the Borrower (i) among themselves or (ii) to their family members or (iii) in connection with estate planning purposes, to trusts established for their benefit or to family ownership vehicles, provided that such member exercises management control with respect to such entities.

- J. Notwithstanding the provisions of the Loan Documents relating to use of insurance proceeds following a casualty or a condemnation award, Bank shall permit such funds to be made available for the reconstruction or restoration of the Property, so long as such insurance proceeds, when taken together with amounts available from Borrower and any undisbursed proceeds from the Loan, are sufficient to complete such restoration and/or reconstruction and no event of default then exists.
- K. Borrower shall have the opportunity to contest the imposition of any mechanic's liens so long as it is doing so in good faith, diligently and within 30 days after knowledge of such lien claim has posted additional security with Bank during the pendency of such action or has provided additional title insurance protection and that during such period, Bank may not take any unilateral action with respect to such lien claim.
- L. The obligation set forth in the Note to maintain any accounts at the Bank shall relate only to the account of Borrower established for purposes of owning and developing the Property.
- M. As to construction matters.
- (a) Disbursements of the loan proceeds with respect to hard construction costs may be made through a construction escrow established with the title insurer pursuant to an escrow agreement reasonably acceptable to Bank, Borrower, the general contractor and title insurer.
  - (b) Borrower shall not be required to deliver any payment or performance bonds.
  - (c) The project budget shall not increase by more than permitted change orders/extras without Bank's approval not to be unreasonably withheld as to such change orders, the construction contract shall be deemed be modified accordingly.
  - (d) Interruption of the construction schedule with respect to work to be completed by Borrower shall not constitute a default unless for a period of twenty (20) consecutive business days (subject to delays, anticipated or otherwise, because of adverse weather conditions).
  - (e) Any representation or provision concerning the financial condition of Contractor, the pendency of litigation against Contractor, shall refer only

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to the general contractor, and shall be made only to the knowledge of Borrower and refer only to matters of a material and adverse nature as would impair Contractor's ability to perform its obligations owed to Borrower. Further, Borrower shall not be obligated to deliver ongoing financial information relating to such Contractor.

- N. Borrower shall not enter into material modification of any lease at the Property without the consent of Bank and shall give notice to Bank of those defaults or violations of such lease as are material.
- O. With respect to the Security Agreement, the location of the collateral or property in which a security interest is granted shall be either at the property or the principal office of Borrower.
- P. All rights given to Bank to perform any action on behalf of Borrower shall commence following the Borrower's failure to do so within the time periods provided in the Loan Documents as amended hereby.
- Q. Borrower's obligations to indemnify Bank as to matters related to the Property shall not extend to acts or omissions of Bank constituting gross negligence or willful misconduct.
- R. All actions taken by the Bank under the Loan Documents shall be undertaken in good-faith and in a commercially reasonable manner. All fees, costs and expenses incurred under the Loan Documents and chargeable to Borrower shall be reasonable.
- S. Bank agrees that it shall not grant any participations in the Loan or sell any portion of the Loan to any other entity, except in connection with the sale of all or substantially all of its loans or in conjunction with a transfer of the ownership of the Bank.
- T. With regard to the Commercial Guaranty agreements ("Guaranties") entered into by each of the guarantors thereunder ("Guarantors"):
- (a) in the "Waivers" section, the waiver of any right to notice shall be modified to the extent otherwise provided for under the Loan Documents;
  - (b) Guarantors will not waive defenses to Bank's negligence, willful misconduct or other inequitable actions or actions which are in bad faith or against public policy;
  - (c) the indebtedness guaranteed by the Guarantors shall relate only that indebtedness arising with respect to the Note and under the Loan Documents; and
  - (d) upon satisfaction of the Note in full, the Guaranties shall be released

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(e) Guarantors shall be third party beneficiaries of this Agreement.

3. EFFECT: This Agreement shall amend the Loan Documents (including the Notice of Final Agreement) and shall be binding upon the parties thereto and hereto. In the event of a conflict between the term hereof and the terms of any Loan Documents, the terms of this Agreement shall govern.

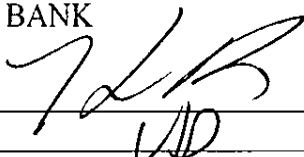
THIS AGREEMENT may be executed in counterparts, which when taken together shall constitute a single original. This Agreement is made and delivered as of the date first above written.

BANK:

LAKESIDE BANK

By: \_\_\_\_\_

Its: \_\_\_\_\_

  
\_\_\_\_\_

BORROWER:

PALATINE LAKE COOK ROAD LLC,  
an Illinois limited liability company

By: \_\_\_\_\_

  
William J. Mitchell, Member/Manager

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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 KEN KOJIN, the VICE PRESIDENT of LAKESIDE BANK ("Bank"), who is personally known to me to be the same persons whose name is subscribed to the foregoing instrument as such officer appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 28<sup>th</sup> day of July, 2017.

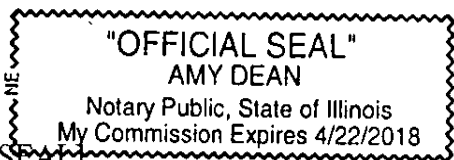
Karen J. Venetch  
NOTARY PUBLIC

[SEAL]  
My commission expires: 02/22/21

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 William J. Mitchell, a Member/Manager of Palatine Lake Cook Road LLC and who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such managers appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said company for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 21<sup>st</sup> day of July, 2017.



[Signature]  
NOTARY PUBLIC

[SEAL]  
My commission expires: 4/22/18

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## EXHIBIT "A"

PARCEL 1: LOT 3 IN THE PATRICK HYUNDAI SUBDIVISION - PHASE 2, BEING A RESUBDIVISION OF THAT PART OF THE NORTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 2, TOWNSHIP 42 NORTH, RANGE 10 EAST, OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 11, 2016 AS DOCUMENT NUMBER 1613215025, IN COOK COUNTY ILLINOIS.

PARCEL 2: EASEMENT FOR INGRESS AND EGRESS DESCRIBED AS THE ACCESS DRIVE IN THE DECLARATION OF EASEMENTS RECORDED DECEMBER 23, 2015 AS DOCUMENT NO. 1535719093

Property address: 325 East Lake-Cook Road, Palatine, IL 60074

Tax Number: 02-02-102-034

Property of Cook County Clerk's Office