

# UNOFFICIAL COPY

Doc#: 1901106071 Fee: \$58.00  
Edward M. Moody  
Cook County Recorder of Deeds  
Date: 01/11/2019 10:15 AM Pg: 1 of 6

## LOAN MODIFICATION AGREEMENT

THIS AGREEMENT is made and entered into as of this 14<sup>th</sup> day of December, 2018 by and among REPUBLIC BANK OF CHICAGO ("Lender") and PARK VIEW HOMES LLC, an Illinois limited liability company ("Borrower") and ALEX ZDANOV and IGOR BLUMIN ("Guarantors").

WHEREAS, to evidence and secure the repayment of an indebtedness in the aggregate sum of FIVE MILLION FIFTY SIX THOUSAND FOUR HUNDRED TWELVE AND 81/100 DOLLARS (\$5,056,412.81) extended to Borrower by Lender (the "Loan"), Borrower has executed and delivered to Lender a certain Construction Loan and Security Agreement dated as of November 22, 2016 (the "Loan Agreement"), a certain promissory note dated as of November 22, 2016 in the amount of \$4,200,000.00 (the "Construction Loan Note") evidencing a Construction Loan, a certain promissory note dated as of November 22, 2016 in the amount of \$856,412.81 (the "Letter of Credit Loan Note") evidencing a Letter of Credit Loan (the Construction Loan Note and the Letter of Credit Loan Note collectively referred to as the "Notes"), a Mortgage, Assignment of Rents and Leases, Security Agreement, Financing Statement and Fixture Filing dated as of November 22, 2016 and recorded on November 29, 2016 at the Cook County Recorder of Deeds as document no. 1633415076 (the "Mortgage") and an Assignment of Rents and Leases dated as of November 22, 2016 and recorded on November 29, 2016 at the Cook County Recorder of Deeds as document no. 1633415077 (the "Assignment") encumbering real property legally described on Exhibit A attached hereto; and

WHEREAS, each of the Guarantors has executed and delivered to Lender his Personal Guaranty dated as of November 22, 2016 (the "Guarantys") wherein each of the Guarantors unconditionally guarantees the payment and performance of all of Borrower's liabilities and obligations to Lender under the Notes (the Loan Agreement, the Notes, the Mortgage, the Assignment, the Guarantys, and all other instruments and documents executed and delivered in connection therewith collectively referred to as the "Loan Documents"); and

WHEREAS, the Project (as such term is defined in the Loan Agreement) was originally intended to constitute a residential rental townhome development, and Borrower and Guarantors have determined that the constructed townhome units and improved lots in the Project will instead be sold to third party purchasers; and

WHEREAS, Borrower and Guarantors have requested that the amount of the Construction Loan be increased to the sum of \$4,700,000.00 in accordance with the terms hereof; and

WHEREAS, Lender has agreed to so increase the amount of the Construction Loan, subject to the terms and provisions hereof.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

1. The foregoing recitals are incorporated herein as though fully set forth. Borrower represents and warrants to Lender that the foregoing recitals are true and correct.
2. Capitalized terms used herein shall have the meanings set forth in the Loan Agreement unless the context clearly indicates otherwise.

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3. The terms of the Construction Loan Note are hereby modified by increasing the amount of the Construction Loan Note to the sum of \$4,700,000.00, extending the Maturity Date to November 1, 2019, and deleting the option to extend the Maturity Date.

4. The \$500,000.00 increase in the amount of the Construction Loan shall be used to replenish the Interest and Fee Reserve described in the Loan Agreement by the sum of \$300,000.00 and to provide \$200,000.00 of additional funds to complete the construction of the Project.

5. The terms of each of the Loan Documents are hereby modified by increasing the aggregate amount of the Loan to the sum of **\$5,556,412.81**.

6. Section 1(s) of the Loan Agreement is modified and restated as follows:

s. **"Project"** shall mean the project to be developed and constructed by Borrower in Phase I of the Mortgaged Premises consisting of two (2) buildings containing sixteen (16) residential townhome units and improvement of the remaining approved lots for 44 additional townhome units.

7. Section 2(a) of the Loan Agreement is hereby modified to provide that disbursements of the Construction Loan shall be in accordance with the following revised estimated loan budget:

Current loan balance	2,545,000.00
Available to Complete Project	1,855,000.00
Interest/loan fee reserve	<u>300,000.00</u>
<b>TOTAL</b>	<b>4,700,000.00</b>

8. The terms of the Loan Agreement are hereby modified by adding the following Partial Release provision:

**Release of Security**

a. Upon the sales of each of the constructed townhome units in the Project by Borrower to third party purchasers, Lender agrees to release the Mortgage and other security interest from each of such units upon the condition that the *greater* of:

(i) the sum of \$295,000.00, or

(ii) 100% of the net sale proceeds (after deducting customary commissions and closing costs)

be remitted to Lender and applied toward reduction of the outstanding balance of the Construction Loan. In addition, Borrower shall pay to Lender a release fee in the amount of \$250.00 with respect to each unit to be released.

b. Upon the sales of each of the improved townhome lots in the Project by Borrower to NVR, Inc. d/b/a Ryan Homes or another third party purchaser acceptable to Lender, Lender agrees to release the Mortgage and other security interest from each of such lots upon the condition that the *greater* of:

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(i) the sum of \$63,000.00 per lot, or

(ii) 100% of the net sale proceeds (after deducting customary commissions and closing costs)

be remitted to Lender and applied toward reduction of the outstanding balance of the Construction Loan. In addition, Borrower shall pay to Lender a release fee in the amount of \$250.00 with respect to each lot to be released.

- c. After the principal balance of and all accrued and unpaid interest on Loan has been repaid in full excepting the amount of any outstanding Letters of Credit, payment in an amount equivalent to the outstanding amounts of the Letters of Credit shall be deposited into a money market deposit account with Lender (the "Cash Collateral Account") which shall constitute additional Collateral (as defined herein) and shall secure Lender's obligation to honor such Letters of Credit. At such time as the principal balance of the Loan has been repaid in full and the outstanding balances of the Letters of Credit is secured dollar for dollar by funds in the Cash Collateral Account, no further deposits to the Cash Collateral Account shall be required. Any surplus funds in the Cash Collateral Account shall be remitted to Borrower to the extent the balance of the Cash Collateral Account exceeds the outstanding balances of the Letters of Credit.
- d. Upon repayment of the Loan in full (including the retirement of all Letters of Credit), Lender shall release the Mortgage and other security interest in full.
- e. Notwithstanding any provision to the contrary, Lender shall have no obligation to release its lien or security interest if an Event of Default has occurred and remains uncured and the Loan has not been paid in full or if such release would result in Lender being inadequately secured as determined by Lender.

9. Borrower and Guarantors acknowledge and agree that the indebtedness evidenced by the Notes shall continue to be secured pursuant to the terms of the Loan Agreement, the Mortgage, the Assignment, and the other Loan Documents and shall continue to be guaranteed by the Guarantors pursuant to the terms of their Guarantys.

10. Borrower and Guarantors acknowledge and agree that as of the date hereof, the Loan Documents are good, valid and enforceable and free of all defenses whatsoever, known or unknown, whether in law or in equity, and constitute the legally binding obligations of Borrower and Guarantors to Lender. No event or act has occurred which might or could impair the enforceability thereof or result in the discharge of any of the parties thereto. Borrower and Guarantors waive and release any causes of action they might have or claim to have against Lender arising out of or in any way related to the execution and enforcement of the Loan Documents or the transactions to which they relate.

11. Borrower and Guarantors hereby incorporate by reference herein and restate as of the date hereof all of the representations, warranties, undertakings, covenants, agreements, obligations, and indemnities contained in the Loan Documents, or in any other instrument related thereto which has been submitted to Lender and affirm that all such representations, warranties, undertakings, covenants, agreements, obligations, and indemnities are currently in full force and effect and shall remain continuously applicable to the transactions to which the Loan Documents relate until all of their obligations and liabilities to Lender are completely satisfied. Without limiting the generality of the

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foregoing, Borrower and Guarantors warrant that title to the property encumbered by the Loan Documents is free of all liens, claims, encumbrances, and other adverse interests except as may have been previously disclosed in writing to Lender.

12. Except as expressly previously modified and as expressly modified hereby, all of the terms and conditions of the Loan Documents shall remain unchanged and in full force and effect. The terms of each of the Loan Documents are hereby amended and modified to comport with the terms of this instrument to the extent the terms of any such other instruments or documents may be otherwise inconsistent with the terms hereof. In all other respects, the terms and provisions of the Loan Documents, and any and all such other instruments, as previously modified and as modified by this instrument shall remain in full force and effect.

13. Borrower agrees to pay Lender an additional loan fee in the amount of \$30,000.00 and to reimburse Lender for all attorneys' fees and other costs and expenses incurred by Lender in connection with the preparation, negotiation, and execution of this instrument.

(signatures appear on following page)

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IN WITNESS WHEREOF, the parties have executed this instrument as of the date first above written.

**BORROWER:**

**PARK VIEW HOMES LLC**, an Illinois limited liability company

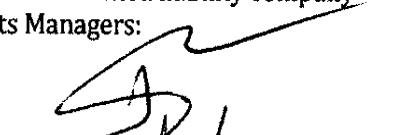
By its Manager:

**DEVELOPMENT MANAGEMENT HOLDINGS LLC**,

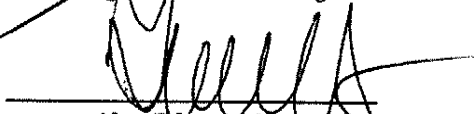
an Illinois limited liability company

By its Managers:

By:

  
Igor Blumin, Manager

By:

  
Alex Zdanov, Manager

**GUARANTORS:**

  
IGOR BLUMIN, personally

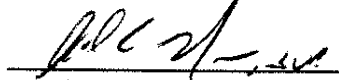
  
ALEX ZDANOV, personally

**LENDER:**

**REPUBLIC BANK OF CHICAGO**

By:

Its:

  
Senior Vice President

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EXHIBIT "A"

LEGAL DESCRIPTION

LOTS 301, 302 AND 303 IN HUGUELET'S COLETTE HIGHLANDS, BEING A SUBDIVISION IN THE SOUTHEAST  $\frac{1}{4}$  OF SECTION 17, TOWNSHIP 36 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N. 27-17-404-037-0000

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Park Station Boulevard, Orland Park IL

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