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This instrument prepared by
and please return to:
David I. Schrodt, Esq.
100 West Monroe Street #2500
Chicago, Illinois 60603



95718866

COMMONLY KNOWN AS: 1617-27 W. Fargo, Chicago, Illinois
P.I.N.: 12-30-414-005-0000

SECOND MODIFICATION AGREEMENT

THIS AGREEMENT, dated as of September 1, 1995 ("Agreement Date"), is entered into by and among COLE TAYLOR BANK, as successor to Harris Trust and Savings Bank, not individually but as trustee under trust agreement dated March 5, 1991 and known as Trust No. 94869 (the "Trustee"), MICHAEL P. DALFONSO and NICK J. FERA (collectively, the "Beneficiary") (collectively, the Trustee and Beneficiary are referred to herein as the "Borrower") and LASALLE NATIONAL BANK, a national banking association (the "Lender").

A. The parties have previously entered into certain loan agreements in connection with a construction loan from the Lender to the Borrower in the amount of \$690,000, as evidenced by, among other things, the following:

(i) Note dated as of May 10, 1991 from the Borrower in the original principal amount of \$690,000 (the "Note");

(ii) Rehabilitation Loan Agreement dated as of May 10, 1991 among Trustee, Beneficiary, and the Lender (the "Loan Agreement");

(iii) Construction Mortgage, Security Agreement and Financing Statement dated as of May 10, 1991, signed by the Trustee in favor of the Lender, which mortgage was recorded with the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on June 5, 1991 as Document No. 910269588 (the "Mortgage"), granting a lien in real property commonly known as 1617-1627 W. Fargo, Chicago, Illinois and as specifically described on Exhibit A attached hereto (the "Premises");

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(iv) Assignment of Rents and Leases dated as of May 10, 1991 (the "Assignment of Rents") from the Borrower in favor of the Lender, which assignment was recorded with the Recorder's Office on June 5, 1991 as Document No. 91-269589 and relating to the Premises;

(v) Collateral Assignment of Beneficial Interest as of May 10, 1991 from the Beneficiary in favor of the Lender.

(vi) Security Agreement dated as of May 10, 1991 between the Beneficiary and the Lender (the "Security Agreement");

Collectively, the above described Loan Agreement, Mortgage, Note, Assignment of Rents, Collateral Assignment of Beneficial Interest and Security Agreement, together with any and all other documents executed by Trustee and/or Beneficiary in connection with the Loan, are referred to as the "Loan Documents".

B. The parties entered into a First Modification Agreement on April 1, 1992, pursuant to which Lender revised the interest rate and the payment terms of the Note.

C. The proceeds from the Loan are being used to perform certain improvements to real property commonly known as 1617-1627 West Fargo, Chicago, Illinois.

D. The Borrower desires to change the interest rate payable in connection with the Loan, and the Lender agrees to such change in accordance with the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and of the mutual agreements hereinafter set forth, it is agreed by the parties hereto as follows:

1. Definitions. All capitalized terms used herein without definition shall have the meaning given such terms in the Loan Agreement.

2. Loan Fee. Borrower shall pay to Lender a fee in the amount of \$6,713.64 as a fee for modifying the Loan as set forth herein, which fee shall be due and payable upon execution thereof.

3. Interest Rate Modification. Section 2 of the Note, the definition of "Interest Rate" in Section 1.1 of the Loan Agreement and Section 3 of the First Modification Agreement are hereby deleted in their entirety, and the following is substituted in lieu thereof:

Interest Rate. For purposes of this Note, the phrase "Interest Rate" shall mean:

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(a) Fixed Rate Period. During the period beginning on the Agreement Date and ending three years after the Agreement Date ("Adjustment Date"), the interest rate shall be a fixed per annum rate of eight and one-half (8.5%) percent.

(b) Adjusting Rate Period. Beginning on the Adjustment Date and ending on the Maturity date, the interest rate shall be equal to the monthly average yield for three (3) year U.S. Treasury Constant Maturities, as published in the Federal Reserve's Statistical Release H-15 and the Federal Reserve Bulletin (the "Index"), plus two and three-quarters (2.75%) percent, which sum shall then be rounded up to the nearest one-eighth of one percent (0.125%). Such rate shall be adjusted once every three (3) years beginning three years after the Adjustment Date and on each three (3) year anniversary thereafter (the "Change Date") and shall be based upon the most recent Index available as of 45 days before the Adjustment Date and each Change Date thereafter. If at any time the Index becomes unascertainable, Lender, in its reasonable judgment, may select a comparable rate or index in substitution for the Index.

(c) Notices of Interest Rate Changes. Beginning with the Interest Rate in effect as of the Adjustment Date and in connection with each Change Date thereafter, the holder hereof shall send to Maker advance written notice of the amount of the monthly payment required to repay the outstanding principal balance of this Note as of each Change Date in substantially equal payments of principal and interest based upon the new Interest Rate as of such Change Date. Such revised amount shall be the new monthly payment under the Note beginning as of the first day of the calendar month following such Change Date and continuing until the first day of the calendar month following the next Change Date.

(d) Limitations. Notwithstanding anything herein to the contrary, the Interest Rate shall not exceed thirteen and three-eighths (13.375%) percent, and the maximum adjustment at any Change Date shall not exceed five (5%) percent.

4. Payment Modification. Section 1(b) of the Note, Section 2.4(ii) of the Loan Agreement and Section 4 of the First Modification Agreement are hereby deleted in their entirety, and the following is substituted in lieu thereof:

(b) Borrower shall pay to Lender equal installments of principal and interest, as follows:

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(i) beginning with the first day of the calendar month during the Fixed Rate Period and continuing on the first day of each calendar month thereafter, Borrower shall pay to Lender equal installments of principal and interest in the amount of \$5,293.18 each;

(ii) beginning on the Adjustment Date and continuing on the first day of each calendar month thereafter, Borrower shall pay to Lender equal installments of principal and interest, based upon a 30-year amortization less the number of principal and interest payments received by Lender of the then outstanding principal balance of the Loan using the Interest Rate in effect from time to time.

5. Representations. The Borrower represents and warrants to the Lender that:

(i) On the date hereof, the Borrower is in compliance with all of the terms and provisions set forth in the Loan Agreement, as modified hereby, on its part to be observed or performed, and no event of default specified in Article X of the Loan Agreement, or any event which, upon notice or lapse of time, or both, would constitute such an event of default, has occurred.

(ii) On the date hereof, the representations and warranties set forth in Article VII of the Loan Agreement, as modified hereby, are true and correct with the same effect as if such representations and warranties expressly relate to an earlier date.

(iii) On the date hereof, the Borrower has complied with and is in compliance with all of the covenants set forth in the Loan Agreement, as modified hereby, including, but not limited to, those set forth in Articles V and VI thereof.

6. Conditions. This Agreement shall be effective as of the date hereof, but only after the following have been received by the Lender:

(i) This Second Modification Agreement, duly executed by Borrower and Lender;

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(ii) An endorsement to Lender's title insurance policy which extends the date of the policy to the date of recording of this Second Modification Agreement and shows this Second Modification Agreement of record;

(iii) Such other documents as Lender may reasonably request; and

(iv) Payment of expenses for revising the Note as provided in Section 2 hereof;

7. Continuing Effect. Except as herein above specifically amended, all other provisions of the Loan Agreement, the Note and other Loan Documents are all incorporated herein and renewed as if re-executed as of the date of this Agreement.

8. Exculpation. This Modification Agreement is executed by the undersigned Trustee, not personally, but as trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such trustee, and is payable only out of the assets of the Trust Estate held under the Trust Agreement. No personal liability shall be asserted or be enforceable against the Trustee, because or in respect of this Loan Agreement or the making, issue, transfer or enforcement hereof, all such liability of the Trustee, if any, being expressly waived by Lender, and the sole remedies of Lender against the Trustee shall be as provided in the Mortgage, the Loan Documents and any other documents given to secure the Note, in accordance with the terms and provisions contained therein, and/or by action to enforce the personal liability of the Borrower or any payment of all amounts due and performance of all obligations required under this Loan Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized, as of the date first above written.

COLE TAYLOR BANK, as successor to
Harris Trust and Savings Bank, as
trustee as aforesaid and not
individually

By: _____
Its: _____

MICHAEL P. SALFONSO

BY: _____
NICK J. PERA

LASALLE NATIONAL BANK

By: _____
Its: _____

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THIS AGREEMENT IS JOINED in by the City of Chicago (the "City") solely for the purpose of consenting to the transaction evidenced hereby and reaffirming that the Junior Mortgage dated May 31, 1991 signed by the Trustee in favor of the City and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on June 5, 1991 as Document No. 91-269590 and the Junior Assignment of Rents and Leases signed by the Trustee in favor of the City and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on June 5, 1991 as Document No. 91-269591 are and shall remain junior and subordinate to the mortgage in favor of LaSalle National Bank, as modified hereby.

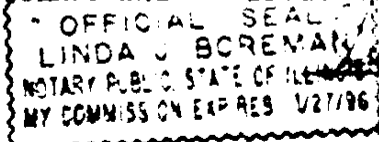
CITY OF CHICAGO

By: [Signature]
Its ASSESSOR COMMISSIONER

STATE OF ILLINOIS)
COUNTY OF C O O K) SS

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that [Signature] President of COLE TAYLOR BANK, as successor Harris Trust and Savings Bank, as Trustee as aforesaid, who 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/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal Sept 19, 1995.



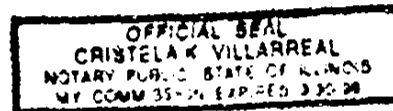
[Signature]
Notary Public

STATE OF ILLINOIS)
COUNTY OF C O O K) SS

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that MICHAEL P. DALFONSO, 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 the said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal 10-19, 1995.

[Signature]
Notary Public



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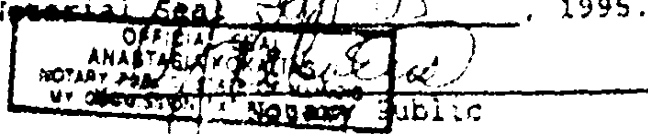
STATE OF ILLINOIS

SS

COUNTY OF _____

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that NICK J. FERA, 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 the said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal Sept 27, 1995.



STATE OF ILLINOIS

SS

COUNTY OF C O O K

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that _____ President of LASALLE NATIONAL BANK, 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/she signed and delivered the said instrument as his/her 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 _____, 1995.

Notary Public



STATE OF ILLINOIS

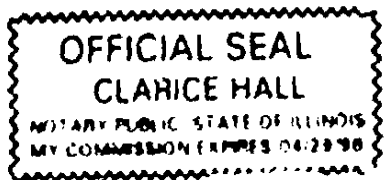
SS

COUNTY OF C O O K

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that ANN D. JOSEPHSON, ~~City~~ CITY COMMISSIONER of the City of Chicago, 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/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said municipal corporation, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal Sept 27, 1995.

Clarice Hall
Notary Public



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EXHIBIT A

LEGAL DESCRIPTION:

Lots 4 and 5 in Block 2 in F. H. Doland's Subdivision of the East 414.5 Feet of Section 30, Township 41 North, Range 14 and the West 175 Feet of Section 29, Township 41 North, Range 14 South of the Indian Boundary Line and South of the Chicago Evanston and Lake Superior Railroad and Indian Boundary Line, in Cook County, Illinois

COMMONLY KNOWN AS: 1617-1627 W. Fargo, Chicago, Illinois
P.I.N.: 11-30-414-005-0000

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