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 COOK COUNTY RECORDER

LOAN MODIFICATION AGREEMENT

This LOAN MODIFICATION AGREEMENT ("Agreement") is made as of September 27 1996 by and between LASALLE NATIONAL TRUST, N.A., not personally, but as Trustee under a Trust Agreement dated October 1, 1988 and known as Trust 113806 ("Trust 113806"), 3153-59 SOUTHPORT PARTNERS LIMITED PARTNERSHIP, an Illinois limited partnership (the "Partnership"), SOUTHMONT CORPORATION, an Illinois corporation (the "Corporation"), and CHRISTOPHER SCHUBA ("Schuba") and LASALLE BANK FSB, a federal savings bank (the "Bank").

RECITALS

WHEREAS, pursuant to that certain Construction Loan Agreement dated June 5, 1996 by and between Trust 113806, the Partnership, Schuba and the Bank (the "Construction Loan Agreement"), Trust 113806, the Partnership and Schuba are indebted to the Bank in the outstanding principal amount of SIX HUNDRED SEVENTY NINE THOUSAND TWO HUNDRED SEVENTY FIVE (\$679,275.00) DOLLARS together with interest thereon as provided in that certain Construction Mortgage Note dated June 5, 1996 in the original principal amount of SIX HUNDRED SEVENTY NINE THOUSAND TWO HUNDRED SEVENTY FIVE (\$679,275.00) DOLLARS executed and delivered by Trust 113806, the Partnership and Schuba to the Bank (the "Mortgage Note"); and

WHEREAS, the loan indebtedness evidenced by the Mortgage Note is evidenced or secured by the following documents (which are sometimes hereinafter collectively referred to as the "Loan Documents"):

1. Mortgage dated June 5, 1996 made by Trust 113806 to the Bank and recorded with the Cook County Recorder of Deeds on July 31, 1996 as Document No. 96587269, encumbering the real property legally described on Exhibit "1" attached hereto and made a part hereof (the "Mortgaged Premises");
2. Collateral Assignment of Lease(s) and Rent(s) dated June 5, 1996 made by Trust 113806 to the Bank and recorded with the Cook County Recorder of

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Deeds on July 31, 1996 as Document No. 96587270, encumbering the Mortgaged Premises:

3. Security Agreement dated June 5, 1996 executed and delivered by Trust 113806 and the Partnership to the Bank, granting to the Bank a security interest in certain fixtures, equipment, materials and other personal property used in the ownership or operation of the Mortgaged Premises;
4. UCC Financing Statement executed by the Partnership and filed with the Illinois Secretary of State's Office on _____, 1996 as Document No. _____, relative to the Mortgaged Premises;
5. UCC Financing Statement executed by Trust 113806 and filed with the Illinois Secretary of State's Office on _____, 1996 as Document No. _____, relative to the Mortgaged Premises;
6. UCC Financing Statement executed by the Partnership and filed with the Office of the Cook County Recorder of Deeds on July 31, 1996 as Document No. _____, relative to the Mortgaged Premises;
7. UCC Financing Statement executed by Trust 113806 and filed with the Office of the Cook County Recorder of Deeds on July 31, 1996 as Document No. _____, relative to the Mortgaged Premises; and
8. Assignment of Beneficial Interest for Collateral Security of Trust 113806 executed and delivered by the Partnership to the Bank dated June 5, 1995.

WHEREAS, Schuba, the Corporation and the Partnership (who are sometimes hereinafter collectively referred to as the "Guarantors") have unconditionally guaranteed the repayment of the loan indebtedness evidenced by the Mortgage Note and the performance and observance of all of the terms, covenants, and conditions of the Construction Loan Agreement and each of the Loan Documents pursuant to that certain Guaranty dated June 5, 1996 executed and delivered by Guarantors to the Bank (the "Guaranty"); and

WHEREAS, Trust 113806 and Guarantors desire to permit Trust 113806, Schuba and the Partnership to borrow additional funds in, and increase the construction loan to be disbursed pursuant to the Construction Loan Agreement by, the aggregate principal amount of TWENTY SEVEN THOUSAND SEVEN HUNDRED TWENTY FIVE DOLLARS (\$27,725.00), which additional indebtedness shall also be evidenced by the aforesaid Mortgage Note, to extend the maturity date of the Mortgage Note, to modify the payments under the Mortgage Note, and to have the Bank not issue the revolving line of credit in the amount of \$100,000.00 described in the Construction Loan Agreement, all pursuant to the terms, covenants and conditions set forth herein; and

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WHEREAS, to induce the Bank to modify the terms of loan evidenced by the Mortgage Note and the terms of the Construction Loan Agreement, Trust 113806 and Guarantors have offered to enter into this Agreement and the Bank has accepted such offer.

NOW, THEREFORE, in consideration of the mutual covenants and conditions herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by all parties hereto, Trust 113806, Schuba, the Partnership and the Corporation hereby agree with the Bank as follows:

1. The foregoing recitals are hereby incorporated herein by reference as if fully set forth in this Paragraph 1 of the Agreement.

2. The principal amount of the Mortgage Note as of the date hereof is hereby increased to an aggregate amount not to exceed SEVEN HUNDRED SEVEN THOUSAND DOLLARS (\$707,000.00), which principal sum Trust 113806 and Guarantors, jointly and severally, promise to pay to the Bank with interest thereon at the Interest Rate and at the times and in the manner as follows:

Effective as of the date hereof, interest on the outstanding principal balance of the Mortgage Note shall be calculated on the basis of a year consisting of 360 days and paid for the actual number of days elapsed at the Interest Rate of one percent (1.0%) in excess of the "Prime Rate" of LaSalle National Bank, a national banking association ("LNB"), as announced by LNB from time to time in effect. The Interest Rate shall change if and when said "Prime Rate", and any such change in the Interest Rate shall be effective as of the date of the respective change in said "Prime Rate". The term "Prime Rate" as used herein shall mean at any time such rate as LNB announces from time to time to be its reference rate for interest rate determinations. It is expressly agreed that the use of the term "Prime Rate" is not intended to mean, nor does it imply, that said rate of interest is the lowest interest rate charged by LNB or the Bank, a preferred prime commercial rate of interest or one which is offered by LNB or the Bank to its most credit worthy customers.

Commencing on May 15, 1997 and continuing thereafter, interest on the outstanding principal balance of the Mortgage Note shall be calculated on the basis of a year consisting of 360 days and paid for the actual number of days elapsed at the adjusted Interest Rate of a fixed rate of interest equal to two and one-fourth (2.25%) per cent (225 basis points) in excess of the yield on United States Treasury Notes with closest matching maturities to the maturity date of the Mortgage Note as modified herein in effect as of May 15, 1997, as determined by the Bank.

On October 15, 1996 and continuing on the fifteenth (15th) day of each month thereafter through and including May 15, 1997, Trust 113806 and Guarantors shall pay

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to the Bank interest at applicable Interest Rate as aforesaid on the outstanding principal balance of the Mortgage Note, provided that commencing on June 15, 1997 and continuing on the fifteenth (15th) day of each month thereafter, Trust 113806 and Guarantors shall pay to the Bank the principal sum due under the Mortgage Note and interest at the then applicable Interest Rate specified above in installments (including principal and interest) in amounts determined by the Bank to be sufficient to amortize the outstanding principal balance of the Mortgage Note at the Interest Rate aforesaid in accordance with a 20 year amortization schedule, except that the final payment of the entire outstanding principal balance of the Mortgage Note and accrued interest thereon shall be paid by Trust 113806 and Guarantors to the Bank on November 15, 2000.

Trust 113806 and Guarantors reserve the privilege to prepay the entire unpaid principal balance of the Mortgage Note with accrued interest thereon to date of payment on any monthly installment date upon giving thirty (30) days written notice to the holder of the Mortgage Note of their intentions to make such prepayment, provided, however, that Trust 113806 and Guarantors shall pay to the Bank a prepayment premium equal to four (4.0%) percent of the principal amount of the Mortgage Note being pre-paid as to prepayments made on or after June 15, 1997 and before May 15, 1998; a prepayment premium equal to three (3.0%) percent of the principal amount of the Mortgage Note being pre-paid as to prepayments made on or after June 15, 1998 and before May 15, 1999; a prepayment premium equal to two (2.0%) percent of the principal amount of the Mortgage Note being pre-paid as to prepayments made on or after June 15, 1999 and before May 15, 2000; and a prepayment premium equal to one (1.0%) of the principal amount of the Mortgage Note being pre-paid as to prepayments made after May 15, 2000.

3. The Construction Loan Agreement is hereby modified to provide that:

(a) The Acquisition and Development Loan described in and governed by the Construction Loan Agreement is increased from \$679,275.00 to a principal amount not to exceed \$707,000.00 and to evidence, secure and relate to the loan indebtedness evidenced by the Mortgage Note as amended herein and any reference to the Construction Loan Agreement to \$679,275.00 (either in numbers or words, as the case may be) as the principal amount of said Acquisition and Development Loan evidenced by the Mortgage Note is hereby amended to be \$707,000.00 (either in numbers or words, as the case may be); and

(b) Notwithstanding anything contained in the Construction Mortgage Note, the Construction Loan Agreement, the Guaranty or any of the Loan Documents to the contrary, the Bank shall not be obligated to issue or disburse any amount under the Line of Credit described in the Construction Loan Agreement and any reference in the Construction Loan Agreement to said Line of Credit is hereby deleted;

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(c) The Bank shall not be obligated to disburse any part of the Acquisition and Development Loan described in the Construction Loan Agreement for construction purposes until the Borrowers (described in the Construction Loan Agreement) have invested at least \$198,700.00 of their own funds in the equity of the Mortgaged Premises in a manner satisfactory to the Bank;

(d) The Borrowers described in the Construction Loan Agreement authorize the Bank to draw upon the Interest Reserve described in the Construction Loan Agreement in the amount of the monthly interest only payments on the Acquisition and Development Loan, provided that amounts comprising the Interest Reserve shall not bear interest until such time as utilized for payment of interest to the Bank.

(e) Given the extension and modification of the loan indebtedness evidenced by the Mortgage Note as provided herein, the Bank shall not be obligated to make the Permanent Loan described in the Construction Loan Agreement and all references to any of the Bank's obligations with respect to said Permanent Loan are hereby deleted from the Construction Loan Agreement.

Notwithstanding anything contained in the Construction Mortgage Note, the Construction Loan Agreement, the Guaranty or any of the Loan Documents to the contrary, the Bank shall not be obligated to disburse any amount pursuant to the Construction Loan Agreement that would cause the outstanding principal balance of the Mortgage Note to exceed SEVEN HUNDRED SEVEN THOUSAND DOLLARS (\$707,000.00) in the aggregate.

4. Each of the Loan Documents is hereby modified such that any reference in any of the Loan Documents to \$679,275.00 (either in numbers or words, as the case may be) as the principal amount of the Mortgage Note or otherwise is hereby amended to be \$707,000.00 (either in numbers or words, as the case may be) and such that each of said Loan Documents secure the full and prompt payment of the Mortgage Note, as increased, extended and modified herein, and the full and prompt performance of all the terms, covenants and conditions of this Agreement, and any reference in any of the Loan Documents to the Mortgage Note shall mean the Mortgage Note as increased, extended and modified herein.

5. Each of Guarantors hereby acknowledges and agrees that the Guaranty shall include, without limitation, an unconditional, irrevocable and absolute guaranty, as principal obligor and not as surety, of the full and prompt payment when due, whether by acceleration or otherwise, and at all times thereafter, of all obligations of Trust 113806, Guarantors, or any of them under the Mortgage Note as increased, extended and modified herein and the full and prompt performance and observance of all of the warranties, covenants and agreements provided by each of the Construction Loan Agreement and the Loan Documents, as modified herein, and all other documents (as such documents are or may be modified) evidencing or securing any indebtedness evidenced by said Mortgage Note to be performed and observed by the parties who executed said documents. Guarantors reaffirm their respective obligations

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stated in the Guaranty, consent to the matters affected by this Agreement and agree that their respective liabilities as guarantors shall not be diminished by this Agreement.


6. In all respects, other than those expressly amended, modified or supplemented hereby, Trust 113806 and Guarantors do hereby ratify and confirm the provisions, terms and conditions of the Mortgage Note, the Construction Loan Agreement, each of the Loan Documents and Guaranty.

7 **WAIVER OF TRIAL BY JURY; TRUST 113806 AND GUARANTORS** HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, THE RIGHT TO TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM, WHETHER IN CONTRACT, TORT OR OTHERWISE, RELATING DIRECTLY OR INDIRECTLY TO THE LOAN EVIDENCED BY THE MORTGAGE NOTE, ANY OF THE CONSTRUCTION LOAN AGREEMENT, LOAN DOCUMENTS, THE GUARANTY, THE MORTGAGE NOTE OR THIS AGREEMENT, OR ANY ACTS OR OMISSIONS OF THE BANK, ITS OFFICERS, EMPLOYEES, DIRECTORS OR AGENTS IN CONNECTION THEREWITH.

8. This Agreement is executed by LASALLE NATIONAL TRUST, N.A., 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 insofar as Trust 113806 only is concerned is payable only out of the property specifically described in this Agreement and other documents securing the payment of the Mortgage Note, by the enforcement of the provisions contained in this Agreement and other documents or any thereof. No personal liability shall be asserted to be enforceable against the LASALLE NATIONAL TRUST, N.A., because or in respect to the Mortgage Note or this Agreement, or the making, issue or transfer thereof, all such liability, if any, being expressly waived by such taker and holder hereof, but nothing herein contained shall discharge the personal liability expressly assumed by any maker or guarantor of the Mortgage Note and each original and successive holder of the Mortgage Note accepts the same upon the express condition that no duty shall rest upon Trust 113806 to sequester the rents, issues, and profits arising from the property described in this Agreement or the proceeds arising from the sale or other disposition thereof.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be signed the day and year above written.

LASALLE NATIONAL TRUST, N.A., not personally, but as Trustee
under a Trust Agreement dated October 1, 1988 and known as Trust
113806

By: 
Title: Trust Officer

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Christopher Schuba
CHRISTOPHER SCHUBA

3153-59 SOUTHPORT PARTNERS LIMITED PARTNERSHIP, an Illinois limited partnership,

By: Christopher Schuba
Christopher Schuba, Its General Partner

SOUTHMONT CORPORATION, an Illinois corporation,

By: Christopher Schuba
Title: PR

LASALLE BANK FSB, a federal savings bank

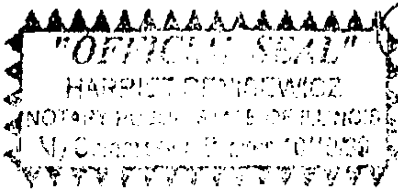
By: Elizabeth A. Ford
Title: VP

This document prepared by:
Timothy S. Breems
One N. LaSalle - Suite 4400
Chicago, IL 60602

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 Corinne Lee of LASALLE NATIONAL TRUST, N.A., personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, 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 LASALLE NATIONAL TRUST, N.A., as Trustee, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 2nd day of Oct, 1996.



Harrriet Denicewicz
Notary Public
(Notary Seal)

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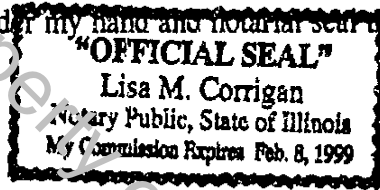
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said county, in the State aforesaid, DO HEREBY CERTIFY that CHRISTOPHER SCHUBA, 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 they 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 this 27th day of September, 1996.



Lisa M. Corrigan
Notary Public
(Notary Seal)

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 Christopher Schuba, General Partner of 3153-39 SOUTHPORT PARTNERS LIMITED PARTNERSHIP, an Illinois limited partnership, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such General Partner of 3153-39 SOUTHPORT PARTNERS LIMITED PARTNERSHIP, an Illinois limited partnership, 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 3153-39 SOUTHPORT PARTNERS LIMITED PARTNERSHIP, an Illinois limited partnership, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 27th day of September, 1996.



Lisa M. Corrigan
Notary Public
(Notary Seal)

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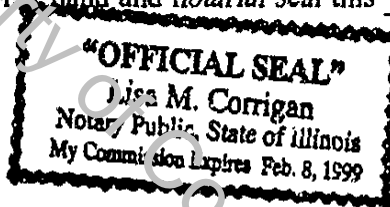
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said county, in the State aforesaid, DO HEREBY CERTIFY that Christopher Schuba, of SOUTHMONT CORPORATION, an Illinois corporation, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President, of SOUTHMONT CORPORATION, an Illinois corporation, 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 SOUTHMONT CORPORATION, an Illinois corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 27th day of September, 1996.



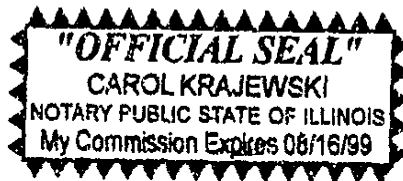
Lisa M. Corrigan
Notary Public
(Notary Seal)

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 ELIZABETH A. GOOCH, of LASALLE BANK FSB, a federal savings bank, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such VICE PRESIDENT, 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 LASALLE BANK FSB, a federal savings bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 27th day of September, 1996.

Carol Krajewski
Notary Public
(Notary Seal)



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EXHIBIT "1"

PARCEL 1:

LOT 145 IN ALTGELD'S SUBDIVISION OF BLOCKS 1 TO 4, 7 AND THE NORTH ½ OF BLOCK 6 IN THE SUBDIVISION OF THAT PART LYING NORTHEASTERLY OF LINCOLN AVENUE OF THE NORTHWEST ¼ OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.: 14-29-102-002

ADDRESS: 3157 N. Southport, Chicago, IL

PARCEL 2:

LOT 144 AND 146 IN ALTGELD'S SUBDIVISION OF BLOCKS 1 TO 7 AND THE NORTH ½ OF BLOCK 6 IN THE SUBDIVISION OF THAT PART LYING NORTHEASTERLY OF LINCOLN AVENUE OF THE NORTHWEST ¼ OF SECTION 29, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

P.I.N.: 14-29-102-001 and 14-29-102-003

ADDRESS: 3159 N. Southport, Chicago, IL



MAIL TO:
P. Young
Near North National Title Co.
222 N. LA SALLE
CHGO, ILL, 60601

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