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Page 1 of 14

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MODIFICATION AGREEMENT

INSTRUMENT PREPARED BY AND WHEN RECORDED RETURN TO:

Richard C. Jones, Jr., Esq.

JONES & JACOBS

77 West Washington Street

Suite 1615

Chicago, Illinois 60602

(312) 419-0700

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MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT made as of this 1st day of October, 1997, by and between PRAIRIE BANK & TRUST CO., not personally, but as Trustee under Trust Agreement dated October 25, 1996, and known as Trust No. 96-083 ("Trust" or "Trustee"), BASSAM HAJ YOUSIF, ISSAM HAJ YOUSIF and HOUSAM HAJ YOUSIF ("Beneficiaries") and PRAIRIE BANK & TRUST CO., an Illinois banking association ("Lender"). The Trustee and the Beneficiaries are hereinafter jointly referred to as "Borrower."

WITNESSETH:

WHEREAS, on or about November 1, 1996, Lender made a loan ("Loan") to the Borrower in the amount of FOUR HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$490,000.00) ("Loan Amount") for the construction and development of a four (4) unit condominium building in Chicago, Illinois ("Project") upon the real estate legally described in Exhibit "A" attached hereto ("Land"); and

WHEREAS, the Loan is evidenced and secured by the following instruments ("Loan Instruments"):

1. Construction Loan Agreement dated November 1, 1996, between Borrower and Lender ("Loan Agreement");
2. Construction Note dated November 1, 1996 made by Borrower payable to Lender in the amount of FOUR HUNDRED NINETY THOUSAND AND NO/100 DOLLARS (\$490,000.00) ("Note");

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3. Construction Mortgage from Trustee to Lender covering the Land, dated November 1, 1996, and recorded in the Cook County Recorder's Office, Cook County, Illinois on November 8, 1996, as Document No. 96-858337 ("Mortgage");
4. Assignment of Rents and Leases from Trustee to Lender, dated November 1, 1996, and recorded in the Cook County Recorder's Office, Cook County, Illinois on November 8, 1996, as Document No. 96-858338 ("Assignment of Rents"); and
5. Collateral Assignment of Beneficial Interest and Power of Direction from the Corporation to the Lender, dated November 1, 1996, collaterally assigning one hundred percent (100%) of the beneficial interest and power of direction in the Trust ("ABI").

WHEREAS, there remains a principal balance due on the Loan in the amount of FOUR HUNDRED EIGHTY-NINE THOUSAND SIX HUNDRED TWELVE AND 26/100 DOLLARS (\$489,612.26); and

WHEREAS, Lender and Borrower have agreed to increase the Loan Amount to FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$550,000.00).

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. Modification Fee. Borrower shall pay to Lender a non-refundable modification fee in the amount of SIX HUNDRED AND NO/100 DOLLARS (\$600.00).

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2. Modification of Loan Instruments. Subject to the terms and provisions herein contained, and subject to the payment of the Modification Fee as herein before provided in Section 1, the terms and provisions of the Loan Agreement, and the corresponding provisions of the other Loan Instruments, are hereby modified and amended, effective as of the date hereof, as follows:

(a) The definitions set forth in Section 1.1 of the Loan Agreement are hereby modified as follows:

"Loan Amount: FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$550,000.00)."

(b) Section 3.1 of the Loan Agreement is hereby amended so as to provide that Lender agrees to Lend and Borrower agrees to borrow an amount not to exceed FIVE HUNDRED FIFTY THOUSAND AND NO/100 DOLLARS (\$550,000.00) which shall be disbursed as follows:

(a) Land Acquisition. An amount not to exceed FORTY-EIGHT THOUSAND SIX HUNDRED FIFTY AND NO/100 DOLLARS (\$48,650.00) shall be disbursed at the Loan Opening to reimburse Borrower for the acquisition of the Land;

(b) Construction Hard Costs and Contingencies. An amount not to exceed FOUR HUNDRED THIRTY FIVE THOUSAND AND NO/100 DOLLARS (\$435,000.00) in the aggregate shall be disbursed in periodic increments for the actual cost of construction of the Project, including contingencies but excluding soft costs.

(c) Soft Costs. An amount not to exceed TWELVE THOUSAND EIGHT HUNDRED FIFTY AND NO/100 DOLLARS (\$12,850.00) shall be disbursed in periodic increments to pay soft costs, including legal fees, permit fees and other administrative costs approved by Lender;

(d) Demolition Costs. An amount not to exceed THIRTY-EIGHT THOUSAND FIVE HUNDRED AND NO/100 DOLLARS (\$38,500.00) in the aggregate shall be disbursed at the Loan Opening to

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reimburse Borrower for demolition costs previously incurred on the Property.

(c) **Interest Reserve.** An amount not to exceed FIFTEEN THOUSAND AND NO/100 DOLLARS (\$15,000.00) may in the discretion of Lender, be disbursed from time to time to pay accrued interest on the Loan."

(c) Section 8.4, Paragraph (b) of the Loan Agreement is hereby amended as follows:

(b) **Release Price.** Borrower shall pay to Lender a sum equal to eighty-five percent (85%) of the gross sale price of the Unit at or before the closing of the sale of each Unit in the Project.

(d) Exhibit "C" of the Loan Agreement is hereby amended pursuant to the revised Exhibit "C" attached hereto and made a part hereof.

3. **Borrower's Attorney's Opinion.** Borrower shall furnish to Lender an opinion of Borrower's counsel acceptable to Lender, stating that this Modification Agreement has been duly executed and delivered by the Borrower and is a legal, valid and binding obligation of the respective parties thereto, enforceable in accordance with the respective terms and provisions thereof.

4. **Reaffirmation of Loan Instruments.** Except as expressly herein provided, Borrower and Lender hereby reaffirm and incorporate herein by reference each and every term, provision, representation and warranty contained in the Loan Instruments, and Borrower agrees that said terms, provisions, representations and warranties shall remain in full force and effect.

5. **Attorneys' Fees and Costs.** Borrower shall pay any and all attorneys' fees and costs incurred by Lender in connection with the preparation, negotiation and perfection of this Modification Agreement, including recording and title charges.

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6. Trustee's Exculpation. This instrument is executed by Prairie Bank & Trust Co., 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 said Prairie Bank & Trust Co. hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Prairie Bank & Trust Co. personally to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Trustee and by every such person now or hereafter claiming any right or security hereunder.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed and acknowledged as of the day and year first above written.

PRAIRIE BANK & TRUST CO., not personally but as Trustee under Trust Agreement dated October 25, 1996, and known as Trust No. 96-083

EXCULPATORY CLAUSE

It is expressly understood and agreed by and between the parties hereto anything herein to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only the portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such Trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be asserted or enforceable against PRAIRIE BANK AND TRUST COMPANY under said Trust Agreement, on account of this instrument or on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the said Trustee in the instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

By:
Name: WADE C. ...
Its: Asst. Trust Officer

PRAIRIE BANK AND TRUST COMPANY

BASSAM HAJ YOUSIF

ISSAM HAJ YOUSIF

HOUSAM HAJ YOUSIF

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IN WITNESS WHEREOF, Lender has caused these presents to be executed the day and year first above written.

PRAIRIE BANK & TRUST CO., an
Illinois banking association

By: *Mark W. Trevor*
Mark W. Trevor
Senior Vice President

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STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

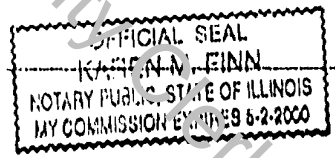
I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that WADE C. ALEXA, as Asst. Trust Officer, and _____, as _____, of PRAIRIE BANK & TRUST CO., an Illinois banking association, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Asst. Trust Officer and _____, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Trustee as aforesaid, for the uses and purposes therein set forth; and the said Asst. Trust Officer then and there acknowledged that the Asst. Trust Officer, as custodian of the corporate seal of said Trustee, did affix the seal of said Trustee to said instrument as the free and voluntary act of said Asst. Trust Officer and as the free and voluntary act of said Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of October, 1997.

Karen M. Finn

NOTARY PUBLIC

My Commission Expires:



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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 BASSAM HAJ YOUSIF personally appeared before me this day and acknowledged that he signed and delivered the foregoing instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 7th day of October, 1997.


NOTARY PUBLIC



My Commission Expires:

12-1-98

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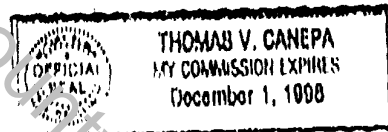
STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

Bassam Haj Yousif, under a Power of Attorney for

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that **ISSAM HAJ YOUSIF** personally appeared before me this day and acknowledged that he signed and delivered the foregoing instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 7 day of October, 1997.

Bassam Haj Yousif
NOTARY PUBLIC
My Commission Expires: 12-1-98



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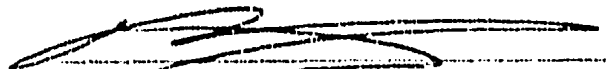
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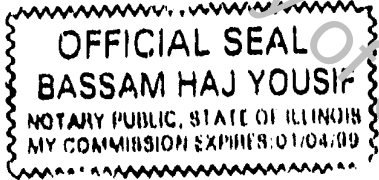
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that **HOUSAM HAJ YOUSIF** personally appeared before me this day and acknowledged that he/she signed and delivered the foregoing instrument as his/her own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 7 day of October, 1997.


NOTARY PUBLIC



My Commission Expires:

1-4-99

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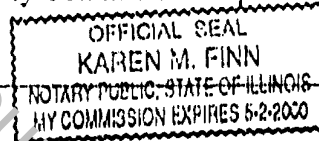
STATE OF ILLINOIS)
) SS
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that MARK W. TREVOR, personally known to me to be the SR VICE PRESIDENT, of PRAIRIE BANK & TRUST CO., an Illinois banking association, and the same person whose name is subscribed to the foregoing instrument as such SR VICE PRESIDENT, appeared before me this day and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and the free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 8th day of October, 1997.

Karen M. Finn
NOTARY PUBLIC

My Commission Expires:



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EXHIBIT A

THE LAND

PARCEL 2:

THE SOUTH 24.80 FEET OF THE NORTH 49.60 FEET OF THE FOLLOWING DESCRIBED PROPERTY TAKEN AS A TRACT: LOTS 12, 13, 14, 15 AND 16 IN BLOCK 16 IN OGDEN'S ADDITION TO CHICAGO IN THE NORTHEAST 1/4 IN SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS; ALSO LOTS 1 AND 2 IN SUBDIVISION BY ALICE FLEMING TRUSTEES OF LOTS 9, 10 AND 11 IN BLOCK 16 OF OGDEN ADDITION TO CHICAGO OF THE NORTHEAST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: Parcel 2 of the Grand and Green development, Chicago, Illinois.

PERMANENT INDEX NO.: 17-08-253-011-0000
17-08-253-012-0000
17-08-253-021-0000

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9
7
5
1
7
4
8

EXHIBIT C

PROJECT BUDGET

<u>USE OF FUNDS</u>	<u>TOTAL COST</u>	<u>EQUITY</u>	<u>LOAN AMOUNT</u>
(1) Land Acquisition	\$69,500.00	\$20,850.00	\$48,650.00
(2) Construction Hard Costs and Contingencies	\$455,000.00	\$20,000.00	\$435,000.00
(3) Soft Costs	\$12,850.00	\$0.00	\$12,850.00
(4) Demolition Costs	\$38,500.00	\$0.00	\$38,500.00
(5) Interest Reserve	<u>\$25,000.00</u>	<u>\$10,000.00</u>	<u>\$15,000.00</u>
	\$600,850.00	\$50,850.00	\$550,000.00

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