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This instrument prepared by
and please return to:
Kimberly K. Enders, Esq.
100 West Monroe Street #1500
Chicago, Illinois 60603



COMMONLY KNOWN AS 616 S. Stone Avenue, LaGrange, Illinois

P.I.N.: 18-09-108-017

LOAN MODIFICATION AGREEMENT

This instrument is a Loan Modification Agreement ("Modification") among The PrivateBank and Trust Company, an Illinois banking corporation ("Lender"), and Frank R. Vonachen and Lori C. Vonachen (collectively "Borrowers").

RECITALS:

A. Borrowers hold fee simple title to certain real estate commonly known as 616 S. Stone Avenue, LaGrange, Illinois ("Real Estate"), which is legally described on Exhibit A attached hereto.

B. On March 31, 1997, Borrowers and Lender entered into a Construction Loan Agreement ("Loan Agreement"), pursuant to which Borrowers executed and delivered to Lender a Promissory Note in the amount of \$672,000 ("Note"), which evidenced a loan in the amount of

\$672,000 ("Loan"). To secure the Note, Borrowers executed and delivered to Lender the following documents ("Security Documents"):

1. a Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC-2 Financing Statement ("Mortgage") covering the Real Estate and the property commonly known as 612 S. Stone Avenue, which property has since been released. The Mortgage was recorded with the Recorder of Deeds on April 1, 1997 as Document No. 97225692;
2. an Environmental Indemnity Agreement; and
3. UCC-1 Financing Statements.

All terms used herein but not defined herein shall have the meanings ascribed to them in the Loan Agreement and Security Documents.

C. The Loan Agreement provided that Borrowers use the proceeds of the Loan to acquire the Real Estate and to construct two single-family houses on the Real Estate (the "Project"). Borrowers agreed to complete construction of each house within six months of the initial construction draw for that house. Borrowers are currently beginning construction on the second house ("House").

D. Borrowers have requested Lender to extend the date for full payment of the Note until November 1, 1999 and to modify the Loan Agreement to allow Borrowers to construct the House and obtain

Loan funds from Lender to pay the cost thereof. Lender is agreeable to these requests provided that the Loan is reduced to \$381,000 and subject to the covenants, conditions and restrictions contained herein.

NOW, THEREFORE, in consideration of good and valuable consideration, the parties agree as follows:

1. The Note is hereby modified and amended in its entirety by the Revised Promissory Note ("Revised Note"), a copy of which is attached hereto as Exhibit B. The Security Documents are hereby modified and amended to secure the Revised Note and all references to the Note in the Security Documents are modified and amended to refer to the Revised Note in place of the Note.

2. The Security Documents are hereby modified and amended to reflect the release of the Mortgage as to the property commonly known as 612 S. Stone Avenue, LaGrange, Illinois.

3. Disbursements of the Loan to fund construction of the House shall be made pursuant to the terms of the Loan Agreement.

4. Section 11 of the Loan Agreement is hereby revised by deleting the last two sentences of the Section so that only the first two sentences shall remain. The Note must be paid in full before the Mortgage and other Security Documents will be released.

5. Borrowers shall complete construction of the House before April 30, 1999. Sections 5(a) and 13(a) are hereby revised to provide that Borrowers shall complete construction of the House before April 30, 1999.

6. Section 7(c) of the Loan Agreement is hereby modified and amended to provide that Lender shall reserve \$57,000 to pay interest on the Revised Note ("Interest Reserve").

7. This Modification shall be effective upon Lender's receipt of this Modification executed by the parties hereto and the following documents and items:

- (a) the Revised Note executed by Borrowers;
- (b) a title insurance endorsement which extends the effective date of the Loan Title Insurance Policy until the recording date of this Modification and insures the Mortgage as modified by this Modification;
- (c) updated certificates of insurance as required by the Mortgage and the Loan Agreement;
- (d) building permits for the House;
- (e) Project Plans for the House in form and content as required by the Loan Agreement;
- (f) a Budget for the House and current Sworn Owner's and Sworn Contractor's Statements;

(g) a construction schedule for the House; and

(h) payment of Lender's fee and expenses as described in

Section 11 hereof.

8. This Modification shall constitute an amendment of the Security Documents and wherever in said instruments or in any other instrument evidencing or securing the indebtedness evidenced by the Revised Note ("Loan Documents") reference is made to the Loan Documents aforesaid, such reference shall be deemed a reference to such Loan Documents as hereby modified and amended. All other provisions of the Loan Documents remain unchanged. Nothing herein contained shall in any manner affect the lien or priority of the Mortgage, or the covenants, conditions and agreements therein contained or contained in the Note.

9. In the event of conflict between any of the provisions of the Loan Documents and this instrument, the provisions of this instrument shall override and control.

10. Borrowers hereby renew, remake and affirm the representations and warranties contained in the Loan Documents, including but not limited to the Loan Agreement.

11. Borrowers hereby agree to pay all of Lender's expenses arising out of and in connection with this Modification including,

but not limited to, attorneys' fees, title insurance premiums and recording fees.

IN WITNESS WHEREOF, the parties hereto have executed this

Modification on 10/28/, 1998.

LENDER:

BORROWERS:

The PrivateBank and Trust Company, an Illinois banking corporation

[Signature]

Frank R. Vonachen

By: [Signature]
Its Assoc. Managing Director

[Signature]
Lori C. Vonachen

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 NICHOLAS S GIULIANO, Assoc. President of The PrivateBank and Trust Company, as Trustee as aforesaid, 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 10-28 1998.



[Signature]
Notary Public

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

LEGAL DESCRIPTION:

Lot 5 in Block 3 in H.O. Stone and Company's Brainard Park being a Subdivision of the West ¼ of the West ¼ of the North West ¼ and the West ¼ of the North West ¼ of the South West ¼ of Section 9, Township 38 North, Range 12 East of the Third Principal Meridian, in Cook County, Illinois

COMMONLY KNOWN AS: 616 S. Stone, LaGrange, Illinois 60525

P.I.N.: 18-09-108-017

Property of Cook County Clerk's Office

EXHIBIT A

PROMISSORY NOTE
("Revised Note")

\$381,000.00

Chicago, Illinois
10/28, 1998

FOR VALUE RECEIVED, the undersigned, Frank R. Vonachen and Lori C. Vonachen ("collectively "Borrowers") jointly and severally promise to pay to the order of The PrivateBank and Trust Company (said Bank and each successive owner and holder of this Note being hereinafter called "Holder"), in the manner hereinafter provided, the principal sum of Three Hundred and Eighty-One Thousand Dollars (\$381,000) or so much thereof as shall be outstanding, together with interest on the outstanding principal balance from time to time, as hereafter provided:

(a) On November 1, 1998 and on the first day of each calendar month thereafter until all amounts outstanding hereunder are paid, interest for the preceding month shall be paid at the rate equal to the prime rate of interest as announced from time to time at The PrivateBank and Trust Company plus one percent (1%) per annum.

(b) On November 1, 1999, the entire unpaid principal balance, together with all accrued and unpaid interest and all other amounts which become due hereunder shall be paid.

(c) This Note may be prepaid in whole or in part on payment as provided in a Loan Agreement dated March 21, 1997, among Borrowers and Bank, which Loan Agreement is, by this reference, incorporated herein.

Payments shall be made at such place as the legal holder of this Note may from time to time in writing appoint, and in the absence of such appointment, to The PrivateBank and Trust Company, 10 North Dearborn Street, Chicago, Illinois 60602.

Interest shall be calculated on the basis of a year having 360 days and shall be paid for the actual days outstanding.

The prime rate of interest charged by The PrivateBank and Trust Company is the highest prime rate of interest published in the Wall Street Journal. In the event a prime rate of interest is no longer published in the Wall Street Journal, Holder shall base its prime rate on such prime rates as shall be, in the reasonable judgment of Holder, comparable to the highest prime rate of interest published in the Wall Street Journal. Borrowers acknowledge and agree that the prime rate of interest charged by The PrivateBank and Trust Company is set based on market factors, and is not necessarily the lowest or most favorable rate charged by Bank.

Payment upon this Note shall be made in lawful money of the United States at such place as the Holder of this Note may from time to time in writing appoint and in the absence of such appointment, shall be made at the offices of The PrivateBank and Trust Company, 10 North Dearborn Street, Chicago, Illinois 60602.

Without limiting the provisions of the succeeding paragraphs, in the event any payment of interest or principal is not paid within fifteen (15) days after the date the same is due, the undersigned promises to pay a "Late Charge" of five (5%) percent of the amount so overdue to defray the expense incident to handling any such delinquent payment or payments.

This Note is executed pursuant to a Loan Modification Agreement ("Modification") of even date herewith. This Note replaces that certain Promissory Note in the amount of \$672,000 ("Original Note") made by Borrowers on March 31, 1997. The Original Note was executed pursuant to a Loan Agreement executed by Bank and Borrowers on March 31, 1997, and is secured by a Real Estate Mortgage, Assignment of Rents, Security Agreement, and UCC-2 Financing Statement ("Mortgage") executed on March 31, 1997 and recorded on April 1, 1997 with the Cook County Recorder of Deeds as Document No. 97225690. Amounts outstanding pursuant to the Original Note shall be outstanding under this Note. Pursuant to

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EXHIBIT B

the Modification, the Mortgage, and other Security Documents described in the Loan Agreement are modified to secure this Note.

Borrowers may obtain funds by requesting disbursements in writing in the manner and for the purposes described in the Loan Agreement as modified by the Modification. Borrowers agree that the Bank will not be required to make disbursements if Borrowers are in default under this Note or at any time after November 1, 1999.

At the election of the Holder hereof, without notice, the principal sum remaining unpaid hereon, together with accrued interest, shall be and become at once due and payable in the case of default for fifteen (15) days in the payment of principal or interest when due in accordance with the terms hereof or upon the occurrence of any "Event of Default" under the Loan Agreement and the Mortgage.

Under the provisions of the Loan Agreement and the Mortgage, the unpaid balance hereunder may, at the option of the Holder, be accelerated and become due and payable forthwith upon the happening of certain events as set forth therein. The Loan Agreement and the Mortgage are, by this reference, incorporated herein in their entirety and notice is given of such possibility of acceleration.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceeding, the undersigned promises to pay all reasonable costs incurred by Bank in connection therewith including, but not limited to, court costs, litigation expense and reasonable attorneys' fees.

The principal hereof, including each installment of principal, shall bear interest after the occurrence of an event of default, not cured within the applicable cure period, at the annual rate (herein called the "Default Rate") determined by adding three (3%) percentage points to the interest rate then required to be paid, as above provided, on the principal balance.

Borrowers waive notice of default, presentment, notice of dishonor, protest and notice of protest.

Funds representing the proceeds of the indebtedness evidenced herein which are disbursed by Holder by mail, wire transfer or other delivery to Borrowers, Escrowees or otherwise for the benefit of Borrowers shall, for all purposes, be deemed outstanding hereunder and received by Borrowers as of the date of such mailing, transfer or other delivery, and interest shall accrue and be payable upon such funds from and after the date of such mailing, wire transfer or other delivery until repaid to Holder, notwithstanding the fact that such funds may not at any time have been remitted by such Escrowees to the Borrowers.

Borrowers knowingly, voluntarily and intentionally waive irrevocably the right they may have to trial by jury with respect to any legal proceeding based hereon, or arising out of, under or in connection with this Note, the Mortgage, the Loan Agreement or any of the other obligations, or the collateral secured by the security documents, or any agreement, executed or contemplated to be executed in conjunction herewith or any course of conduct or course of dealing, in which Holder and Borrowers are adverse parties. This provision is a material inducement for Holder in granting any financial accommodation to Borrowers.

Time is of the essence of this Note and each provision hereof.

Frank R. Vonachen

Lori C. Vonachen