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Cook County Recorder 43.50



SECOND MODIFICATION
OF SECURED
PROMISSORY NOTE,
MORTGAGE,
ASSIGNMENT OF RENTS
AND SECURITY
AGREEMENT, AND
RELATED LOAN
DOCUMENTS

This Second Modification of Secured Promissory Note, Mortgage, Assignment of Rents and Security Agreement, and Related Loan Documents (hereinafter referred to as this "Agreement") is made as of August 1, 2000 by and among PIONEER BANK & TRUST COMPANY, n/k/a BANCO POPULAR NORTH AMERICA, not personally, but as Trustee under Trust Agreement dated May 6, 1994 and known as Trust No. 25861 (hereinafter referred to as "Borrower"), ALEXANDER VELBLUM (hereinafter alternatively referred to as "Beneficiary" or "Guarantor"), (Borrower and Beneficiary/Guarantor are hereinafter collectively referred to as "Obligors") and BANCO POPULAR NORTH AMERICA f/k/a PIONEER BANK AND TRUST COMPANY, (hereinafter referred to as "Lender").

WITNESSETH:

WHEREAS, pursuant to and in accordance with the terms of that certain Construction Loan and Security Agreement dated June 6, 1994 executed by Borrower, Beneficiary and Lender, Borrower has executed and delivered to Lender a Secured Promissory Note dated June 6, 1994 payable to the order of Lender in the principal amount of One Hundred Twenty Thousand and No/100 Dollars (\$120,000.00) (hereinafter referred to as the "Note"); and

WHEREAS, the Note is secured, inter alia, by (i) that certain Mortgage, Assignment of Rents and Security

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Agreement, dated June 6, 1994, made by Borrower, as mortgagor, to Lender, as mortgagee, recorded in the Office of the Recorder of Deeds of Cook County, Illinois on July 14, 1994 as Document No. 94617682 (hereinafter referred to as the "Mortgage") and encumbering the property (hereinafter referred to as the "Mortgaged Property") legally described on Exhibit A, which is attached hereto and made a part hereof, (ii) that certain Personal Guaranty dated June 6, 1994, executed by Guarantor in favor of Lender in connection with the obligations of Borrower to Lender (hereinafter referred to as the "Guaranty"), and (iii) that certain Collateral Assignment of Beneficial Interest in Land Trust dated June 6, 1994 made by Beneficiary to Lender (hereinafter referred to as the "Assignment of Beneficial Interest") (the Note, Mortgage, Assignment of Beneficial Interest, Guaranty and any and all other loan and/or security documents executed in connection therewith are hereinafter referred to as the "Loan Documents"); and

WHEREAS, the parties hereto previously amended the Loan Documents to, among other things, provide for (i) an extension of the maturity date of the Note to May 31, 2000; (ii) a change in the interest rate in the Note; (iii) a change in the payments under the Note; and (iv) the change of designation of Lender from Pioneer Bank & Trust Company to Banco Popular North America, pursuant to and in accordance with the terms of that certain Note and Mortgage Modification Agreement (the "First Modification") dated May 31, 1999 and executed by the parties hereto; and

WHEREAS, the maturity date of the Note was further extended to July 1, 2000 pursuant to the terms of that certain Extension Agreement dated May 31, 1999; and

WHEREAS, the maturity date of the Note has been further extended to August 1, 2000 pursuant to the terms of that certain Second Extension Agreement dated July 1, 2000; and

WHEREAS, the parties hereto desire to further amend the Loan Documents to, among other things, provide for (i) an extension of the maturity date of the Note to July 1, 2001; (ii) a change in the interest rate in the Note; (iii) a change in the payments under the Note to reflect the change in the Interest Rate; and

NOW, THEREFORE, for and in consideration of the foregoing premises and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Borrower, Beneficiary/Guarantor and Lender do hereby agree as follows:

1. **AFFIRMATION OF RECITALS.** The recitals set forth above are true and correct and are

incorporated herein by this reference.

2. **OUTSTANDING INDEBTEDNESS.** As of the date hereof, the outstanding principal balance of the Note is \$112,320.91.

3. **AMENDMENT OF NOTE.** The Existing Note is hereby amended as follows:

3.1. All references therein to an interest rate shall be changed from an interest rate of 8.25% per annum to an interest rate of 9.50% per annum effective as of the date hereof.

3.2 All references therein to interest after maturity or during any event of default shall be changed from an interest rate of 13.25% per annum to an interest rate of 14.50% per annum.

3.3 All references therein to a Maturity Date or a date upon which the entire outstanding indebtedness is due and payable shall be changed to provide that the entire unpaid principal balance of the Loan and all unpaid interest, costs and fees, shall be due and payable on July 1, 2001 (the "Maturity Date").

3.4 Borrower shall make monthly payments for principal and interest in the amount of \$1,056.52 commencing on the first day of September, 2000, and continuing on the first day of each and every month thereafter through and until the Maturity Date.

3.5 Except as specifically set forth to the contrary hereinabove, the Note, as previously modified by the First Modification and the Extension Agreements, remains unmodified and in full force and effect.

4 **AMENDMENT OF MORTGAGE.** The Mortgage is hereby amended as follows:

4.1 All references in the Mortgage to the Note shall be deemed to be references to the Note as modified hereby.

4.2 All references therein to a Maturity Date or a date upon which the entire outstanding indebtedness is due and payable shall be changed to provide that the entire unpaid principal balance of the Loan and all unpaid interest, costs and fees, shall be due and payable on July 1, 2001.

4.3 Except as specifically set forth to the contrary hereinabove, and as previously modified by the First Modification and the Extension Agreements, the Mortgage remains unmodified and in full force and effect.

5. **AMENDMENT OF ASSIGNMENT OF BENEFICIAL INTEREST, GUARANTY AND RELATED LOAN DOCUMENTS.** The Assignment of Beneficial Interest, Guaranty and Related Loan Documents are hereby amended as follows:

5.1 All references therein to the Note shall be deemed to be references to the Note as modified hereby.

5.2 All references therein to the Mortgage shall be deemed to be references to the Mortgage as modified hereby.

5.3 All references therein to a Maturity Date or a date upon which the entire outstanding indebtedness is due and payable shall be changed to provide that the entire unpaid principal balance of the Loan, and all unpaid interest, costs and fees, shall be due and payable on July 1, 2001.

5.4 Except as specifically set forth to the contrary hereinabove, and as previously amended by the First Modification and the Extension Agreements, the Assignment of Beneficial Interest, Guaranty and Related Loan Documents remain unmodified and in full force and effect.

6. **RATIFICATION BY GUARANTOR.** By execution of this Agreement, Guarantor hereby consents to the execution and delivery of this Agreement by Borrower to Lender and ratifies, confirms and acknowledges that, notwithstanding any amendments to the Note, Mortgage, and any other Loan Documents as set forth herein, the Guaranty remains in full force and effect in accordance with its terms and continues to guarantee the repayment of all obligations of Borrower to Lender described therein, including, without limitation, all obligations of Borrower to Lender under the Note as amended hereby and as amended by the First Modification.

7. **REPRESENTATIONS AND WARRANTIES.** Borrower, Beneficiary and Guarantor confirm and remake all representations and warranties set forth in the Loan Documents.

8. **ADDITIONAL PROVISIONS.** This Agreement shall be effective only upon:

(a) Delivery by Obligors to Lender of a satisfactory Date Down Endorsement to the existing Mortgagee's title insurance policy issued by Chicago Title Insurance Company, insuring the continued validity and priority of the Loan Documents, as herein amended, following the recording of this Agreement (subject only to the matters set forth on Schedule B of said policy and approved by Lender), confirming all previous endorsements thereto, if any, and extending the effective date of the policies through the date of recording of this Agreement.

(b) Payment by Obligors to Lender, immediately upon the submission of bills and invoices

therefor, of all amounts incurred by Lender for attorney's fees, recording expenses, title insurance fees (including, without limitation, the title search and issuance of the endorsement(s) described in (a) above), and all other costs incurred by or to be incurred by or on behalf of Lender by reason of the matters specified herein and the preparation of this Agreement and all other documents necessary and required to effectuate the provisions hereof, including, without limitation, all costs and expenses with respect to compliance by Borrower with the terms and conditions hereof and Lender's enforcement thereof. The rights and remedies of Lender contained in this Paragraph 8 shall be in addition to, and not in lieu of, the rights and remedies contained in the Loan Documents, as herein amended, and as otherwise provided by law.

(c) The recording of a counterpart of this Agreement in the Office of the Recorder of Deeds of Cook County, Illinois

9. **EFFECTIVENESS**. This Agreement shall be effective as of the date hereof subject to the provisions of Paragraph 8 hereof.

10. **GOVERNING LAW**. This Agreement shall be construed in accordance with the laws of the State of Illinois, without regard to its conflict of laws principles.

11. **CONSTRUCTION**. This Agreement shall not be construed more strictly against Lender merely by virtue of the fact that the same has been prepared by Lender or its counsel, it being recognized that Obligors and Lender have contributed substantially and materially to the preparation of this Agreement.

12. **GENDER**. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders and any word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

13. **ENTIRE AGREEMENT**. Obligors and Lender acknowledge that there are no other agreements or representations, either oral or written, express or implied, that are not embodied in this Agreement, the First Modification, the Extension Agreements and the Loan Documents. This Agreement, the First Modification, the Extension Agreements and the Loan Documents together represent a complete integration of all prior and contemporaneous agreements and understandings of Obligors and Lender. All provisions of the Loan Documents are hereby ratified and confirmed.

14. **BENEFIT**. This Agreement shall be binding upon and shall inure to the benefit of Obligors and Lender, and their respective successors, assigns, grantees, heirs, executors, personal representatives and administrators.

15. **RATIFICATION; AUTHORITY**. Except as herein amended, the Loan Documents shall remain in full force and effect, and all of the terms and provisions of the Loan Documents, as herein amended, are hereby ratified and reaffirmed. Obligors represent to Lender that there is no other ownership interest, mortgage lien, trust deed, or other interest, now outstanding against the Mortgaged Property, other than the lien of the Loan Documents; and that the lien of the Mortgage is previously subsisting and, as herein amended, has been, is and shall remain a valid first, prior and paramount lien on the Mortgaged Property, as described on Exhibit A attached hereto, enjoying the same or superior priority with respect to other claims upon the Mortgaged Property as prevailed prior to the execution of this Agreement. Obligors have duly authorized, executed and delivered this Agreement, and acknowledge that the Loan Documents are valid and enforceable in accordance with their terms against the Obligors.

16. **DEFAULTS**. The occurrence of any one or more of the following shall constitute a Default under this Agreement.

(a) the untruthfulness of any representation or warranty contained in this Agreement, or the existence of a misrepresentation of fact or fraud contained in any document or information heretofore or hereafter submitted or communicated to Lender in support of this Agreement;

(b) the breach or violation of any term, covenant, or condition contained in this Agreement; or

(c) any other default, not timely cured within any applicable cure or grace period, under any of the Loan Documents. Any Default hereunder shall constitute a default or event of default, as applicable, under each of the Loan Documents.

17. **TERMINATION**. Immediately following the occurrence of any Default under this Agreement, Lender may, at its option (a) exercise any or all of its rights and remedies under the Loan Documents and/or (b) pursue any other remedies available to it.

18. **PRIORITY OF MORTGAGE**. All of the Mortgaged Property shall remain in all respects subject to the lien, charges and encumbrance of the Mortgage, as herein amended, and nothing herein contained and nothing done pursuant hereto, shall affect the liens, charges or encumbrances of the Mortgage, as herein amended, or the priority

thereof with respect to other liens, charges, encumbrances or conveyances, or release or affect the liability of any party or parties whomsoever who may now or hereafter be liable under or on account of the Loan Documents, as herein amended.

19. **CONSENT TO AMENDMENT.** Obligors acknowledge that they have thoroughly read and reviewed the terms and provisions of this Agreement and are familiar with same, that the terms and provisions contained herein are clearly understood by them and have been fully and unconditionally consented to by them and they have had full benefit and advice of counsel of their own selection, in regard to understanding the terms, meaning and effect of this Agreement, and that this Agreement has been entered into by them, respectively, freely, voluntarily, with full knowledge, and without duress, and that in executing this Agreement, each, respectively, is relying on no other representations, either written or oral, or express or implied, made to them.

20. **NO DEFENSES; RELEASE.** As of the date of this Agreement, Obligors acknowledge that they have no defense, offset, or counterclaim to any of their obligations under the Loan Documents. In addition to the foregoing (and to the extent of any such defense, offset or counterclaim), and as additional consideration for the amendment of the Loan Documents by Lender as herein set forth, Obligors hereby release and forever discharge Lender, its agents, servants, employees, directors, officers, attorneys, branches, affiliates, subsidiaries, successors and assigns and all persons, firms, corporations, and organizations in its behalf of and from all damages, losses, claims, demands, liabilities, obligations, actions and causes of action whatsoever which Obligors may now have or claim to have against Lender, as of the date hereof, whether presently known or unknown, and of every nature and extent whatsoever on account of or in any way relating to, concerning, arising out of or founded upon the Loan Documents, as herein amended, including, but not limited to, all such loss or damage of any kind heretofore sustained, or that may arise, as a consequence of the dealings between the parties up to and including the date hereof.

21. **COUNTERPARTS.** It is understood and agreed that this Agreement may be executed in several counterparts, each of which shall, for all purposes, be deemed an original and all of such counterparts taken together, shall constitute one and the same Agreement, even though all of the parties hereto may not have executed the same counterpart of this Agreement.

22. **DEFINITION OF TERMS.** All initial-capitalized terms not expressly defined in this Agreement shall

bear the same respective definitions herein as they bear in the Loan Documents, as herein amended.

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto in manner and form sufficient to bind them, as of the day and year first above written.

BORROWER:

PIONEER BANK & TRUST COMPANY n/k/a BANCO POPULAR NORTH AMERICA, not personally but as Successor Trustee as aforesaid

By: ~~SEE RIDER ATTACHED HERETO~~
~~AND BY THIS REFERENCE~~
MADE A PART HEREOF
Title: _____

BENEFICIARY:

Alex
ALEXANDER VELBLUM

GUARANTOR:

Alex
ALEXANDER VELBLUM

LENDER:

BANCO POPULAR NORTH AMERICA f/k/a PIONEER BANK & TRUST COMPANY

By: *M. Adams*
Title: V.P.

This Document Prepared By
and Return To:

Bruce W. Craig
Banco Popular North America
4801 West Fullerton Avenue
Chicago, Illinois 60639

ACKNOWLEDGMENT

STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this ___ day of ___, 2000, before me, a Notary Public in and for said County and State, appeared
___, to me personally known, who being by me duly sworn, did say that he/she is the
___ of PIONEER BANK & TRUST COMPANY n/k/a BANCO POPULAR NORTH AMERICA, as
Trustee under Trust Agreement dated May 6, 1994 and known as Trust No. 25861, and that the foregoing instrument
was signed and sealed on behalf of said Trust by authority of said Trustee and that he/she acknowledged the foregoing
instrument to be the free act and deed of said Trust.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State
aforesaid, the day and year first above written.

NOTARY PUBLIC

My Commission Expires

ACKNOWLEDGMENT

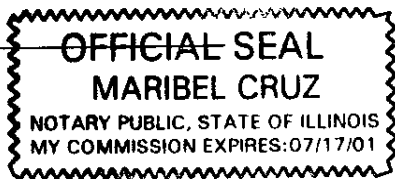
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

On this 31 day of August, 2000, before me, a Notary Public in and for said County and State, appeared
ALEXANDER VELBLUM to me personally known, who being by me duly sworn, did say that the foregoing instrument
was signed and delivered by him as his own free and voluntary act for the uses and purposes therein set forth.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my official seal in the County and State
aforesaid, the day and year first above written.

NOTARY PUBLIC

My Commission Expires:



UNOFFICIAL COPY

This Second Modification of Secured Promissory Note, Mortgage, Assignment of Rents and Security Agreement, and Related Loan Documents is executed by the Banco Popular North America F/K/A Pioneer Bank & Trust, Trustee under Trust Agreement dated May 6, 1994 and known as Trust No. 25861 and accepted upon the express understanding that the Banco Popular North America enters into the same not personally, but only as Trustee and that no personal liability is assumed by nor shall be asserted or enforced against the Banco Popular North America because of or on account of the making or executing this document or of anything therein contains, all such liability, if any being expressly waived, nor shall the Banco Popular be held personally liable upon or in consequence of any of the covenants of this document either expressed, or implied, trustee being fully exempted, nothing herein contained shall limit the right of any party to enforce the personal liability of any other party to this instrument.

In Witness Whereof, the Banco Popular North America, not personally, but As Trustee aforesaid, has caused these presents to be signed by its Trust Officer and its corporate seal to be hereunder affixed and attested by its Assistant Secretary, this 31st day of August, 2000.

BANCO POPULAR NORTH AMERICA

BY: *James A. Boyd*
 JAMES A. BOYD SENIOR, VICE PRESIDENT

ATTEST: *M. Berry*
 ASSISTANT SECRETARY



STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, DO HEREBY CERTIFY that the above named Trust Officer of the BANCO POPULAR NORTH AMERICA, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Trust Officer and Assistant Secretary 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 Corporation for the uses and purposes therein set forth; and the said Assistant Secretary then and there acknowledged that said Assistant Secretary, as custodian of the corporate seal of said Corporation, caused the corporate seal of said Corporation to be affixed to said instrument as said Assistant Secretary's own free and voluntary act and as the free and voluntary act of said Corporation for the uses and purposes therein set forth.

Given under my hand and Notarial Seal this 31st day of August, 2000.



Notary Public *Lorraine Perry*