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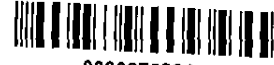
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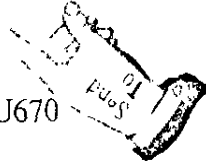
2003-02-26 15:18:22

Cook County Recorder 58.50

This Instrument Prepared By and After
Recording Should Be Returned to:
Charter One Bank, N.A.
1215 Superior Avenue, 6th Floor
Cleveland, Ohio 44114
Attn: Commercial Loan Servicing Dept. SU670



0030275824



LOAN MODIFICATION AGREEMENT

Loan No. 63-1163437

1-8

This Loan Modification Agreement (hereinafter referred to as the "Agreement") is entered into by and among BANK OF WAUKEGAN, NOT PERSONALLY BUT AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 1, 1993 AND KNOWN AS TRUST NO. 3886 (hereinafter referred to as "Borrower"), DONALD BODEL and RUSSELL GWALTNEY (hereinafter collectively referred to as "Original Guarantors"), GRANT D. ERICKSON and THE PIPSISSEWA LIMITED PARTNERSHIP (hereinafter collectively referred to as "Additional Guarantors"), and CHARTER ONE BANK, N.A., a corporation organized and doing business under the laws of the United States of America, formerly known as Charter One Bank, F.S.B., successor by merger to Liberty Federal Bank (hereinafter referred to as "Lender").

WITNESSETH:

WHEREAS, Borrower obtained a loan (the "Loan") from Liberty Federal Bank (hereinafter referred to as "Liberty Federal") in the original amount of Two Million Two Hundred Fifty Thousand Dollars U.S. (\$2,250,000.00) which loan is evidenced by a promissory note (hereinafter referred to as the "Note") dated September 14, 1998, executed by Borrower; and

WHEREAS, the Original Guarantor and William F. Hutson executed a guaranty of even date with the Note (hereinafter referred to as the "Original Guaranty") which guarantees the repayment of the Loan; and

WHEREAS, the Note is secured by a mortgage and security agreement (hereinafter referred to as the "Mortgage") of even date with the Note from Borrower to Liberty Federal, which Mortgage was recorded on September 21, 1998 at 09:59:12 as Instrument No. 98839867 of the Official Records of Cook County, Illinois, and covers certain real property located in said County more fully described on Exhibit A attached hereto and made a part hereof (the "Property"); and

WHEREAS, on July 2, 2001, Charter One Bank, F.S.B. became the successor in interest to the Loan by virtue of the merger with Liberty Federal Bank; and on May 7, 2002, Charter One

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Bank, F.S.B. converted from a federal savings bank to a national banking association and changed its name to Charter One Bank, N.A.; and

WHEREAS, the principal balance outstanding on the Loan, as evidenced by the Note is Two Million One Hundred Forty-Seven Thousand Eight Hundred Sixteen Dollars and Ninety-Eight Cents U.S. (\$2,147,816.98), after application of all payments due and owing on the Note through January 1, 2003; and

WHEREAS, William F. Hutson passed away on April 22, 2001; and

WHEREAS, the Additional Guarantors have agreed to guarantee the repayment of the Loan; and

WHEREAS, as a condition to this Agreement, the Original Guarantors and the Additional Guarantors (hereinafter collectively referred to as the "Guarantors") agree to execute a Guaranty Agreement in form attached hereto as Exhibit B (the "Guaranty") to replace the Original Guaranty described above.

WHEREAS, Borrower and Guarantors have also executed other documents evidencing, securing and relating to Borrower's obligations concerning the Loan (collectively, such documents together with the Note, the Guaranty and the Mortgage are referred to herein as the "Loan Documents"); and

WHEREAS, all of the terms, conditions, provision and covenants contained in the Loan Documents are desired by Borrower, Guarantors and Lender to be and are hereby incorporated by reference herein as if fully rewritten herein all unchanged except to the extent modified herein.

NOW, THEREFORE, for good and valuable consideration, the mutuality, sufficiency and receipt of which is hereby acknowledged, Borrower, Guarantors and Lender agree as follows:

1. THE LOAN DOCUMENTS:

The Note and the Mortgage shall be amended as follows:

RATE OF INTEREST. On February 1, 2003, the rate of interest shall be adjusted to be equal to five and sixty-nine one-hundredths percent (5.69%) per annum. On February 1, 2008 (the "Change Date"), the rate of interest hereon shall be adjusted to be equal to the greater of: (a) five and forty-four one-hundredths percent (5.44%); or (b) two hundred (200) basis points plus the Current Index. The adjusted rate of interest will become effective on the Change Date. The "Index" shall be the interest rate for Fixed Rate Advances for a term of five (5) years as published by the Federal Home Loan Bank of Cincinnati on its website at <http://www.fhlbcin.com>. The most recent Index figure available on the Change Date is called the "Current Index". Interest shall be computed on the aggregate principal sum outstanding from time to time, on a basis of a three hundred sixty (360) day year, but shall be charged for the actual number of days within the period for which interest is being charged.

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REPAYMENT. Principal and interest shall be payable in monthly installments as follows:

On the first day of March, 2003 and continuing on the first day of each and every month thereafter up to and including February 1, 2008, the Borrower shall pay to the order of Lender monthly installments of principal and interest in the amount of Thirteen Thousand Five Hundred Twenty-Two Dollars and One Cent U.S. (\$13,522.01). On March 1, 2008, the installments of principal and interest shall be adjusted by the Lender based upon changes in the rate of interest, so that the changed installments would be sufficient to repay the principal hereunder in full over a twenty-five (25) year amortization, beginning with February 1, 2003. In any event, if not sooner paid, on the first day of December, 2012 (the "Maturity Date"), Borrower shall pay to Lender the unpaid principal balance then outstanding under the Note in full, together with all accrued but unpaid interest and other sums due Lender under the Note or any of the Loan Documents.

PREPAYMENT. Borrower shall have the right to prepay all, or any portion, of the unpaid principal amount of the indebtedness evidenced by the Note, together with (a) any accrued and unpaid interest thereon, and (b) a prepayment premium equal to the product obtained by multiplying (i) the principal amount of the prepayment, and (ii) the Percentage set forth below for the Loan Year (hereinafter defined) during which such prepayment was made:

<u>Loan Year</u>	<u>Percentage</u>
1	5.00%
2	4.00%
3	3.00%
4	2.00%
5	1.00%
6	1.00%
7 and thereafter	-0-

As used herein, the term "Loan Year" shall mean each successive one (1)-year period, the first such Loan Year commencing on February 1, 2003, and each succeeding Loan Year commencing on each successive anniversary of February 1, 2003. The payment of any partial prepayment shall not relieve Borrower from the obligation to make subsequent scheduled monthly installments of principal and interest due hereunder.

In the event that Lender shall accelerate the maturity of the Note due to Borrower's default under the Note or under any of the Loan Documents, and there shall be tendered to Lender, whether by Borrower or upon distribution of proceeds of foreclosure sale, an amount equal to the entire unpaid principal balance of the indebtedness evidenced hereby, together with all accrued and unpaid interest thereon and all other sums or charges due hereunder or under any of the Loan Documents, such tender shall be deemed to be a voluntary prepayment of the Note and incomplete and ineffective

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unless such tender is accompanied by the prepayment premium computed as set forth above. Lender shall be entitled, to the fullest extent not then prohibited by applicable law, to recover such prepayment premium in any proceedings, at foreclosure or otherwise, to enforce collection of the indebtedness evidenced hereby. Recovery of the prepayment premium shall be a condition precedent to Lender's acceptance of such prepayment. Without limiting the generality of the foregoing, the amount of such prepayment premium so computed shall be included in and a part of the aggregate indebtedness evidenced hereby and secured by the Loan Documents upon the prosecution of foreclosure proceedings and/or the exercise of other rights or remedies by the Lender in the event of a default by the Borrower.

The following shall not be deemed a voluntary prepayment of the Note and there shall be no prepayment premium due and payable as a result thereof: (a) the application of insurance proceeds which become available, or any other damages recovered in connection with any eminent domain proceeding, by Lender in reduction of the indebtedness evidenced hereby in accordance with the terms of the Mortgage (hereinafter defined); and (b) acceleration of the indebtedness evidenced hereby as a result of imposition of a mortgage tax or other tax or action adversely affecting the value of the Mortgage, in accordance with Paragraph 7 of the Mortgage.

2. EXECUTION OF GUARANTY.

Concurrent with the execution of this Agreement, Guarantors shall execute a Guaranty, which shall replace the Original Guaranty previously executed by Original Guarantors.

3. PRIORITY OF MORTGAGE.

The Mortgage shall in all respects as of the date of recording of this Agreement be a valid and existing first mortgage lien covering the Property (less any part thereof previously released by Lender), and such priority of the Mortgage shall be evidenced by an ALTA Mortgagee's policy of title insurance acceptable to Lender in all respects.

4. MODIFICATION FEE.

Borrower will pay to Lender, on or before the date hereof, a loan modification fee equal to Ten Thousand Seven Hundred Seventy-Four Dollars U.S. (\$10,774.00).

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5. REPRESENTATIONS AND WARRANTIES.

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To induce Lender to execute this Agreement, Borrower, for and on behalf of itself, hereby represents, covenants and warrants to Lender that (a) The Pipsisseewa Limited Partnership is a Delaware limited partnership, duly organized and validly existing under the laws of the State of Delaware, and has full power and authority to conduct its business as presently conducted, to execute this Agreement, and to perform all of its duties and obligations under this Agreement and each of the Loan Documents; and (b) Windy Pines Management, Ltd. is a Delaware corporation, duly organized and validly existing under the laws of the State of Delaware, and has full power and authority to conduct its business as presently conducted, to execute this Agreement, and to perform all of its duties and obligations under this Agreement and each of the Loan Documents. Such execution and performance has been duly authorized by all necessary resolutions and action. Upon the execution hereof by Borrower, this Agreement shall constitute legal, valid and binding obligations of the Borrower enforceable in accordance with its terms.

6. RECORDING; EFFECTIVE DATE.

This Agreement shall be effective upon its recording by Lender in the Mortgage Records of Cook County, Illinois, provided that the requirements of Paragraphs 2, 3 and 4 of this Agreement have been satisfied in Lender's sole determination.

7. HEADINGS.

Paragraph or other headings contained in this Agreement are for reference purposes only and are not intended to affect in any way the meaning or interpretation of this Agreement.

8. ENTIRE AGREEMENT.

This Agreement constitutes the entire Agreement among the parties hereto concerning the subject matter hereof, and there are no agreements, understandings, warranties, or representations among the parties except as specifically set forth in or specifically referenced in this Agreement. The terms, conditions, provisions and covenants of the Note, the Guaranty and the Mortgage shall remain unchanged except to the extent specifically modified hereby.

This Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their successors, permitted transferees and assigns.

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IN TESTIMONY WHEREOF, the parties hereto have executed this Agreement in triplicate on January 20, 2003.

BORROWER:

BANK OF WAUKEGAN, NOT PERSONALLY
BUT AS TRUSTEE UNDER TRUST AGREEMENT
DATED APRIL 1, 1993, AND KNOWN AS
TRUST NO. 3886 ~~AND NOT INDIVIDUALLY~~

RIDER ATTACHED HERETO IS EXPRESSLY
MADE A PART HEREOF

AS Page 6/1

By: Barbara Richter

BARBARA Richter, its Trust Officer

GUARANTORS:

THE PIPSISSEWA LIMITED PARTNERSHIP,
a Delaware limited partnership

By: WINDY PINES MANAGEMENT, LTD.,
a Delaware corporation, General Partner

By: Robert W. Hutson
ROBERT W. HUTSON, its President

Grant D. Erickson
GRANT D. ERICKSON, an Individual

Donald H. Bodel
DONALD BODEL, an Individual

Russell Gwaltney
RUSSELL GWALTNEY, an Individual

TRUSTEE EXONERATION RIDER

This Loan Modification Agreement executed by **BANK OF WAUKEGAN**, not personally or individually, but as Trustee under Trust Agreement dated April 1, 1993 and known as Trust No. 3886 in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements including environmental conditions, duties, or obligations concerning the property herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements including any environmental conditions, duties, or obligations concerning the premises of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements including environmental conditions, duties, or obligations concerning the premises whether under any federal, state, or local statute, rule, regulation, or ordinance or for the purpose of binding said Trustee personally but are made and intended for the purpose of binding only that 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 enforced against the **BANK OF WAUKEGAN** 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 this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released by the parties herein and all persons claiming by through or under said parties. The beneficiaries of this trust have management and control of the use of the property and as such, have the authority on their own behalf to execute any document as environmental representative but not as agent for or on behalf of the Trustee. The Trustee makes no personal representations as to nor shall it be responsible for the existence, location or maintenance of the chattels herein described, if any or of any environmental condition, duties, or obligations concerning the property whether under any federal, state or local statute, rule, regulation ordinance.

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LENDER:

CHARTER ONE BANK, N.A.

By: Donald L Baker
DONALD L. BAKER
SENIOR VICE PRESIDENT
CHARTER ONE BANK, N.A.

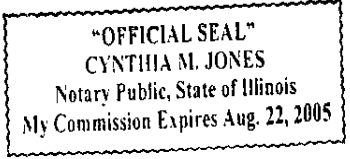
Property of Cook County Clerk's Office

STATE OF ILLINOIS)
) ss.
COUNTY OF Lake)

Before me, a Notary Public in and for said County and State, personally appeared the above-named BANK OF WAUKEGAN, NOT PERSONALLY BUT AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 1, 1993 AND KNOWN AS TRUST NO. 3886, by BARBARA Richter, its Trust Officer, who acknowledged that (s)he did sign the foregoing instrument for and on behalf of said trust, and that the same is the free act and deed of said Trust, and the free act and deed of him/her personally and as such officer of the Trustee of the Trust.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal at WAUKEGAN, Illinois, this 22ND day of JANUARY, 2003.

Cynthia M Jones
Notary Public



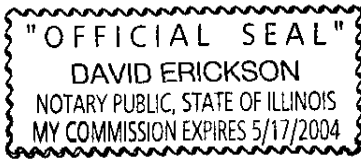
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STATE OF ILLINOIS)
) ss.
COUNTY OF Cook)

Before me, a Notary Public in and for said County and State, personally appeared the above-named THE PIPSISSEWA LIMITED PARTNERSHIP, a Delaware limited partnership, by Windy Pines Management, Ltd., a Delaware corporation, General Partner, by Robert W. Hutson, its President, who acknowledged that he did sign the foregoing instrument for and on behalf of said corporation as the general partner of said partnership, and that the same is the free act and deed of said corporation and partnership and the free act and deed of him personally and as such officer and partner.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal at Northbrook, Illinois, this 20 day of January, 2003.

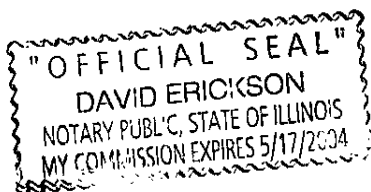


David Erickson
Notary Public

STATE OF ILLINOIS)
) ss.
COUNTY OF Cook)

Before me, a Notary Public in and for said County, this day personally appeared the above-named GRANT D. ERICKSON, who acknowledged that he did sign the foregoing instrument and that the same is the free act and deed of him personally.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal at Northbrook, Illinois, this 20 day of January, 2003.



David Erickson
Notary Public

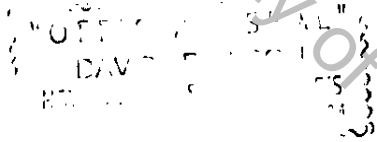
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STATE OF ILLINOIS)
) ss.
COUNTY OF Cook)

Before me, a Notary Public in and for said County, this day personally appeared the above-named DONALD H. BODEL, who acknowledged that he did sign the foregoing instrument and that the same is the free act and deed of him personally.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal at Northbrook, Illinois, this 20 day of January, 2003.



David Eisen
Notary Public

STATE OF ILLINOIS)
) ss.
COUNTY OF Cook)

Before me, a Notary Public in and for said County, this day personally appeared the above-named RUSSELL R. GWALTNEY, who acknowledged that he did sign the foregoing instrument and that the same is the free act and deed of him personally.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal at Northbrook, Illinois, this 20 day of January, 2003.



David Eisen
Notary Public

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STATE OF Ohio)
) ss.
COUNTY OF Cuyahoga)

Before me, a Notary Public in and for said County and State, personally appeared the above-named Charter One Bank, N.A., by Donald L. Baker, its Sr. Vice President who acknowledged that he did sign the foregoing instrument for and on behalf of said corporation, and that the same is the free act and deed of said corporation and the free act and deed of him personally and as such officer.

IN TESTIMONY WHEREOF, I have hereunto subscribed my name and affixed my official seal at Cleveland, OH, this 28th day of January, 2003.

Holly H. Hagemeister
Notary Public

HOLLY H. HAGEMEISTER
Notary Public, State of Ohio
My Commission Expires March 12, 2006

Cook County Clerk's Office

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LEGAL DESCRIPTION

PARCEL 1:

LOTS EIGHT, NINE AND TEN IN BLOCK TWO AND ALL OF BLOCK THREE EXCEPTING THEREFROM THAT PART THEREOF LYING SOUTH OF A LINE DRAWN FROM A POINT IN THE WEST LINE OF SAID BLOCK THREE, 9.0 FEET NORTH OF THE SOUTHWEST CORNER OF SAID BLOCK THREE, TO A POINT IN THE EAST LINE OF SAID BLOCK THREE, 15.75 FEET NORTH OF THE SOUTHEAST CORNER OF SAID BLOCK THREE, IN HUGHES-BROWN-MOORE CORPORATION'S FIRST ADDITION TO NORTH SHORE VILLA, BEING A SUBDIVISION OF PART OF THE NORTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION ELEVEN, TOWNSHIP FORTY-TWO NORTH, RANGE TWELVE, EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH, THAT PORTION OF VACATED SUNSET RIDGE BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHEAST CORNER OF LOT TEN IN BLOCK TWO AFORESAID; THENCE EAST ALONG THE EXTENSION EAST OF THE NORTH LINE OF SAID LOT 10, FOR A DISTANCE OF 20.0 FEET; THENCE SOUTH ALONG A LINE OF 20.0 FEET EAST OF AND PARALLEL TO THE WEST LINE OF SAID SUNSET RIDGE ROAD, SAID LINE BEING 30.0 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SECTION ELEVEN, AFORESAID, FOR A DISTANCE OF 370.0 FEET; THENCE SOUTHWESTERLY TO A POINT ON SAID WEST LINE OF SUNSET RIDGE ROAD, SAID POINT BEING 15.75 FEET NORTH OF THE SOUTHEAST CORNER OF BLOCK THREE, AFORESAID; THENCE NORTH ALONG SAID WEST LINE OF SUNSET RIDGE ROAD, 380.0 FEET TO THE PLACE OF BEGINNING, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

ALL THAT PART OF VACATED SHERIDAN PLACE LYING WEST OF THE WEST LINE OF SUNSET RIDGE ROAD, EAST OF THE EAST LINE OF SKOKIE BOULEVARD AND LYING BETWEEN BLOCKS 2 AND 3 IN HUGHES-BROWN-MOORE CORPORATION'S FIRST ADDITION TO NORTH SHORE VILLA, AFORESAID; EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS.

P.I.N. 04-11-204-018-0000

COMMONLY KNOWN AS: 899 SKOKIE BOULEVARD, NORTHBROOK,
ILLINOIS 60062

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EXHIBIT B

GUARANTY AGREEMENT

For valuable consideration, the receipt whereof by the undersigned is hereby acknowledged, and to induce CHARTER ONE BANK, N.A., formerly known as Charter One Bank, F.S.B., successor by merger to Liberty Federal Bank, having an office and place of business located at 1215 Superior Avenue, Cleveland, Ohio (hereinafter called "Lender") to agree to extend the maturity date and adjust the interest rate of the loan to BANK OF WAUKEGAN, NOT PERSONALLY, BUT AS TRUSTEE UNDER TRUST AGREEMENT DATED APRIL 1, 1993 AND KNOWN AS TRUST NO. 3886 (hereinafter called the "Principal"), the undersigned THE PIPSISSEWA LIMITED PARTNERSHIP, GRANT D. ERICKSON, DONALD BODEL and RUSSELL GWALTNEY (hereinafter collectively called the "Guarantors"), do hereby unconditionally and irrevocably guarantee to said Lender and to the endorsees, transferees, successors or assigns of either this Guaranty or any of the obligations secured hereunder, or both, the prompt payment (and not merely the collectability) of interest and principal under a certain loan made to Principal as evidenced by the Promissory Note executed on September 14, 1998 (hereinafter called the "Note"), and does hereby agree that if the Note is not paid by the Principal in accordance with its terms, or if all sums which may hereafter become due from Principal to Lender are not paid by Principal in accordance with its terms, the Guarantors will immediately do so upon demand by Lender.

This is a continuing Guaranty and may not be revoked by any of the Guarantors. Upon demand made by Lender upon Guarantors after a failure by the Principal to pay the Note in accordance with its terms, Guarantors shall promptly pay to Lender the principal balance of the Note or the amount demanded by Lender. The Pipsissewa Limited Partnership, Grant D. Erickson, Donald Bodel and Russell Gwaltney shall jointly and severally guarantee an amount equal to fifty percent (50%) of the total balance due pursuant to the terms of the Note and any of the other Loan Documents (as hereinafter defined) evidencing or securing the Note, which shall include, but shall not be limited to, any and all amounts of principal, interest, default and statutory interest, late fees, advances of any kind, costs, and expenses (including reasonable attorneys' fees) incurred by Lender.

The obligations covered by this Guaranty include the obligations of the Principal under the Note and the obligations under a certain Mortgage and Security Agreement of even date herewith from the Principal, which further secures the Principal's indebtedness (the "Mortgage") and such other documents securing, evidencing or otherwise executed by Principal in connection with the Note ("Loan Documents"), either now existing, or hereafter coming into existence, and any renewals or extensions, in whole or in part, together with all damages, losses, costs, interest, charges, expenses, including reasonable attorneys' fees and liabilities of every kind, nature and description suffered or incurred by Lender arising in any manner out of, or in any way connected with or growing out of the Note and the Mortgage.

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The Guarantors hereby consent and agree that Lender may, at any time, either with or without consideration, surrender any property or other security of any kind or nature whatsoever held by it or by any person, firm or corporation on its behalf, or for its account securing any indebtedness or liability converted by this Guaranty, or substitute for any collateral so held by it, other collateral of like kind, or of any kind, or modify the terms of the Note without notice to or further consent for the Guarantors and such surrender, substitution or modification shall not in any way affect the liability of the Guarantors hereunder.

Lender shall have the right to proceed against the Guarantors or the property described in the Mortgage (the "Property") without first proceeding against the Principal.

The Guarantors hereby agree that extensions of time in respect of any obligation covered by this Guaranty may be granted by Lender to the Principal without notice to the Guarantors and without thereby affecting the liability of the Guarantors under this Guaranty in any respect; the Guarantors waive notice of acceptance of this Guaranty by Lender, or of the extension, modification or renewal of any obligation of the Principal to which it relates, or of any default by the Principal. The Guarantors agree that no act or omission on the part of Lender shall in any way affect or impair this Guaranty. Guarantors further waive any demand by Lender, as well as any notice of non-performance or non-payment by the Principal herein or any statutory provision requiring Lender's exhaustion of remedies or instituting of suit against the Principal prior to exercising its rights under this Guaranty.

This Guaranty is made subject to all the terms, conditions, agreements or stipulations contained in the Note evidencing the obligations hereby guaranteed.

Guarantors hereunder shall be fully obligated for all of the obligations guaranteed hereby as fully and to the same extent as if Guarantors were the maker and endorser of such Note.

In the event it becomes necessary for Lender to enforce this Guaranty by legal action, the Guarantors hereby waive the right to be sued in the county of Guarantors' residence; and if this Guaranty is placed in the hands of an attorney at law for enforcement, Guarantors hereby agree to pay the costs thereof, and a reasonable sum as an attorney's fee for such enforcement. Anything in this Guaranty to the contrary notwithstanding, if from any circumstances whatever fulfillment of any provisions which shall be due under the Note shall involve transcending the limit of validity prescribed by the usury statutes of the State of Illinois or any other law of the State of Illinois, then in fact the obligations to be fulfilled shall be reduced to the limit of such validity so that in no event shall exaction be possible under this Guaranty in excess of the limit of such validity.

The Guaranty and all obligations of Guarantors hereunder shall cease and determine at the time Lender receives payment in full of all sums payable to it by the Principal under the Note.

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Guarantors agree that this Guaranty shall inure to the benefit of and may be enforced by Lender, or its endorsees, transferees, successors and assigns, and shall be binding upon and enforceable against the Guarantors and Guarantors' legal representatives, heirs, successors and/or assigns.

Guarantors expressly agree that the Lender may, in its sole and absolute discretion, without notice to or further assent of the Guarantors and without in any way releasing, affecting or impairing the obligations and liabilities of the Guarantors hereunder: (i) waive compliance with, or waive any defaults under, or grant any other indulgences with respect to the Note; (ii) modify, amend or change any provisions of the Note; (iii) grant extensions or renewals of or with respect to the Note, and/or effect any release, compromise or settlement in connection with the Note; (iv) make advances for the purpose of performing any term or covenant contained in the Note; (v) assign, sell or otherwise transfer the Note or this Guaranty or any interest therein or herein, and (vi) deal in all respects with the Principal as if this Guaranty was not in effect. All of the obligations of the Guarantors under this Guaranty shall be unconditional and irrevocable, irrespective of the genuineness, validity, regularity or enforceability of the Note or the Mortgage or any other circumstances which might otherwise constitute a legal or equitable discharge of a surety or Guarantors and to the extent of any inconsistency or conflict between this Guaranty and the Note or the Mortgage, this Guaranty shall control.

The liability of the Guarantors under this Guaranty shall be primary, direct and immediate and not conditional or contingent upon pursuit by the Lender of any remedies it may have against the Principal, its successors and assigns, with respect to the Note or the Mortgage, whether pursuant to the terms thereof or by law. Without limiting the generality of the foregoing, the Lender shall not be required to make any demand on the Principal or to sell at foreclosure or otherwise pursue or exhaust its remedies against the property covered by the Mortgage or any part thereof or against the Principal before, simultaneously with, or after enforcing its rights and remedies hereunder against the Guarantors. Any one or more successive and/or concurrent actions may be brought hereon against the Guarantors either in the same action, if any, brought against the principal or in separate actions as often as the Lender may deem advisable.

The Guarantors hereby expressly waive (i) presentment and demand for payment of the principal or the interest on the Note and protest of non-payment, (ii) notice of acceptance of this Guaranty and of presentment, demand and protest, (iii) notice of any default hereunder or under the Note and of all indulgences, (iv) demand for observance, performance, or enforcement of any terms or provisions of this Guaranty, the Note or Mortgage, and (v) all other notices and demands otherwise required by law which the Guarantors may lawfully waive. The Guarantors further agree that in the event this Guaranty shall be enforced by suit or otherwise the Guarantors will reimburse the Lender, upon demand, for all expenses incurred in connection therewith, including, without limitation, reasonable attorneys' fees.

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Anything herein or in the Note or the Mortgage to the contrary notwithstanding, the Lender, at its option, may, as to the Guarantors, accelerate the indebtedness evidenced and secured by the Note and Mortgage in the event of the making by any of the Guarantors of an assignment for the benefit of creditors or appointment of a trustee or receiver for any of the Guarantors or for any property of the Guarantors or the commencement of any proceeding by or against any of the Guarantors under any bankruptcy, reorganization arrangement, insolvency, readjustment, receivership or like law or statute (collectively, "Act of Bankruptcy"). Notwithstanding the foregoing, Lender shall not accelerate the indebtedness on account of an Act of Bankruptcy by the Guarantors if there exists no other default under the Note, Mortgage or other Loan Documents unless Lender reasonably believes that the Guarantors will be unable to fulfill its obligations under this Guaranty Note because of such Act of Bankruptcy.

If the Guarantors shall advance any sums to the Principal or its successors or assigns, or if the principal or its successors or assigns shall hereafter become indebted to the Guarantors, such sums and indebtedness shall be subordinate in all respects to the amounts then or thereafter due and owing to the Lender under the Note and the Mortgage. Nothing herein contained shall be construed to give the Guarantors any right of subrogation in and to the Note and the Mortgage or all or any part of the Lender's interest therein, until all amounts owing to the Lender have been paid in full.

All rights and remedies afforded to the Lender by reason of this Guaranty or by law are separate and cumulative, and the exercise of one shall not in any way limit or prejudice the exercise of any other such rights or remedies. No delay or omission by the Lender in exercising any such right or remedy shall operate as a waiver thereof. No waiver of any rights and remedies hereunder, and no modification or amendment hereof, shall be deemed made by the Lender unless in writing and duly signed by the Lender. Any such written waiver shall apply only to the particular instance specified therein and shall not impair the further exercise of such right or remedy or of any other right or remedy of the Lender, and no single or partial exercise of any right or remedy hereunder shall preclude any other or further exercise thereof or any other right or remedy.

The Guarantors represent and warrant to Lender that; (1) they each have a direct financial interest as Guarantors in the Principal and will derive substantial benefit from the modifying by Lender of the Loan, (2) they each have examined or had an opportunity to examine the Note and the Mortgage, that they each have full power, authority and legal right to execute and deliver this Guaranty, and that this Guaranty is a binding legal obligation of the Guarantors, and is fully enforceable against the Guarantors in accordance with its terms, (3) all financial statements submitted by Guarantors to Lender in connection with this Loan are true and correct in all respects, have been prepared in accordance with generally recognized accounting principles consistently applied, and fairly present the respective financial conditions and results of operations of the entity and persons which are their subject as of the respective dates thereof and (4) no adverse change has occurred in the financial conditions reflected in such financial statements since the respective dates thereof and no additional borrowings have been made by Guarantors since the date thereof other than the Loan contemplated hereby.

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Upon the request of Lender from time to time, the each of the Guarantors shall deliver or cause to be delivered to Lender annual federal income tax returns and financial statements. Any such financial statements shall be certified as true and correct by the each of the Guarantors.

Within thirty (30) days of each of the Guarantors' fiscal quarter end, each Guarantor shall deliver to Lender their internally prepared financial statement for such fiscal quarter, upon request of Lender.

Notwithstanding anything herein contained to the contrary, Lender agrees that it shall not take any action upon this Guaranty without having first given Guarantors the same written notice specifying the default by Lender under the Loan Documents as Lender gives to Principal, if any, and affords the Guarantors the same opportunity to cure such default as Lender affords to Principal, if any.

WAIVER OF JURY TRIAL. GUARANTORS HEREBY, AND PRINCIPAL BY ITS ACCEPTANCE HEREOF, EACH WAIVE THE RIGHT OF A JURY TRIAL IN EACH AND EVERY ACTION ON THIS GUARANTY. THE NOTE OR THE MORTGAGE, IT BEING ACKNOWLEDGED AND AGREED THAT ANY ISSUES OF FACT IN ANY SUCH ACTION ARE MORE APPROPRIATELY DETERMINED BY THE COURTS; FURTHER, GUARNTORS HEREBY CONSENT AND SUBJECT THEMSELVES TO THE JURISDICTION OF COURTS OF THE STATE OF NEW YORK AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TO THE VENUE OF SUCH COURTS IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

The Lender is hereby given a lien upon and a security interest in all property of the Guarantors now or at any time hereafter in the possession of the Lender in any capacity whatsoever including, but not limited to, any balance or share in any deposit, trust or agency account as additional security for payment of the Indebtedness, and Lender shall, in addition to those rights granted to the Lender in this or any other Note between the Lender and the Guarantors, have all the rights and remedies under the Uniform Commercial Code and any other applicable law as shall from time to time be in effect in Illinois.

THE FOLLOWING NOTICE IS REQUIRED BY ILLINOIS LAW: Unless Guarantors provide Lender with evidence of the insurance coverage required by Guarantors' agreement with Lender, Lender may purchase insurance at Guarantors' expense to protect Lender's interests in the collateral. This insurance may, but need not, protect Guarantors' interests. The coverage that Lender purchases may not pay any claim that Guarantors make or any claim that is made against Guarantors in connection with the collateral. Guarantor may later cancel any insurance purchased by Lender, but only after providing Lender with evidence that Guarantors have obtained insurance as required by their agreement. If Lender purchases insurance for the collateral, Guarantors will be responsible for the costs of that insurance, including interest and any other charges Lender may impose in

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connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to Guarantor's total outstanding balance or obligation. The costs of the insurance may be more than the cost of insurance Guarantors may be able to obtain on Guarantors' own.

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IN WITNESS WHEREOF, the Guarantors have hereunto executed this Guaranty this
_____ day of _____, 2003

GUARANTORS:

THE PIPSISSEWA LIMITED PARTNERSHIP,
a Delaware limited partnership

By: WINDY PINES MANAGEMENT, LTD.,
a Delaware corporation, General Partner

By: _____
ROBERT W. HUTSON, its President

GRANT D. ERICKSON, an Individual

DONALD BODEL, an Individual

RUSSELL GWALTNEY, an Individual