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and after recording return to:



Doc#: 0517403040
Eugene "Gene" Moore Fee: \$40.00
Cook County Recorder of Deeds
Date: 06/23/2005 10:58 AM Pg: 1 of 9

Chris Menke
JPMorgan Chase Bank, N.A.
Collateral Dept.
IL1-1145 - B2
Chicago, IL 60603

ASSUMPTION AGREEMENT

THIS ASSUMPTION AGREEMENT (the "Agreement") is made and entered into as of May 31, 2005, between JPMorgan Chase Bank, N.A. (as successor by merger to Bank One, NA (Chicago)) (the "Bank"), McNally II, LLC, a Minnesota limited liability company whose address is 505 Chaddick, Wheeling, Illinois (the "Successor Borrower"), and Russell H. McNally, an individual and Kathy M. McNally, an individual (collectively, the "Original Borrower").

RECITALS

(A) The Bank is the holder and owner of the following documents (as amended, extended, renewed, and/or replaced to the date of this agreement, collectively, the "Loan Documents"):

1. An Installment Note (Secured) dated April 30, 1994, in the original principal amount of Four Hundred Ten Thousand Three Hundred Sixty Eight and 04/100 Dollars (\$410,368.04) executed and delivered by the Original Borrower to the Bank (the "Note");
2. A Mortgage and Security Agreement executed and delivered by the Original Borrower (as "Borrower") to the Bank (as "Lender") dated January 10, 1994 (the "Mortgage"), covering real property commonly known as 505 Chaddick Drive, Wheeling, IL, and more fully described in the attached Exhibit A (the "Premises"). The Mortgage was recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Recorder's Office") on January 12, 1994, as Document No. 94036552; and
3. All other instruments, documents or agreements executed or delivered in connection with the Note and Mortgage by or on behalf of the Original Borrower in favor of the Bank.

(B) The Original Borrower has conveyed title to the Premises to the Successor Borrower pursuant to that certain Warranty Deed dated March 6, 2002, and recorded in the Recorder's Office on December 23, 2002 as Document No. 0021428290.

(C) The Successor Borrower desires to formally assume the Note, the Mortgage and perform all of the covenants and conditions contained in the Loan Documents.

Box 400-CTCC

1401 - A 00192157 Dana S. 4th Fl.

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(D) The Bank is unwilling to give its consent to the transfer of the Premises to the Successor Borrower unless the Successor Borrower shall assume all of the obligations imposed upon the Original Borrower by the Loan Documents.

AGREEMENT

THEREFORE, in consideration of the sum of TEN DOLLARS (\$10.00), of the mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are acknowledged by the parties, the parties agree as follows:

1. Assumption.

(a) The Successor Borrower assumes the Loan Documents and agrees to perform all covenants, conditions, duties, and obligations contained therein. It agrees to pay the Note, and the obligations evidenced thereby, including any accrued and unpaid interest outstanding thereunder as of the date of this agreement, in a prompt and timely manner in accordance with the terms thereof. The Successor Borrower agrees to execute, or cause to be executed, any additional agreements, amendments, security agreements, guaranties, assignments of rents, financing statements, or any other documents requested by the Bank, each to be in form, substance, and amount (if applicable) acceptable to the Bank, in its sole and absolute discretion, to consummate the transactions contemplated by this agreement.

(b) All references in the Loan Documents to the "Grantor" "Borrower," "Mortgagor," or "Debtor," as the case may be, shall now refer to the Successor Borrower.

2. Consent to Conveyance. The Bank consents to the transfer of the Premises to the Successor Borrower, but the Bank expressly reserves the right to withhold its consent to any future sale or transfer of the Premises by the Successor Borrower, as provided in the Mortgage.

3. Warranties and Representations. The Successor Borrower affirms, warrants, represents and covenants that the Successor Borrower has no defenses nor rights of set-off against the Bank or against the payment, collection, or enforcement of the indebtedness evidenced by the Note and secured by the Mortgage and the other Loan Documents. The Successor Borrower further warrants and represents as follows:

(a) The Successor Borrower has done no acts, nor has it omitted to do any act, that might prevent the Bank from, or limit the Bank in, acting upon or under any of the provisions of this Agreement or in the Loan Documents.

(b) The Successor Borrower is not prohibited either under any other agreement with any other person or under any judgment or decree, from the execution and delivery of this Agreement, the performance of each and every covenant under this Agreement and the Loan Documents.

(c) No action has been brought or threatened that would in any way interfere with the right of the Successor Borrower to execute this Agreement and perform all of the Successor Borrower's obligations contained in this Agreement and the Loan Documents.

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(d) All financial statements of the Successor Borrower are true and correct in all respects, fairly present the respective financial conditions of the subjects thereof, as of the respective dates thereof, and no material adverse change has occurred that would affect the Successor Borrower's ability to repay the indebtedness evidenced by the Note.

(e) The Successor Borrower is duly formed, validly existing, and in good standing under the laws of the State of Minnesota and has full power and authority to consummate the transactions contemplated by this agreement.

4. **Condition to Effectiveness.** As conditions precedent to the effectiveness of this Agreement, the Successor Borrower must deliver to the Bank: i) an unlimited guaranty agreement executed by Russell H. McNally and Kathy M. McNally, and ii) an unlimited guaranty agreement executed by Nedco Electronics, Inc., a Minnesota corporation, in both cases, in form acceptable to the Bank in its sole discretion.

5. **Acknowledgements.** The Successor Borrower acknowledges that:

(a) The Loan Documents are in full force and effect.

(b) The principal balance of the loan evidenced by the Note as of the date of this agreement is Three Hundred Thirty Nine Thousand Four Hundred Fifty Two and 64/100 Dollars (\$339,452.64), and principal and interest are unconditionally due and owing to the Bank as provided in the Note.

6. **Costs.** The Successor Borrower shall pay all costs of the assumption made under this agreement, including, without limitation, attorneys fees and recording costs, as well as the cost of obtaining a title insurance policy to insure the lien of the Mortgage after the recording of this agreement or, if applicable, an endorsement to the Bank's title insurance policy insuring the lien of the Mortgage after the recording of this agreement. Such costs shall be due at closing of the transactions contemplated by this agreement, and the payment of those costs shall be a condition precedent to the Bank's consent to the transfer of the Premises to the Successor Borrower. If it is determined that additional costs relating to this transaction are due, the Successor Borrower agrees to pay such costs immediately upon demand.

7. **No Novation.** It is the intent of the parties that this agreement shall not constitute a novation, and it shall in no way adversely affect the lien priority of the Mortgage and the other Loan Documents.

8. **Paragraph Headings.** The paragraph headings used in this agreement are for convenience of reference only and shall not be used in the interpretation or construction hereof.

9. **Governing Law.** This agreement shall be governed, interpreted and construed by, through and under the laws of the State of Illinois.

10. **Time of the Essence.** Time is of the essence of this agreement.

11. **Binding Effect.** This agreement shall inure to the benefit of and be binding upon the parties hereto as well as their successors and assigns, heirs and personal representatives.

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IN WITNESS WHEREOF, the parties hereto have duly executed this agreement as follows:

Bank:

JPMorgan Chase Bank, N.A.

By: *Shari Ann Pung*

Its: *Vice President*

Original Borrower:

Russell H. McNally

Russell H. McNally

Kathy M. McNally

Kathy M McNally

Successor Borrower:

McNally II, LLC

By: *Russell H McNally*

Its: *President*

Property of Cook County Clerk's Office

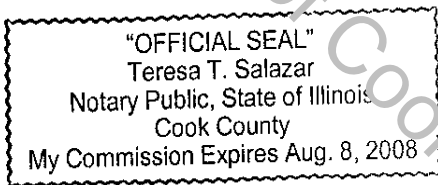
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STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, Teresa T. Salazar, a Notary Public, in and for said County, in the State aforesaid, **DO HEREBY CERTIFY** that Mari-Lou Menezes personally known to me to be a Vice President of JPMorgan Chase Bank, N.A, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such _____ appeared before me this day in person and acknowledged that as such _____ he or she signed and delivered this instrument pursuant to authority, given by the Board of Directors of said Corporation as their free and voluntary act, and as the free and voluntary act and deed of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 23 day of MAY, 2005.

Teresa T. Salazar
Notary Public

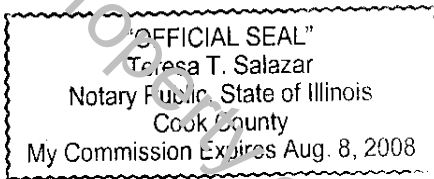


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STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, Teresa T. Salazar, a Notary Public, in and for said County, in the State aforesaid, **DO HEREBY CERTIFY** that Russell H. McNally, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the foregoing instrument as their free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 23 day of MAY, 2005.



Teresa T. Salazar
Notary Public

PROPERTY OF COOK COUNTY CLERK'S OFFICE

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STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, Teresa T. Salazar, a Notary Public, in and for said County, in the State aforesaid, **DO HEREBY CERTIFY** that Kathy M. McNally, personally known to me to be the same person(s) whose name(s) is/are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered the foregoing instrument as their free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 23 day of MAY, 2005.

Teresa T. Salazar
Notary Public

"OFFICIAL SEAL"
Teresa T. Salazar
Notary Public, State of Illinois
Cook County
My Commission Expires Aug. 5, 2008

Property of Cook County Clerk's Office

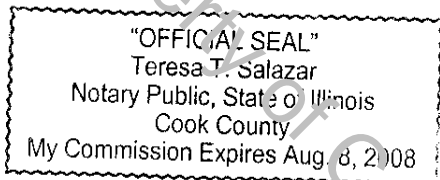
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STATE OF ILLINOIS)
)SS.
COUNTY OF COOK)

I, Teresa T. Salazar, a Notary Public, in and for said County, in the State aforesaid, **DO HEREBY CERTIFY** that Russell H. McNally, personally known to me to be a President of McNally II, LLC, a Minnesota limited liability company, and personally known to me to be the same person whose names is subscribed to the foregoing instrument as such _____ appeared before me this day in person and acknowledged that as such _____ he signed, sealed, and delivered this instrument as his free and voluntary act, and as the free and voluntary act and deed of said limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 23 day of MAY, 2005.

Teresa T. Salazar
Notary Public



Properly Cook County Clerk's Office

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EXHIBIT "A"

TO

ASSUMPTION AGREEMENT

LEGAL DESCRIPTION

Lots 27 and 28 in Palwaukee Business Center Unit 2 being a subdivision in the South East $\frac{1}{4}$ of Section 11, Township 42 North, Range 11 East of the Third Principal Meridian, according to the plat thereof recorded September 19, 1986 as Document 86425053, in Cook County, Illinois.

Commonly known as: 505 Chaddick Drive, Wheeling, IL 60090

Tax Number(s): 03-11-409-007
03-11-409-008