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THIS DOCUMENT PREPARED BY
AND AFTER RECORDING
RETURN
TO:

James M. Crowley, Esq.
Crowley & Lamb, P.C.
350 N. LaSalle St., Suite 900
Chicago, Illinois 60610



Doc#: 0630434054 Fee: \$48.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 10/31/2006 11:14 AM Pg: 1 of 13

This space reserved for Recorder's use only

MODIFICATION OF LOAN DOCUMENTS

THIS MODIFICATION OF LOAN DOCUMENTS (this "Agreement") is made as of the 1st day of May, 2006, by and among VERNON REAL ESTATE LLC, an Illinois limited liability company, having an address at 4943 North Winchester, Chicago, Illinois 60640 ("Borrower"), DANIEL LIBERTY ("Guarantor") and DIAMOND BANK, FSB, its successors and assigns, having an address at 100 West North Avenue, Chicago, Illinois 60610, its successors and assigns ("Lender").

RECITALS:

A. Lender has heretofore made a loan ("Loan") to Borrower in the principal amount of ONE HUNDRED FORTY NINE THOUSAND FIVE HUNDRED AND 00/100THS DOLLARS U.S. (\$149,500.00), as evidenced by an Promissory Note ("Note") dated April 26, 2005, in the principal amount of the Loan made payable by Borrower to the order of Lender ("Note").

B. The Note is secured by, among other things, (i) that certain Mortgage and Security Agreement dated April 26, 2005, from Borrower to Lender recorded with the Recorder of Deeds in Cook County, Illinois (the "Recorder's Office") on May 16, 2005, as Document No. 0513634108 ("Mortgage"), which Mortgage encumbers the real property and all, improvements thereon legally described on Exhibit A hereto ("Property"), and (ii) that certain Assignment of Rents and Leases dated April 26, 2005, from Borrower to Lender and recorded in the Recorder's Office on May 16, 2005, as Document No. 0513634109 (the "Assignment of Leases"), (iii) a certain Guaranty from Daniel Liberty ("Guaranty") in favor of the Lender, and (iv) certain other loan documents (the Note, the Mortgage, the Guaranty, the Assignment of Leases and any other document evidencing, securing and guarantying the Loan, in their original form and as amended, are sometimes collectively referred to herein as the "Loan Documents").

C. Borrower now desires to amend the Loan Documents in order to extend the maturity date of the Note until May 1, 2007, as agreed by the parties, and Lender is willing to to extend the maturity date of the Note until May 1, 2007, as set forth hereinafter.

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AGREEMENTS:

NOW, THEREFORE, in consideration of (i) the facts set forth hereinabove (which are hereby incorporated into and made a part of this Agreement), (ii) the agreements by Lender to modify the Loan Documents, as provided herein, (iii) Borrowers agreement to pay all of Lender's reasonable attorneys fees and costs in connection with this Modification, (iv) the covenants and agreements contained herein, and (v) for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Maturity Date.** The Loan Maturity Date shall be amended and extended from May 1, 2006 until may 1, 2007.

2. **Amendment of Note.** The Note shall be amended to adjust the Maturity Date set forth under the Note. The Note shall be amended and restated by that certain Amended and Restated Promissory Note of even date herewith executed jointly and severally by Borrower in the form attached hereto as Exhibit B (the "Amended and Restated Note"). As of the date hereof, the Amended and Restated Note shall be substituted for and replace in its entirety the existing Note as evidence of the amounts due and owing to Lender, and the existing Note shall be canceled by Lender.

3. **Reaffirmation of Guaranty.** Guarantor ratifies and affirms the Guaranty and agrees that each of their Guaranty's are in full force and effect following the execution and delivery of this Agreement and the Amended and Restated Note and that the Guarantor remain liable to Lender for all amounts due in connection with the Amended and Restated Note (including the amounts evidence by the Additional Advance). The representations and warranties of Guarantor in the Guaranty are, as of the date hereof, true and correct and Guarantor does not know of any default thereunder. The Guaranty continues to be the valid and binding obligation of Guarantor, enforceable in accordance with its terms and Guarantor has no claims or defenses to the enforcement of the rights and remedies of Lender thereunder, except as provided in the Guaranty.

4. **Representations and Warranties of Borrower and Guarantor.** Borrower and Guarantor hereby represent, covenant and warrant to Lender as follows:

(a) The representations and warranties in the Note, the Loan Agreement, the Mortgage and the other Loan Documents are true and correct as of the date hereof.

(b) There is currently no Event of Default (as defined in the Loan Documents) under the Note, the Mortgage or the other Loan Documents and neither Borrower nor Guarantor knows of any event or circumstance which with the giving of notice or passing of time, or both, would constitute an Event of Default under the Note, the Mortgage or the other Loan Documents.

(c) The Loan Documents are in full force and effect and, following the execution and delivery of this Agreement, they continue to be the legal, valid and binding obligations of Borrower and Guarantor enforceable in accordance with their respective terms, subject to limitations imposed by general principles of equity.

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(d) There has been no material adverse change in the financial condition of Borrower, Guarantor or any other party whose financial statement has been delivered to Lender in connection with the Loan from the date of the most recent financial statement received by Lender.

(e) As of the date hereof, neither Borrower nor Guarantor has any claims, counterclaims, defenses, or set-offs with respect to the Loan or the Loan Documents as modified herein.

(f) The execution and delivery of this Agreement and the performance of the Loan Documents as modified herein have been duly authorized by all requisite action by or on behalf of Borrower and Guarantor. This Agreement has been duly executed and delivered on behalf of Borrower and Guarantor.

5 **Expenses.** As a condition precedent to the agreements contained herein, Borrower shall pay all out-of-pocket costs and expenses incurred by Lender in connection with this Agreement, including, without limitation, title charges, recording fees, appraisal fees and attorneys' fees and expenses. In addition, at the time of the execution of this Agreement, Borrower shall pay Lender the sum of \$500.00 as and for a loan modification fee ("Modification Fee").

6 **Miscellaneous.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

(b) This Agreement shall not be construed more strictly against Lender than against Borrower merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that Borrower and Lender have contributed substantially and materially to the preparation of this Agreement, and Borrower and Lender each acknowledge and waive any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Agreement. Each of the parties to this Agreement represents that it has been advised by its respective counsel of the legal and practical effect of this Agreement, and recognizes that it is executing and delivering this Agreement, intending thereby to be legally bound by the terms and provisions thereof, of its own free will, without promises or threats or the exertion of duress upon it. The signatories hereon state that they have read and understand this Agreement, that they intend to be legally bound by it and that they expressly warrant and represent that they are duly authorized and empowered to execute it.

(c) Notwithstanding the execution of this Agreement by Lender, the same shall not be deemed to constitute Lender a venturer or partner of or in any way associated with Borrower nor shall privity of contract be presumed to have been established with any third party.

(d) Borrower and Lender each acknowledges that there are no other understandings, agreements or representations, either oral or written, express or implied, that are not embodied in the Loan Documents and this Agreement, which collectively represent

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a complete integration of all prior and contemporaneous agreements and understandings of Borrower and Lender; and that all such prior understandings, agreements and representations are hereby modified as set forth in this Agreement. Except as expressly modified hereby, the terms of the Loan Documents are and remain unmodified and in full force and effect.

(e) This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(f) Any references to the "Note", the "Mortgage" or the "Loan Documents" contained in any of the Loan Documents shall be deemed to refer to the Amended and Restated Note, the Mortgage and the other Loan Documents as amended hereby. The paragraph and section headings used herein are for convenience only and shall not limit the substantive provisions hereof. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders. 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.

(g) This Agreement may be executed in one or more counterparts, all of which, when taken together, shall constitute one original Agreement.

(h) Time is of the essence of each of Borrower's obligations under this Agreement.


IN WITNESS WHEREOF, the parties hereto have executed this Agreement dated as of the day and year first above written.


LENDER:

BORROWER:

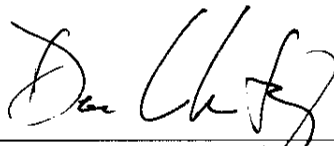
DIAMOND BANK, FSB

VERNON REAL ESTATE LLC, an Illinois limited liability company

By: 
Its: SENIOR VICE PRESIDENT


Daniel Liberty, Manager

GUARANTOR:


DANIEL LIBERTY, Individually

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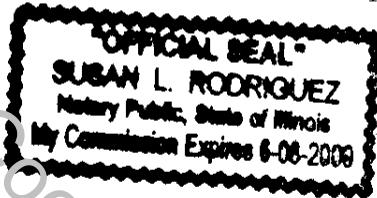
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, SUSAN L. RODRIGUEZ, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that CHRISTOPHER SEBASTIAN SR. VP President of Diamond Bank, FSB, is 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 signed and delivered said instrument as his own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 15th day of MAY, 2006.

Susan Rodriguez
Notary Public

My Commission Expires: _____
6-8-09



STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, SUSAN L. RODRIGUEZ, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Daniel Liberty, individually and as the Manager of VERNON REAL ESTATE LLC, an Illinois limited liability company, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of VERNON REAL ESTATE LLC, an Illinois limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 15th day of MAY, 2006.

Susan Rodriguez
Notary Public

My Commission Expires: _____
6-8-09



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EXHIBIT A

Legal Description

LOT 1, 2 AND 3 (EXCEPT THE SOUTH 14 FEET) IN BLOCK 3 IN O'TOOLE'S CALUMET CENTER SUBDIVISION IN THE SOUTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 15, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN NO.: 25-15-414-011-0000

COMMONLY KNOWN AS: 11000-11004 SOUTH VERNON, CHICAGO, ILLINOIS

Property of Cook County Clerk's Office

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EXHIBIT B

AMENDED AND RESTATED PROMISSORY NOTE

\$149,500.00

May 1, 2006

FOR VALUE RECEIVED, the undersigned VERNON REAL ESTATE LLC, an Illinois limited liability company (the "Maker"), hereby promises to pay to the order of DIAMOND BANK, FSB (the "Lender"), at its principal office at 100 West North Avenue, Chicago, Illinois 60610, or at such other place as the holder hereof may from time to time designate in writing, the principal sum of ONE HUNDRED FORTY NINE THOUSAND FIVE HUNDRED AND 00/100THS DOLLARS U.S. (\$149,500.00), or so much thereof as may be advanced from time to time, together with interest on the unpaid principal balance thereon from time to time outstanding, at the rates and at the time hereinafter provided.

Interest Rate: The rate of interest shall be equal to the Current Index. This amount will be the interest rate in effect until the next "Change Date" which is defined as each date on which the interest rate could change. The adjusted rate of interest will become effective each Change Date. The "Index" is the highest "Prime" lending rate as published from time to time in the Money Rates Section of the *Wall Street Journal*. The most recent Index figure available on each Change Date is called the "Current Index". Interest shall be computed on the aggregate principal balance outstanding from time to time, on the basis of a three hundred sixty five/three hundred sixty (365/360) day year, but shall be charged for the actual number of days within the period for which interest is being charged.

In the event the Index is discontinued and a substitute or substitutes is provided therefor, then such substitute which in the judgment of the Bank most nearly provides the measurement now being provided by the Index shall be used in lieu of the Index.

In the event the Index is discontinued and no substitute is provided therefor, any index, service or publication which in the judgment of the Bank most nearly provides the measurement now being provided by the Index shall be used in place of the Index.

Repayment: Interest only shall be payable monthly on the first day of each calendar month on the amount of the principal balance outstanding from time to time beginning on the first day of the first calendar month following the Date of Closing and continuing on the first day of each and every calendar month thereafter until May 1, 2007, which is the "Maturity Date" of the Loan.

Prepayment. So long as no event of default has occurred or exists, Maker shall have the right to prepay all, or any portion, of the unpaid principal amount of the indebtedness evidenced by this Note, without premium or penalty. Maker agrees to pay Lender the sum of \$150.00 for each release deed issued by Lender. Maker acknowledges that said release fee is reasonable. Lender shall have no obligation to issue a release deed if Maker is in default under the Note or any other documents securing this Loan.

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Loan Documents. Maker has executed certain Loan Documents, including a Mortgage and Security Agreement (the "Mortgage"), Assignment of Rents and Leases, Financing Statement, a Guaranty Agreement and an Indemnity Agreement in favor of Lender. The indebtedness evidenced by this Note is secured by certain of the Loan Documents, and all of the covenants, conditions and agreements contained in all of the Loan Documents are hereby made a part of and incorporated into this Note by this reference. Reference is hereby made to the Loan Documents for a description of the security and description of the collateral (the "Property") covered thereby, and the rights of Lender and the obligations of Maker in respect thereto, but neither this reference to the Loan Documents nor any provisions thereof shall affect or impair the obligation of Maker to pay the principal and interest of this Note and all other sums or charges hereunder when due and payable in accordance with the terms and conditions hereof.

A default under this Note shall, at the option of Lender, also constitute a default under any or all of the other Loan Documents. In addition to, and not in limitation of, the foregoing, a default under any or all of the other Loan Documents shall, at the option of Lender, constitute a default under this Note.

Waiver of Marshaling of Assets. Maker hereby waives for itself and, to the fullest extent not prohibited by applicable law, for any subsequent lienor, any right Maker may now or hereafter have under the doctrine of marshaling of assets or otherwise which would require Lender to proceed against certain property covered by any of the Loan Documents before proceeding against any other property covered by any of the Loan Documents. Lender shall have the right to proceed, in its sole discretion, against the property secured by any of the Loan Documents in such order and in such portions as Lender may determine, without regard to the adequacy of value or other liens on any such property, and any such action shall not in any way be considered as a waiver of any of the rights, benefits, liens or security interests created by any of the Loan Documents.

Default Interest. Maker hereby agrees that in the event any payment due hereunder is not paid when due or the entire indebtedness evidenced by this Note is not paid when due, then the rate of interest on this Note, at the election of Lender, without notice or demand, which is hereby expressly waived, shall be increased to be equal to the sum of five (5) percentage points plus the interest rate otherwise applicable on the Loan or the highest rate for which the parties may agree under applicable law, whichever is less (the "Default Rate"). Maker shall be obligated thereafter to pay interest on the then unpaid principal balance of this Note at the Default Rate, to be computed from the due date through and including the date of actual receipt of the overdue payment, whether a monthly payment or the entire indebtedness. Nothing herein shall be construed as an agreement or privilege to accelerate or extend the date of the payment of any installment of, or the entire indebtedness, nor as a waiver of any other right or remedy accruing to Lender by reason of any such default.

Business Loan. Maker hereby expressly acknowledges and represents that the indebtedness evidenced by this Note is a "business loan" within the meaning of 815 ILCS 205/4(1)(c).

Late Charge. In the event that any regularly scheduled monthly payment of interest or principal and interest, as the case may be, as herein provided, shall not be received by Lender after

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the date such payment is due as herein provided, Lender shall have the right, at its sole option and without notice to Maker, such notice being expressly waived hereby, to assess Maker a late payment charge in the amount of Five Cents (\$.05) for each dollar (\$1.00) of such overdue monthly installment, which shall become immediately due to Lender as agreed compensation to Lender for the additional costs and expenses reasonably expected to be incurred by Lender by reason of such nonpayment, such as in contacting Maker and arranging for and processing remedial payment. Maker acknowledges that the exact amount of such costs and expenses may be difficult, if not impossible, to determine with certainty, and further acknowledges and confesses the amount of such charge to be a consciously considered, good faith estimate of the actual damage to Lender by reason of such default. The payment of such late charge shall be secured by the Loan Documents, shall be payable on demand, but in any event not later than the due date of the next regularly scheduled monthly payment hereunder, and shall apply only to monthly installments due and payable hereunder prior to any acceleration by Lender of the indebtedness evidenced hereby. Whether or not expressed, this election shall not impair the Lender's further right to interest on the unpaid amount at the Default Rate from the date such payment was due through the date of actual payment.

Default. Upon any of the following events, at the election of Lender, the entire unpaid principal balance of the indebtedness evidenced hereby, together with all accrued but unpaid interest thereon at the Default Rate and all other sums or charges due hereunder or secured by or required to be paid by Maker under any of the Loan Documents, shall become immediately due and payable:

- (a) If Maker fails to pay any sum required to be paid by Maker hereunder after the date such payment is due as herein provided;
- (b) If Maker breaches any covenant or agreement herein or in any of the other Loan Documents or any other loan or obligation between Maker and Lender, and such failure remains uncorrected at the expiration of any applicable grace period provided for in any documents evidencing or securing said loan;
- (c) If in any creditor's proceeding Maker shall consent to the appointment of a receiver or trustee for the property encumbered by any of the Loan Documents;
- (d) If any order, judgment or decree shall be entered, without the consent of Maker, upon an application of a creditor approving the appointment of a receiver or trustee for the property encumbered by any of the Loan Documents, and any such order, judgment, decree, or appointment shall not be dismissed or stayed with appropriate appeal bond within sixty (60) days following the entry or rendition thereof;
- (e) If Maker (i) makes a general assignment for the benefit of creditors, (ii) fails to pay its debts generally as such debts become due, (iii) is found to be insolvent by a court of competent jurisdiction, (iv) voluntarily files a petition in voluntary bankruptcy or a petition or answer seeking a readjustment of debts under any federal bankruptcy law, or (v) has any such petition filed against Maker which is not vacated or dismissed within sixty (60) days after the filing thereof; or

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(f) The making or furnishing of any written representation, statement or warranty to Lender which is or becomes false or incorrect in any material respect by or on behalf of Borrower, or any one of them, or any co-signer, endorser, surety or guarantor of the Note or any other obligations Borrower has with Lender; or

(g) The (i) dissolution or insolvency of, the appointment of a receiver by or on behalf of, the assignment for the benefit of creditors by or on behalf of, the voluntary or involuntary termination of existence by, or the commencement of any proceeding under any present or future federal or state insolvency, bankruptcy, reorganization, composition or debtor relief law by or against Borrower, or any one of them, or any co-signer, endorser or surety of the Note or any other obligations Borrower, or any one of them, has with Bank; or,

(h) The death of any guarantor of the Note; or

(i) Any creditor attaches any of Borrower's property on or in which Lender has a lien or security interest. This includes a garnishment of any of the Borrower's or any one of their, accounts, including deposit accounts, with Lender;

(j) Failure to obtain or maintain the insurance coverages required by Lender, or insurance as is customary and proper for any collateral (as herein defined); or

(k) If Maker shall for any reason cease to exist.

Notice of such election by Lender is hereby expressly waived as part of the consideration for this loan. Nothing contained herein shall be construed to restrict the exercise of any other rights or remedies granted to Lender hereunder or under any of the other Loan Documents upon the failure of Maker to perform any provision hereof or of any of the other Loan Documents. No failure by Lender to exercise any right hereunder or under any of the other Loan Documents shall be construed as a waiver of the right to exercise the same or any other right at any time or from time to time thereafter.

Lender's Costs. If this Note is not paid when due, whether at maturity or by acceleration, Maker promise to pay all costs of collection incurred by Lender, including without limitation, reasonable attorneys' fees to the fullest extent not prohibited by applicable law, and all expenses incurred in connection with the protection or realization of any collateral, whether or not suit is filed hereon or on any instrument granting a security interest.

Loan Fees and Costs Maker agrees that all loan fees and other prepaid finance charges are earned fully as of the date of this Note and will not be subject to refund upon early payment (whether voluntary or as a result of default), except as otherwise required by law. Maker shall be liable and shall pay all of the Lender's out of pocket expenses, including, but not limited to, credit report, inspection fees, appraisal fee and reasonable legal expenses prior to or at the time of the Loan closing, or if the Loan fails to close through no fault of Lender, then upon demand by Lender to Borrower.

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Waiver. Maker hereby waives demand, presentment for payment, protest, notice of protest, notice of nonpayment and any and all lack of diligence or delays in collection or enforcement of this Note or the other Loan Documents, and expressly consent to any extension of time of payment hereof, release of any party primarily or secondarily liable hereunder or of any of the security for this Note, acceptance of other parties to be liable for any of the indebtedness evidenced hereby or under the other Loan Documents or of other security therefor, or any other indulgence or forbearance which may be made, without notice to any party and without in any way affecting the liability of any party. The Maker hereby waives, in favor of the holder hereof, any and all rights of contribution, subrogation, exoneration and any similar rights and interest so long as any amount evidenced by this Note, together with any additional amount secured by any of the Loan Documents, remains unpaid.

Defined Terms. The term "Maker" as used herein shall include the undersigned, and its respective heirs, successors (including successors in interest to the Property) and assigns; the term "Lender" as used herein shall include Diamond Bank, FSB, its successors and assigns, and each subsequent holder of this Note from time to time. The term "Closing" shall mean that day on which the proceeds of the loan or any part of them, are disbursed by Lender.

Forfeiture. Maker hereby further expressly represents and warrants to Lender that it has not committed any act or omission affording the federal government or any state or local government the right and/or remedy of forfeiture as against any of the property described in any of the Loan Documents, or any part thereof, or any monies paid in performance of its obligations under this Note or under any of the other Loan Documents. Maker hereby covenants and agrees not to commit, permit, or suffer to exist any act or omission affording such right and/or remedy of forfeiture. In furtherance thereof, the Maker hereby indemnifies Lender and agrees to defend and hold Lender harmless from and against any loss, damage or other injury, including, without limitation, attorneys' fees and expenses to the fullest extent not prohibited by applicable law, and all other costs and expenses incurred by Lender in preserving its liens, security interests and other rights and interests in any of the property encumbered by any of the Loan Documents in any proceeding or other governmental action asserting forfeiture thereof, by reason of, or in any manner resulting from, the breach of the covenants and agreements or the warranties and representations set forth in the preceding sentence. Without limiting the generality of the foregoing, the filing of formal charges or the commencement of proceedings against Maker, Lender, any guarantor, any property or collateral encumbered by any of the Loan Documents under any federal or state law in respect of which forfeiture of such property or any part thereof or of any monies paid in performance of Maker's obligations under the Loan Documents is a potential result, shall, at the election of the Lender in its absolute discretion, constitute a default hereunder without notice or opportunity to cure.

Governing Law. This Note shall be construed and enforced according to, and governed by, the laws of the State of Illinois.

Notices. Except for any notice required under applicable law to be given in another manner, any notice, demand, request or other communication which any party hereto may be required or may desire to give hereunder shall be in writing and shall be deemed to have been properly given (i) if

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hand delivered or if sent by telecopy, effective upon receipt, or (ii) if delivered by overnight courier service, effective on the day following delivery to such courier service, or (iii) if mailed by United States registered or certified mail, postage prepaid, return receipt requested, effective two (2) days after deposit in the United States mails; addressed in each case as follows:

If to Maker: Vernon Real Estate LLC
4943 North Winchester
Chicago, Illinois 60640
Attn: Daniel Liberty, Manager

If to Lender: Diamond Bank, FSB
100 West North Avenue
Chicago, Illinois 60610
Attn: Vice President

or at such other address or to such other addressee as the party to be served with notice may have furnished in writing to the party seeking or desiring to serve notice as a place for the service of notice.

Cumulative Rights. No delay on the part of the holder of this Note in the exercise of any power or right under this Note, under the Mortgage, or any of the other Loan Documents or under any other instrument executed pursuant hereto, shall operate as a waiver thereof, nor shall a single or partial exercise of any other power or right. Enforcement by the holder of this Note or any security for the payment thereof shall not constitute any election by it of remedies so as to preclude the exercise of any other remedy available to it.

Liability; Binding Effect. This Note shall be the obligation of the Maker, and shall be binding upon it and its respective heirs, personal representatives, successors and permitted assigns, whether expressed or not.

Cognovit. Makers hereby authorize any attorney at law to appear in any court of record in the State of Illinois, or any other State or Territory of the United States, after this Note becomes due, admit the maturity of this Note after the indebtedness evidenced hereby becomes due either by lapse of time or by acceleration of maturity as herein provided or otherwise, and waive the issuance and service of process, enter appearance and confess a judgment against Makers, in favor of the holder of this Note, for the amount then appearing due, and/or for the sale of all or any part of the property encumbered by any of the Loan Documents, thereupon to release all errors and waive all rights of appeal and stay of execution, but no such judgment or judgments against less than all of the Makers shall be a bar to a subsequent judgment or judgments against that one or more of the Makers against whom judgment has not been obtained hereon. This warrant of attorney to confession of judgment is a separate warrant of attorney with respect to each of the undersigned. The death of any of the undersigned shall not impair the authority herein granted as to the survivor of the undersigned. This warrant of attorney to confess judgment shall remain in full force and effect so long as any portion of the indebtedness evidenced hereby remains unpaid notwithstanding any judicial determination of

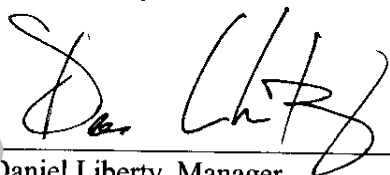
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the amount due, and any confession of judgment and subsequent vacation thereof shall not constitute termination of this warrant of attorney to confess judgment.

WAIVER OF JURY TRIAL. MAKER HEREBY, AND LENDER BY ITS ACCEPTANCE HEREOF, EACH WAIVE THE RIGHT OF A JURY TRIAL IN EACH AND EVERY ACTION ON THIS NOTE OR ANY OF THE OTHER LOAN DOCUMENTS, IT BEING ACKNOWLEDGED AND AGREED THAT ANY ISSUES OF FACT IN ANY SUCH ACTION ARE MORE APPROPRIATELY DETERMINED BY THE COURTS; FURTHER, MAKER HEREBY CONSENTS AND SUBJECTS ITSELF TO THE JURISDICTION OF COURTS OF THE STATE OF ILLINOIS AND, WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, TO THE VENUE OF SUCH COURTS IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED.

MAKER:

VERNON REAL ESTATE LLC, an Illinois limited liability company

By: 
Daniel Liberty, Manager