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## Illinois Anti-Predatory Lending Database Program

### Certificate of Exemption



Doc#: 1117419084 Fee: \$54.00  
Eugene "Gene" Moore RHSP Fee: \$10.00  
Cook County Recorder of Deeds  
Date: 06/23/2011 01:34 PM Pg: 1 of 10

Report Mortgage Fraud  
800-532-8785

The property identified as: PIN: 06-24-417-024-1007

**Address:**

**Street:** 209 Chesterfield Ct

**Street line 2:**

**City:** Schaumburg

**State:** IL

**ZIP Code:** 60193

**Lender:** American Enterprise Bank

**Borrower:** Gags Fitness Inc and Mr. Steve Gagliardo

**Loan / Mortgage Amount:** \$145,000.00

This property is located within the program area and the transaction is exempt from the requirements of 765 ILCS 77/70 et seq. because the application was taken by an exempt entity.

**Certificate number:** AFDB382F-6E99-415F-B7B8-9BEEB3BAB83E

**Execution date:** 04/15/2011

S 4  
P 20  
S N  
M N  
SC N  
E PA  
INT CA

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**ILLINOIS**

**THIS DOCUMENT PREPARED BY AND  
AFTER RECORDING RETURN TO:**

Aaron B. Zarkowsky  
Deutsch, Levy & Engel, Chartered  
225 W. Washington Street, Suite 1700  
Chicago, Illinois 60606

**REAFFIRMATION OF MORTGAGE**

**by**

Stephanie Gagliardo,  
Trustee of the Stephanie Gagliardo Living Trust dated February 2, 1999

**to and for the benefit of**

**AMERICAN ENTERPRISE BANK  
an Illinois state chartered bank**

335248-1

4/21/2011 11:18 AM

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## REAFFIRMATION OF MORTGAGE

**THIS REAFFIRMATION OF MORTGAGE** (this "Reaffirmation") is made as of April 15, 2011 by Stephanie Gagliardo, Trustee of the Stephanie Gagliardo Living Trust dated February 2, 1999 ("Mortgagor"), to and for the benefit of AMERICAN ENTERPRISE BANK, an Illinois state chartered bank, its successors and assigns ("Lender").

### RECITALS:

A. Lender made a loan ("Loan") to **GAGS FITNESS INCORPORATED**, an Illinois corporation ("Borrower") and Mr. Steve Gagliardo ("Gagliardo") in the original principal amount of \$160,000 pursuant to the terms and conditions of a Business Loan Agreement dated as of January 25, 2006 (the "Loan Agreement"), and evidenced by that certain Promissory Note dated as of January 25, 2006, made, executed and delivered by the Borrower to the Lender in the principal amount of the Loan made payable by Borrower to the order of Lender (the "Note").

B. The Loan initially matured on January 25, 2007, and was extended pursuant to one or more Change in Terms Agreements (each, a "CIT"). Pursuant to a CIT dated as of June 15, 2007, the maturity date of the Loan was extended through May 15, 2008, and the maximum principal amount of the Loan was decreased to \$145,000. Pursuant to a CIT dated as of August 15, 2009 (the "Final CIT") the maturity date of the Loan was extended to February 15, 2010.

C. In addition to the CITs, the Note was modified pursuant to that certain Amendment to Promissory Note dated as of July 9, 2010 which, among other things, extended the maturity date of the Loan to April 15, 2011.

D. To secure repayment of the Note and any and all indebtedness arising thereafter (collectively, the "Indebtedness"), Mortgagor granted to the Lender a mortgage lien in and to the property commonly known as 209 Chesterfield Ct., Unit C, Schaumburg, Illinois 60193 (together, the "Property"), by a Mortgage executed and delivered by the Mortgagor to the Lender dated as of January 25, 2006, which the Lender recorded with the Recorder of Deeds for Cook County, Illinois on February 23, 2006, as Document No. 0605420454 (the "Mortgage"). In addition the Mortgagor granted to the Lender an Assignment of Rents dated as of January 25, 2006, which the Lender recorded with the Recorder of Deeds for Cook County, Illinois on February 23, 2006 as Document No. 0605420455.

E. At the request of the Borrower and Gagliardo, the Lender has agreed to modify the Related Documents (as defined in the Mortgage) pursuant to the terms and conditions of an Amendment to Promissory Note of even date herewith (the "Note Amendment") which, among other

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things, extends the Maturity Date (as defined in the Note Amendment) through and including April 15, 2012.

F. The Borrower requested, and the Lender required, that, in consideration of and as a condition to the Lender's agreement to accept the Note Amendment, that the Mortgagor make this Reaffirmation.

G. The Mortgagor understands that the Borrower and Gagliardo have suffered on or more events of default of the Related Documents and without this Reaffirmation, the Lender would not be willing to continue its forbearance of its rights and remedies under the Related Documents. The Mortgagor further acknowledges that the terms and provisions hereof are fair and reasonable, that Mortgagor had the benefit of her own legal counsel and that the Mortgagor has received a substantial and valuable benefit from the Borrower and will receive substantial and valuable benefit from the Lender if the transactions contemplated herein are consummated.

## **AGREEMENTS:**

**NOW, THEREFORE**, in consideration of (i) the facts set forth hereinabove, (ii) the agreements by Lender to modify the Related Documents, as provided herein, (iii) the covenants and agreements contained herein, and (iv) for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Incorporation and Definitions.** The foregoing recitals and all exhibits and schedules hereto constitute an integral part of this Reaffirmation, evidencing the intent of the parties in executing this Reaffirmation and describing the circumstances surrounding its execution. Accordingly, the recitals, exhibits and schedules are, by this express reference, made a part of the covenants hereof, and this Agreement shall be construed in the light thereof. The capitalized terms not otherwise defined herein shall have the meanings provided in the Mortgage.

2. **Maturity Date.** The Mortgagor acknowledges and agrees that the Maturity Date (as defined in the Note Amendment) has been extended through and including April 15, 2012.

3. **Reaffirmation of the Mortgage.** The Mortgagor ratifies and affirms the Mortgage and agrees that the Mortgage is in full force and effect following the execution and delivery of this Reaffirmation. The representations and warranties of the Mortgagor in the Mortgage are as of the date hereof, true and correct and Guarantor does not know of any default thereunder. The Mortgage continues to be the valid and binding obligation of the Mortgagor, enforceable in accordance with its terms and the Mortgagor has no claims or defenses to the enforcement of the rights and remedies of Lender thereunder, except as provided in the Mortgage. Mortgagor acknowledges and agrees that the Mortgagor will be individually benefited, whether directly or indirectly, by Lender's agreement to amend the Related Documents and accept the Note Amendment. The Mortgagor acknowledges that its undertakings under the Mortgage and the other Related Documents that the Mortgagor is a party to, including but not limited to the continuing grant of the Mortgage to the Lender, have been requested by the Borrower, are required by the Lender, and without same, the Lender would not be willing to extend the terms of the Note to the Borrower.

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4. **Representations and Warranties of Mortgagor.** The Mortgagor hereby represents covenants and warrants to Lender as follows:

(a) The representations and warranties in the Mortgage are true and correct as of the date hereof.

(b) The Mortgagor does not know 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 Mortgage.

(c) The Mortgage is in full force and effect and, following the execution and delivery of this Reaffirmation continues to be the legal, valid and binding obligations of the Mortgagor enforceable in accordance with its terms, subject to limitations imposed by general principles of equity.

(d) There has been no material adverse change in the financial condition of the Mortgagor from the date of the most recent financial statement received by Lender.

(e) As of the date hereof, the Mortgagor has no claims, counterclaims, defenses, or set-offs with respect to the Loan, the Mortgage, or the Related Documents as modified herein.

5. **Effect of Bankruptcy.** The Mortgagor hereby acknowledges and agrees that, if a petition under any Section, Chapter or provision of the United States Bankruptcy Code (the "Code") or similar law or statute is filed by or against the Mortgagor or the Borrower, (i) it shall not contest, and it shall consent to, the relief requested in any motion or application of Lender made in any court of competent jurisdiction seeking sale pursuant to 11 U.S.C. Sec. 363, or a modification or termination of any automatic stay or other injunction against the Lender resulting from such filing, and (ii) it shall execute any order or other document necessary to effectuate such modification or termination. Lender is specifically relying upon the representations, warranties, covenants and agreements contained in this Reaffirmation and such representations, warranties, covenants and agreement constitute a material inducement to accept the terms and conditions set forth in this Reaffirmation and, but for the receipt of the benefit of such representations, warranties, covenants and agreements, the Lender would not have agreed to such terms and conditions. The Mortgagor stipulates that, at the Lender's option, the Lender will be entitled to an immediate and absolute lifting of any automatic stay of the enforcement of the Lender's remedies under the Mortgage, at Law or in equity (including, without implied limitation, the provisions of 11 U.S.C. Sec. 362, as amended) which might be accorded to the Borrower under the Code. The Mortgagor agrees that it will not contest any application by the Lender to lift or vacate any such stay.

6. **Continuing Effect; Ratification.** This Reaffirmation shall constitute one of the Related Documents. Except as expressly modified herein, Mortgagor expressly ratifies the terms and provisions of the Related Documents, and acknowledges and agrees that such terms and provisions

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shall continue in full force and effect, and shall be binding upon the Mortgagor and her respective successors and assigns, except to the extent that such terms and provisions are directly in conflict with the terms of this Reaffirmation, in which case, the express terms of this Reaffirmation shall govern.

7. **Release of Lender.** In further consideration of Lender's willingness to enter into this Reaffirmation, the Mortgagor hereby releases the Lender, its holding company, their officers, shareholders, employees, directors, agents, attorneys, successors and assigns from any and all liabilities, demands, actions, causes of action, or obligations owing by any or all of the foregoing persons and entities for any reason, whether known or unknown, to the Borrower or any one or more of them or their successors and assigns from the beginning of time through the date of this Reaffirmation. The release contained herein shall survive any termination or expiration of this Reaffirmation.

8. **Miscellaneous.**

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

(b) This Reaffirmation shall not be construed more strictly against Lender than against Mortgagor merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that the Mortgagor and Lender have contributed substantially and materially to the preparation of this Reaffirmation, and the Mortgagor and Lender each acknowledges and waives any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Reaffirmation. Each of the parties to this Reaffirmation represents that it has been advised by its respective counsel of the legal and practical effect of this Reaffirmation, and recognizes that it is executing and delivering this Reaffirmation, 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 hereto state that they have read and understand this Reaffirmation, 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 Reaffirmation by Lender, the same shall not be deemed to constitute Lender a venturer or partner of or in any way associated with Mortgagor nor shall privity of contract be presumed to have been established with any third party.

(d) The Mortgagor 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 Related Documents and this Reaffirmation, which collectively represent a complete integration of all prior and contemporaneous agreements and understandings of Mortgagor and Lender; and that all such prior understandings, agreements and representations are hereby modified as set forth in this Reaffirmation. Except as

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expressly modified hereby, the terms of the Related Documents are and remain unmodified and in full force and effect.

(e) This Reaffirmation 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 "Related Documents" contained in any of the Related Documents shall be deemed to refer to the Note, the Mortgage and the other Related Documents as amended. 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 Reaffirmation 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 the Mortgagor' obligations under this Reaffirmation.

(Signature Page Follows)









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## EXHIBIT A

### THE PROPERTY

UNIT 1805-7 IN THE HEATHERWOOD WEST CONDOMINIUM, AS DELINEATED ON THE SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: A PART OF PASQUINELLI'S FIRST ADDITION TO HEATHERWOOD ESTATES, BEING A SUBDIVISION OF PART OF THE SOUTHEAST  $\frac{1}{4}$ , SECTION 24, TOWNSHIP 41 NORTH, RANGE 9 EAST OF THE THIRD PRINCIPAL MERIDIAN, WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NO. 92621354, AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE OF INTEREST IN THE COMMON ELEMENTS IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 209 CHESTERFIELD COURT, UNIT C, SCHAUMBURG, IL 60193

PIN No.: 06-24-417-024-1007 VOL. 0061