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89506758

SECOND AMENDMENT TO MORTGAGE

Amendment made this 15th day of March, 1989, by Mid-City National Bank of Chicago, not in its individual capacity, but as Trustee under Trust Agreement dated May 29, 1984, and known as Trust No. 1768 ("the Land Trustee"), and Clayton Residential Home, Inc., an Illinois corporation ("the Beneficiary") [the Land Trustee and the Beneficiary are sometimes hereinafter collectively referred to as "Mortgagor"], in favor of Bank Leumi Le-Israel B.M., Chicago Branch ("the Lender").

RECITALS

I. Mortgagor has made and given a certain "Mortgage and Security Agreement" in favor of Lender dated February 27, 1987 ("the Mortgage"). The Mortgage secures a certain "Note" dated February 27, 1987, in the original principal amount of \$1,000,000.00. The Mortgage has been recorded in the office of the Cook County Recorder of Deeds on March 3, 1987, as Document No. 87114685.

II. The Mortgage has previously been amended by a certain "First Amendment to Mortgage" dated December 23, 1988, and recorded in the Office of the Cook County Recorder of Deeds as Document No. 88598639. At the time of execution of the said "First Amendment to Mortgage," Mortgagor executed and delivered an "Amended and Restated Note" in favor of Lender in the principal amount of \$1,400,000.00 which the Mortgage also secures.

III. Lender has agreed to loan to Mortgagor an additional amount not to exceed \$475,000.00 ("the Additional Advances"). Mortgagor has, simultaneously with the execution of this Agreement, executed and delivered a "Demand Secured Business Note" in favor of Lender in the principal amount of \$475,000.00 evidencing Mortgagor's unconditional obligation to repay the Additional Advances ("the Demand Note"). [A copy of the Demand Note is attached hereto as Exhibit "A" and incorporated by reference herein.]

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements contained herein and contained in the Mortgage, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed by and between the parties hereto as follows:

I. Mortgagor agrees that the Mortgage shall stand as security for all amounts due under the Note (as previously amended) and under the Demand Note.

II. The lien of the Mortgage shall secure the repayment of the indebtedness evidenced by the Note (as previously amended) and by the Demand Note and the payment of all amounts due under

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and the performance and observance of all covenants and conditions contained in the Mortgage, the Note (as previously amended), and the Demand Note.

III. The undersigned covenant and agree that the lien of the Mortgage constitutes and remains a first and paramount lien on the property covered by the Mortgage.

IV. The Mortgage shall also secure the payment and performance of all other existing and future indebtedness, obligations, and liabilities, direct or contingent, of Mortgagor to the Lender.

V. Mortgagor shall perform, observe and comply with or cause to be performed, observed and complied with in a complete and timely manner all of the provisions of the Note (as previously amended), the Demand Note, the Mortgage, and all other instruments evidencing or securing amounts due under or in connection with the Note (as previously amended), the Demand Note, or the Mortgage. Mortgagor will promptly pay or cause to be paid to Lender when due all amounts required to be paid under the Note (as previously amended), the Demand Note, the Mortgage, and all other instruments evidencing or securing amounts due under or in connection with the Note (as previously amended), the Demand Note, or the Mortgage.

VI. The Mortgage is hereby incorporated by reference herein in its entirety. Except as expressly modified hereby, all other terms and provisions of the Mortgage (as previously amended) shall remain unchanged. In the event of any conflict between the terms of the Mortgage (as previously amended) and the terms of this "Second Amendment to Mortgage," the terms of this amendment shall control.

VII. Mortgagor has executed and delivered to Lender a certain Assignment of Lease and Rents dated February 27, 1987. The Beneficiary has executed and delivered a Collateral Assignment of Beneficial Interest in Mid-City National Bank of Chicago Trust No. 1768. All references to the Note in the said Assignment of Leases and Rents and in the said Collateral Assignment of Beneficial Interest are hereby amended to refer to the Note (as previously amended) and the Demand Note, collectively; all references therein to the principal amount of the loan are hereby amended to the principal amount of \$1,400,000.00 (the amount of the Note, as amended) plus \$475,000.00 (the amount of the Demand Note).

VIII. Mortgagor agrees, to the full extent permitted by law, that in case of an Event of Default, neither Mortgagor nor anyone claiming through or under it will set up, claim or seek to take advantage of any appraisement, valuation, stay or extension laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of the Mortgage or the absolute sale of the Mortgaged Property or the final and absolute putting into possession thereof, immediately after such sale, of the purchaser

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thereat. Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshalled upon any foreclosure of the lien hereof and agrees that Lender or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. Mortgagor acknowledges that the transaction of which the Mortgage is a part is a transaction which does not include either agricultural real estate (as defined in Section 15-1201 of the Illinois Mortgage Foreclosure Law (Chapter 110, Section 15-1201, et seq. Illinois Revised Statutes (hereinafter called "the Act"))) or residential real estate (as defined in Section 15-1219 of the Act), and to the full extent permitted by law, hereby voluntarily and knowingly waives its rights to reinstatement and redemption as allowed under Section 15-1601(b) of the Act.

IX. In the event that any provision in the Mortgage shall be inconsistent with any provision of the Act, the provisions of the Act shall take precedence over the provisions of the Mortgage, but shall not invalidate or render unenforceable any other provisions of the Mortgage that can be construed in a manner consistent with the Act.

If any provision of the Mortgage shall grant to Lender any rights or remedies upon default of the Mortgagor which are more limited than the rights that would otherwise be vested in Lender under the Act in the absence of said provision, Lender shall be vested with the rights granted in the Act to the full extent permitted by law.

Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under Sections 15-1510 and 15-1512 of the Act, whether incurred before or after any decree or judgment of foreclosure, and whether enumerated in the Mortgage, shall be added to the indebtedness secured by the Mortgage or by the judgment of foreclosure.

X. This amendment is entered into under and shall be construed and interpreted in accordance with the laws of the State of Illinois.

XI. This amendment shall inure to the benefit of and be binding upon the parties hereto and their respective legal representatives, heirs, successors, and assigns.

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IN WITNESS WHEREOF, the parties have executed this "Second Amendment to Mortgage" as of the date first above-written.

MID-CITY NATIONAL BANK OF CHICAGO,
not personally, but as Trustee
under Trust Agreement dated May 29,
1984, and known as Trust No. 1768

By: W. A. Thuma, Jr. W.A. THUMA, JR.
Title: VICE PRESIDENT and TRUST OFFICER

CLAYTON RESIDENTIAL HOME, INC.,
an Illinois corporation

By: [Signature]
Title: President

89-506758

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~~89-506758~~

Property of Cook County Clerk's Office

DEPT-01 RECORDING \$16.25
T4222 TRAN 4354 10/25/89 10:37:00
4302 E * 89-506758
COOK COUNTY RECORDER

MAIL TO:

BANK LEUMI LE-ISRAEL
100 N. LA SALLE
CHICAGO, IL 60602

ATTN: D. REIN

89506758

16 MAIL

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DEMAND SECURED BUSINESS NOTE

Amount \$ 475,000.00 (Principal) (Interest Rate) 12.5%
Maturity on demand, but in no event later than August 31, 1989
Account No. _____
Date March 15, 1989

PROCEEDS OF LOAN APPLIED TO:	
1. RENEWAL of _____	
2. CR ACCT NO. _____	
3. CHECK NO (S) _____	
PAYEE _____	
PAYEE _____	
X _____	Signature of Borrower

On demand, but in no event later than August 31, 1989, for value received, the Undersigned, jointly and severally, promise(s) to pay to the order of BANK LEUMILE-ISRAEL B.M., CHICAGO BRANCH

(hereinafter called "Lender") at its office in Chicago, Illinois the principal sum of Four Hundred Seventy Five Thousand (\$475,000.00) Dollars, or, if less, the appropriate unpaid principal amount of all loans and advances made by the Lender to the Undersigned under this Note, together with interest thereon from time to time until paid at the initial rate of 12.5% per annum and at the variable rate thereafter of 1.0% per annum above the rate of interest designated by the Lender, and in effect from time to time, as its Designated Rate (the "Designated Rate"), adjusted when said Designated Rate changes. The Undersigned acknowledges that the Designated Rate may not necessarily represent the lowest rate charged by the Lender to its customers. After maturity, acceleration or default in the payment of any installment of principal and/or interest the total unpaid indebtedness hereunder shall bear interest at a rate of 3 (three) percent per annum above the rate of interest otherwise chargeable hereunder. All interest shall be paid monthly, commencing on May 1, 1989.

*At the date hereof the Designated Rate is 11.5%.
All payments shall be first applied to accrued interest to date of actual payment with the remainder, if any, applied to the unpaid balance of the principal interest shall be computed on the basis of a 360 day year and charged for the actual number of days elapsed. Undersigned agrees to pay reasonable attorneys' fees, costs and expenses incurred by Lender in the collection and enforcement of this Note.

Advances under this Note may be made by the Lender upon the oral or written request of any person whose authority to so act by corporate resolutions or other instruments lodged with the Lender has not been revoked by a writing that is received by the Lender at its office. Any such advance shall be conclusively presumed to have been made by the Lender to or for the benefit of the Undersigned. The Undersigned does hereby irrevocably confirm, ratify and approve all such advances by the Lender and does hereby indemnify the Lender against losses and expenses (including attorneys' fees and costs) and shall hold the Lender harmless with respect thereto.

As security for the payment of this Note and for the payment and performance of all other existing and future indebtedness, obligations and liabilities, direct or contingent, of the Undersigned, or any of them, to the Lender, the Undersigned hereby pledges, assigns, transfers and delivers and grants to Lender a security interest in the following property and in all other property of the Undersigned now or hereafter in the possession or control of the Lender (herein called "Collateral") and in all proceeds thereof:

1. "Mortgage and Security Agreement" executed by both of the undersigned;
2. "First Amendment to Mortgage" executed by both of the undersigned;
3. "Assignment of Leases and Rents" executed by both of the undersigned;
4. "Collateral Assignment of Beneficial Interest" in Mid-City National Bank of Chicago Trust No. 1768;
5. "Security Agreement" executed by Clayton Residential Home, Inc.; and
6. unlimited guaranties of Joe Magit, Marie Becker, Louis Gethner, Max Gethner, Leon Spornik, Robert Bally, and Jeffrey Stinbald.

The Undersigned agree(s) to deliver to the Lender forthwith upon its demand, such additional Collateral as it may request from time to time should the value of the Collateral decline or should the Lender deem itself insecure.

The Lender shall have exercised reasonable care in the custody and preservation of the Collateral if it takes such action for that purpose as the Undersigned shall reasonably request in writing. The Lender shall be deemed to have exercised reasonable care if it fails to exercise reasonable care. The Undersigned shall have the sole responsibility for taking such action as may be necessary from time to time to preserve all rights of the Undersigned and the Lender in the Collateral against prior parties.

The Lender may take such action from time to time as it may deem appropriate to maintain or protect the Collateral, and in particular may at any time take any one or more of the following actions: (i) to retitle any part of the Collateral into the name of itself or its nominee, with or without indication of pledge; (ii) collect any amounts due on the Collateral directly from the person obligated thereon; (iii) vote the Collateral; (iv) take a control of any proceeds of the Collateral, including stock dividends and other distributions; or (v) sue or make any compromise or settlement with respect to any of the Collateral.

Undersigned covenants, represents and agrees with Lender as follows: (a) That Undersigned is the sole owner of the collateral free from any lien, security interest, encumbrance or claim and will defend the collateral against the claims and demands of all persons, and (b) that Undersigned will not sell, lease or encumber the collateral or grant any subsequent security interest therein in part or in possession thereof, and (c) that Undersigned will not remove the collateral from Undersigned's residence or place of business without the written consent of Lender, and (d) that Undersigned will not use or permit the collateral to be used in violation of any law, ordinance or policy of insurance covering said collateral, and (e) that Undersigned will maintain the collateral in good condition and repair and shall pay all taxes and assessments levied on the collateral, and (f) the Undersigned agrees to sign, execute and deliver any documents or financing statement necessary in order to perfect any security interest granted herein upon the request of Lender.

In the event of non-payment, when due, whether by acceleration or otherwise, of any amount payable on this Note or any other indebtedness of the Undersigned to the Lender, or the failure of the Undersigned or any endorser or guarantor to furnish additional Collateral on the demand of the Lender as herein agreed, or the death or incompetency of any of the Undersigned or any endorser or guarantor, or the insolvency, bankruptcy, liquidation or cessation of business of any of the Undersigned or any endorser or guarantor, or the entry of any judgment or decree for money against any of the Undersigned or any endorser or guarantor, however or when occurring or endorsed, (unless such judgment or decree shall be modified, vacated or stayed within 10 days of its entry), or if any of the Undersigned or any endorser or guarantor, shall default in the performance of any other obligation to the Lender, or if the Lender shall deem itself insecure, or in the event of an assignment or the benefit of creditors or appointment of a receiver of the Undersigned or any endorser or guarantor, or the occurrence of material change in the financial condition of the Undersigned or any endorser or guarantor such that the Lender deems its risk with respect to the business of the Undersigned or Lender to be increased, or if any misstatement or misrepresentation of fact or financial condition is made or has been made by the Undersigned or any endorser or guarantor in connection with this loan or any other indebtedness of the Undersigned or any endorser or guarantor to the Lender, then, at the option of the Lender and without notice or demand, this Note and all other indebtedness of the Undersigned or any endorser or guarantor may be declared due and payable immediately and the Lender may exercise, from time to time and without selection of remedies, all rights and remedies available to it under the Illinois Uniform Commercial Code, as amended and revised, including the right to sell, lease or otherwise dispose of the Collateral at public or private sale. Undersigned or any endorser or guarantor, agree in the event of default to make the Collateral available to the Lender at a place accessible to the Lender which, or which is accessible to the Undersigned or any endorser or guarantor, at the sole expense of the Undersigned. The Lender may buy at any public sale, and if the Collateral is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, the Lender may buy at a private sale. Unless the Collateral is particularly objectionable in value or is of a type customarily sold on a recognized market, the Lender shall give the Undersigned or any endorser or guarantor reasonable notice of its intention to sell or dispose of the Collateral at the time and place of any public sale or of the time after which any private sale or other intended disposition is to be made. It is agreed that any requirement of reasonable notice shall be met if notice is mailed to the Undersigned or any endorser or guarantor, at least five days before sale or other disposition, postage prepaid, at the address of the Undersigned or any endorser or guarantor shown hereon or at any other address of the Undersigned or any endorser or guarantor appearing on the records of the Lender. The proceeds of any sale or other disposition of the Collateral shall be applied to the reasonable expenses of the sale or other disposition, reasonable attorneys' fees and legal expenses incurred by the Lender and the remainder to the payment of this Note and any other indebtedness of the Undersigned or any endorser or guarantor, secured hereby, and the remaining proceeds, if any, returned to the Undersigned or any endorser or guarantor. In the event of a deficiency, the Undersigned or any endorser or guarantor agrees to pay the amount of the deficiency to the Lender on demand. The Lender shall have the exclusive right to determine how, when and what applications of payments made by the Undersigned or any endorser or guarantor shall be applied according to the Undersigned shall be made on this Note or any other indebtedness of the Undersigned to the Lender. All remedies of the Lender shall be cumulative, and not in the alternative.

The enforcement of the payment of this Note by the Undersigned hereby jointly and severally irrevocably authorizes any attorney at law to sue, defend, settle, compromise, execute, record to appear before them, in such court in term time or otherwise, any time hereafter, and collect a judgment, without process a gainst them, or any one or more of them, in favor of the holder of this Note for such sum as may appear to be unpaid and owing thereon together with interest, costs and attorney's fees, and to make and file all affidavits and other papers which may be required in such proceedings and consent to immediate execution upon such judgment, hereby authorizing and empowering said attorney to do all such things as may be necessary to carry out the provisions of this Note.

In the event any one or more of the provisions of this Note shall for any reason be held to be invalid, illegal or unenforceable, in whole or in part or in any respect, or in the event that any one or more of the provisions of this Note operate or would prospectively operate to invalidate this Note, then and in either of those events, such provision or provisions only shall be deemed null and void and shall not affect any other provision of this Note and the remaining provisions of this Note shall remain operative and in full force and effect and shall in no way be affected, prejudiced or disturbed thereby.

UNDERSIGNED AGREE(S) THAT THE ADDITIONAL TERMS AND PROVISIONS ON THE REVERSE SIDE HEREOF SHALL CONSTITUTE A PART OF THIS NOTE AND ARE INCORPORATED HEREIN.

2026 N. Clark Street
Address Chicago, Illinois 60614
Number 1 Street

City & State Zip Code
Chicago, Illinois 60607

Telephone Social Security No. or Corp ID No

SIGNATURE(S) OF BORROWER(S)
Clayton Residential Home, Inc.,
an Illinois corporation

X By: Joe Magit
Joe Magit, President

X By: W. A. Thuma, Jr.
Mid-City National Bank of Chicago,
not personally but as Trustee w/e/n 1768

VICE PRESIDENT AND TRUST OFFICER

FORM BN-32, Sep 1984
Copyright 1984, ILIANA FINANCIAL, INC

When ORIGINAL - Copy - BORROWER'S COPY - Pin - FILE COPY

MADE IN U.S.A.
P.O. Box 1277
Merrillville, IN 46551-0277

Exhibit "A"

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ADDITIONAL TERMS AND PROVISIONS

(by demand or otherwise)

The Lender may, at any time or times hereafter, without notice, appropriate and apply toward the payment of this Note, whether due or not, any moneys, credits or other property belonging to the Undersigned, or any one or more of them, in the possession or under the control of the Lender, as well as any indebtedness (whether then due or not then due) of the Lender to any one or more of the Undersigned however created or arising, including, but without limitation to, any and all balances, credits, deposits, accounts, or moneys of any one or more of the Undersigned, and the Lender is hereby given a first or prior lien upon such moneys, credits, indebtedness and other property; and the Lender may exercise none or any one or more of the foregoing options.

* (whether by demand or otherwise)

Loss, theft, damage to, destruction or seizure of the collateral shall not relieve Undersigned from the payment and performance of any obligation or indebtedness secured hereby.

If collateral is insurable, Undersigned shall procure and maintain insurance on the collateral for the full term of this note against the risks of fire, theft and such other risks as Lender may require (including the risk of collision in case the collateral is a motor vehicle) in such insurers as are satisfactory to Lender; and Undersigned shall deliver to Lender within ten (10) days from date, a fully paid policy or policies of insurance containing Lender's Loss Payable Clause in favor of Lender providing for (10) days prior written notice of cancellation. If Undersigned shall fail, for any reason, to insure the collateral at the times and in the manner hereinabove provided, or if Undersigned's insurance shall be cancelled, Lender, at its option, may procure such insurance as shall be deemed necessary by Lender and advance the premiums therefor on behalf of Undersigned. Undersigned promises to pay such premium, with interest thereon at the rate stated on the face of this note, as an additional indebtedness due hereunder and secured hereby, or Lender may, at its option, declare all obligations secured hereby to be immediately due and payable. Undersigned hereby assigns to Lender any unearned or return premiums. Lender is hereby appointed Undersigned's attorney-in-fact to endorse any check or draft payable to Undersigned in order to collect such unearned premium or any benefits of such insurance. All sums received by the Lender in payment of insurance losses or for return premiums under said policies of insurance shall, at the option of the Lender, be applied to the unpaid principal balance or to currently maturing installments of the loan.

No right or remedy granted to the Lender herein shall affect or diminish any right or remedy granted to the Lender in any security agreement, mortgage or trust deed executed by one or more of the Undersigned relating to any Collateral securing these Obligations. All rights and remedies of the Lender, whether provided for herein or conferred by law, are cumulative.

The maker(s), endorsers and guarantors waive presentment, demand, notice of dishonor, protest and all other notices and demands in connection with the enforcement of the Lender's rights hereunder, and hereby consent to, and waive notice of (i) any renewals, extensions and modifications hereof which do not increase the unpaid principal amount hereof, and (ii) the release with or without consideration of any of the Undersigned or of any Collateral. Any failure of the Lender to exercise any right available hereunder or otherwise shall not be construed as a waiver of the right to exercise the same or any other right at any other time. The validity and construction of this note shall be governed by the laws of the State of Illinois.

This note is secured by that certain Security Agreement dated February 27, 1987, from the undersigned to the payee hereof and all supplements thereto. Reference is hereby made to said Security Agreement for a description of the collateral and the rights and obligations of the parties thereto. This note may be declared due prior to its maturity in the manner provided for in said Security Agreement.

Illinois Cook County Clerk's Office

EXHIBIT B

Legal Description of Property

PARCEL 1

THAT PART OF LOT 5 IN CHRISTIAN KUHN'S SUBDIVISION OF BLOCK 31 IN THE CANAL TRUSTEES' SUBDIVISION OF SECTION 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT OF INTERSECTION OF THE NORTH LINE OF SAID LOT 5 WITH THE EAST LINE OF LANE PLACE; RUNNING THENCE SOUTH ALONG THE WEST LINE OF SAID LOT 5, 72.60 FEET TO THE SOUTH LINE OF SAID LOT 5; THENCE EAST ALONG THE SOUTH LINE OF SAID LOT 5, 146 FEET TO THE CENTER OF PRIVATE ALLEY AS LAID OUT AND USED FROM THE NORTH LINE TO THE SOUTH LINE OF SAID LOT 5; THENCE NORTHWESTERLY IN A STRAIGHT LINE ALONG THE CENTER OF SAID PRIVATE ALLEY TO A POINT WHICH IS 54.48 FEET SOUTH OF THE NORTH LINE OF SAID LOT 5 AND 139.6 FEET EAST OF THE EAST LINE OF LANE PLACE; THENCE NORTHERLY ALONG THE CENTER OF SAID PRIVATE ALLEY 54.48 FEET TO A POINT IN THE NORTH LINE OF SAID LOT 5 WHICH IS 139.6 FEET NORTH OF THE EAST LINE OF LANE PLACE; THENCE WESTERLY ALONG THE SAID NORTH LINE OF LOT 5, 139.6 FEET TO THE POINT OF BEGINNING IN COOK COUNTY, ILLINOIS, ALSO THAT PART OF LOT 5 IN CHRISTIAN KUHN'S SUBDIVISION OF BLOCK 31 IN CANAL TRUSTEES' SUBDIVISION IN SECTION 33, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EAST OF A LINE COMMENCING AT A POINT IN THE NORTH LINE OF SAID LOT 5, 139.60 FEET EAST OF THE EAST LINE OF LANE PLACE; RUNNING THENCE SOUTH PARALLEL TO THE EAST LINE OF LANE PLACE, 54.48 FEET; THENCE SOUTH EAST TO A POINT IN THE SOUTH LINE OF SAID LOT 5, 146 FEET EAST OF THE EAST LINE OF LANE PLACE IN COOK COUNTY, ILLINOIS.

PIN: 14-33-208-008-0000

1/LEGAL/fa

Recorder's Office

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