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PREPARED BY AND AFTER
RECORDING, RETURN TO:

John R. Joyce, Esq.
Shefsky & Froelich Ltd.
Suite 2500
444 North Michigan Avenue
Chicago, Illinois 60611



. DEPT-01 RECORDING 831.00
. 121111 TRAN 9283 03/02/91 15:11:00
. 49508 ; A * - 91 - 101311
. COOK COUNTY RECORDER

ASSUMPTION AND MODIFICATION AGREEMENT

This Assumption and Modification Agreement ("Agreement"), made this 1st day of February, 1991 among Edgar N. Fields, Jr. and Beatrice L. Fields (hereinafter called "Mortgagor"); University Financial Savings, F.A., 28 North Grove Avenue, Elgin, Illinois 60120 (hereinafter called "Mortgagee"); Johnstone, Incorporated, an Illinois corporation, 5420 South Kimbark, (hereinafter called "Purchaser") and Eric Johnstone (hereinafter called "Guarantor").

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WITNESSETH

WHEREAS, Mortgagor has borrowed from Mortgagee the total principal sum of One Hundred Eighty Seven Thousand Five Hundred and No/100 Dollars (\$187,500.00), which debt is evidenced by a promissory note dated December 30, 1988 (hereinafter called the "Note") and secured by a Mortgage, Security Agreement and Financing Statement dated December 30, 1988 to secure the principal amount of One Hundred Eighty Seven Thousand Five Hundred and No/100 Dollars (\$187,500.00), recorded in the Cook County Recorder's Office, January 3, 1989 as Document Number 89-001246 (hereinafter called "Mortgage"). The Mortgage encumbers the premises located at 7527-7529 South Colfax Avenue, in the City of Chicago, County of Cook and State of Illinois, more particularly described on Exhibit A attached hereto and incorporated herein by this reference (the "Property"). The Note, Mortgage and any other documents executed by Mortgagor to secure the indebtedness to Mortgagee are hereinafter referred to as the "Loan Documents"; and

WHEREAS, Mortgagor has not repaid the Note and is in default under the terms of the Loan Documents and Mortgagee has commenced foreclosure proceedings against Mortgagor; and

WHEREAS, Mortgagor has been discharged from all personal liability, pursuant to Chapter 7 of the United States Bankruptcy Code, in Case Number 90 B 08952 filed in the United States Bankruptcy Court for the Northern District of Illinois; and

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WHEREAS, the outstanding amount due under the Note including late charges and accrued and unpaid interest as of the date hereof totals Two Hundred Fifty-One Thousand Nine Hundred Sixteen and 98/100 Dollars (\$251,916.98); and

WHEREAS, Mortgagor desires to sell and convey to Purchaser the Property, pursuant to the terms contained in the Real Estate Sales Contract attached hereto as Exhibit B, and both Mortgagor and Purchaser have requested Mortgagee to enter into this Agreement; and

WHEREAS, Purchaser agrees to assume the payment of the indebtedness due and owing by Mortgagor to Mortgagee under the Loan Documents, as amended by this Agreement, upon acquisition of title to the Property; and

WHEREAS, the parties hereto desire to memorialize the agreements contained herein by this writing.

NOW THEREFORE, in consideration of the premises and of the mutual agreements herein contained, and upon the express condition that the execution of this Agreement will not impair the validity, priority and enforceability of the lien of said Mortgage, it is hereby agreed by and among the parties as follows:

1. RECITALS. The foregoing recitals are incorporated herein as if fully rewritten.

2. ASSUMPTION OF MORTGAGE. Purchaser hereby covenants, promises and agrees (a) to pay the Note at the times, in the manner and in all respects as therein provided, and as herein-after modified; (b) to perform each and all of the covenants, agreements and obligations in the Mortgage to be performed by Mortgagor therein, at the time, in the manner and in all respects as therein provided, and as hereinafter modified; and (c) to be bound by each and all of the terms and provisions of the Note and Mortgage, as though the Note and Mortgage had originally been made, executed and delivered by Purchaser.

3. NO IMPAIRMENT OF LIEN. All of the Property shall remain in all respects subject to the lien, charge or encumbrance of the Mortgage or conveyance of title affected thereby, and nothing contained herein and nothing done pursuant hereto shall affect or be construed to affect the lien, charge or encumbrance of, or warranty of title in, or conveyance affected by the Mortgage or the priority thereof over other liens, charges, encumbrances or conveyances. This Agreement shall not, except as is expressly provided in Paragraph 5 below, and pursuant to the discharge of the personal liability of Mortgagor pursuant to Case Number 90 B 08952, release or otherwise affect the liability of

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any other party or parties liable under or on account of the Note and/or Mortgage; nor shall anything contained herein or done pursuant hereto affect or be construed to affect any other security or instrument, if any, held by Mortgagee as security for or evidence of the aforesaid indebtedness.

4. WAIVER. Mortgagor hereby waives and relinquishes any and all rights or claims against Mortgagee for any money which may have been deposited or which may be on deposit with Mortgagee for payment of real estate taxes, assessments, hazard insurance premiums or FHA mortgage insurance premiums, if any.

5. MODIFICATIONS. The parties hereby acknowledge that effective as of the date of the full execution of this Agreement, and the conveyance of the Property from Mortgagor to Purchaser, the Loan Documents are modified as follows:

(a) The Interest Rate, as defined in the Note, of the Note is ten and twenty-five one hundredths percent (10.25%).

(b) The Maturity Date, as defined in the Note, of the Note is August , 1993.

(c) The outstanding principal amount of the Note is One Hundred Sixty Thousand and No/100 Dollars (\$160,000.00).

6. PAYMENT TO MORTGAGEE. In consideration of amending the Loan Documents, Mortgagee will receive from Mortgagor upon the transfer of the Property to Purchaser \$40,000.00, less reasonable closing costs approved by the Mortgagee.

7. OTHER LOAN DOCUMENTS. Except as and to the extent herein modified, the Note, Mortgage and the other Loan Documents are and shall remain in full force and effect.

8. INCONSISTENCIES. In the event of any inconsistency between this Agreement and any of the Loan Documents, this Agreement shall control.

9. CONSENTS. Mortgagee consents to the transfer of title to the Property from Mortgagor to Purchaser.

10. DISMISSAL OF FORECLOSURE ACTION. Upon the full execution of this Agreement, and the conveyance of title to the Property from Mortgagor to Purchaser, Mortgagee will dismiss its pending foreclosure action, Case No. 90CH01437, against Mortgagor in the Circuit Court of Cook County, Chancery Division.

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11. INDEMNIFICATION. The parties hereto acknowledge that the property is subject to the proceedings pending in the Circuit Court of Cook County Case Number 90 M1 402681, on a complaint filed by the City of Chicago against Mortgagor for violations of the City of Chicago's Building Code. Purchaser agrees to accept the Property subject to the above-referenced lawsuit. Mortgagee and Purchaser agree to indemnify and hold harmless Mortgagor against all costs and liability in connection with the violations stated in the above-referenced lawsuit.

12. PAST DEFAULTS. Mortgagee and Purchaser agree that Purchaser is not in default under the Loan Documents by any of the past actions of the Mortgagor.

13. GUARANTY. Upon the full execution of this Agreement and the conveyance of title to the Property from Mortgagor to Purchaser, Guarantor agrees to execute a guaranty in substantially the same form attached hereto as Exhibit C.

14. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which, when taken together and upon execution by all parties hereto, shall be deemed as an executed original hereof.

IN WITNESS WHEREOF, the Mortgagor, Mortgagee and Purchaser have executed this Agreement as of the day and year first above written.

MORTGAGOR:

Edgar N. Fields, Jr.
Edgar N. Fields, Jr.

Beatrice L. Fields
Beatrice L. Fields

MORTGAGEE:

UNIVERSITY FINANCIAL SAVINGS, F.A.

By: _____
Name: _____
Title: _____

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11. INDEMNIFICATION. The parties hereto acknowledge that the property is subject to the proceedings pending in the Circuit Court of Cook County Case Number 90 M1 402681, on a complaint filed by the City of Chicago against Mortgagor for violations of the City of Chicago's Building Code. Purchaser agrees to accept the Property subject to the above-referenced lawsuit. Mortgagee and Purchaser agree to indemnify and hold harmless Mortgagor against all costs and liability in connection with the violations stated in the above-referenced lawsuit.

12. PAST DEFAULTS. Mortgagee and Purchaser agree that Purchaser is not in default under the Loan Documents by any of the past actions of the Mortgagor.

13. GUARANTY. Upon the full execution of this Agreement and the conveyance of title to the Property from Mortgagor to Purchaser, Guarantor agrees to execute a guaranty in substantially the same form attached hereto as Exhibit C.

14. COUNTERPARTS. This Agreement may be executed in multiple counterparts, each of which, when taken together and upon execution by all parties hereto, shall be deemed as an executed original hereof.

IN WITNESS WHEREOF, the Mortgagor, Mortgagee and Purchaser have executed this Agreement as of the day and year first above written.

MORTGAGOR:

Edgar N. Fields, Jr.

Beatrice L. Fields

MORTGAGEE:

UNIVERSITY FINANCIAL SAVINGS, F.A.

By: _____

Name: _____

Title: _____

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PURCHASER:

JOHNSTONE, INC , an
Illinois corporation

By: Eric Johnstone

Name: Eric Johnstone

Title: President, Johnstone Inc.

GUARANTOR:

Eric Johnstone
Eric Johnstone

Property of Cook County Clerk's Office

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STATE OF ILLINOIS

COUNTY OF _____

)
) SS.
)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that EDGAR N. FIELDS, JR. and BEATRICE L. FIELDS, who are personally known to me to be the same people whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledge that he and she signed and delivered said instrument as his and her own free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 13th day of February, 1991.

[Signature]
Notary Public

My Commission expires: 7-22-98

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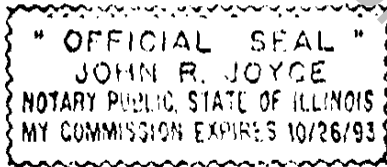
STATE OF ILLINOIS

COUNTY OF _____

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) SS.

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that PAUL L. NICK, the _____ of UNIVERSITY FINANCIAL SAVINGS, F.A. ("Bank"), who is 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 acknowledge that he/she signed and delivered said instrument as his/her own free and voluntary act, and as the free and voluntary act of the Bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 12th day of FEBRUARY, 1991.



John R. Joyce
Notary Public

My Commission expires: 10/26/93

Property of Cook County Clerk's Office

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STATE OF ILLINOIS

COUNTY OF Cook

)
) SS.
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I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Eric Johnstone, the President of JOHNSTONE, INCORPORATED, an Illinois corporation ("Corporation"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledge that he/she signed and delivered said instrument as his/her own free and voluntary act, and as the free and voluntary act of the Corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 28th day of February, 1991

John D. Walsh
Notary Public

My Commission expires: 7/6/91

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STATE OF ILLINOIS)
) SS.
COUNTY OF Cook)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, do hereby certify that ERIC JOHNSTONE, who 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 acknowledge 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 28th day of February, 1991.

[Signature]
Notary Public
My Commission expires: 7/6/91

PROPERTY OF COOK COUNTY CLERK'S OFFICE

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EXHIBIT A

LEGAL DESCRIPTION

The South 1/2 of Lot 5 in Division 2 in Westfall's Subdivision of 208 Acres in the East 1/2 of the Southwest 1/4 and Southeast Fractional 1/4 of Section 30, Township 38 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as: 7527-7529 South Colfax Avenue
Chicago, Illinois 60615

PIN: 21-30-304-005

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Real Estate Sales Contract



1. JOHNSTONE, INCORPORATED as nominee for Colfax Partnership (Purchaser)
 agree to purchase a part of \$ 300,000 on the terms set forth herein, the following described real estate
 in Cook County, Illinois:

commonly known as 7927-29 South Colfax, Chicago, Illinois, and with approximate lot dimensions of
 _____, together with the following property presently located thereon:

2. Owner of Record (Seller)
 agrees to sell the real estate and the property described above, if any, at the price and terms set forth herein, and to convey or cause to be conveyed to
 Purchaser or nominee title thereto by a recordable WARRANTY deed, with release of homestead rights, if any, and a proper bill of sale,
 subject only to: (a) covenants, conditions and restrictions of record; (b) private, public and utility easements and roads and highways, if any; (c) party
 wall rights and agreements, if any; (d) existing leases and easements (as stated in Schedule A attached); (e) special assessment taxes as stated on the plat and tax maps
 and other assessments; (f) easements in favor of the state described on any special assessment maps as shown on the plat and tax maps; (g) mortgage or
 trust deed specified below, if any; (h) general taxes for the year 1990 and subsequent years including taxes which may accrue by reason of new or
 additional improvements during the year(s) 1990; and to
 be subject to review and approval by Purchaser's attorney
 concurrent with the execution of this Contract.

3. Purchaser will deposit a Provisory Note for \$100,000 upon terms mutually agreeable to the parties.
 The balance of the purchase price, after or minus provisions, at the time of closing is as follows: (circle language and subparagraph not applicable)

(a) The payment of \$ 100,000 shall be made as follows:
140,000 cash at closing with Seller taking back a Purchase money mortgage in the
amount of \$160,000

to be evidenced by the note of Purchaser, and Seller providing for full prepayment privileges without penalty, which shall be secured by a
 purchase money mortgage (if any) on the date of the instrument and otherwise to be in the form hereto attached as Schedule B, or in the absence of
 the attachment, the form attached as PURCHASER'S OPTION and by a security agreement (in so much as such security agreement or other instrument may be required under the Uniform
 Commercial Code in order to make the lien created hereunder effective), and an assignment of rents, said security agreement and assignment of rents
 to be in the forms appended hereto as Schedules C and D. Purchaser shall furnish to Seller an American Land Title Association loan policy insuring
 the mortgage (trust deed) issued by the Chicago Title Insurance Company
 (**If a Schedule B is not attached and the blanks are not filled in, the note shall be secured by a trust deed, and the note and trust deed shall be in
 the forms used by the Chicago Title and Trust Company.)

(c) The acceptance of this title to the real estate by Purchaser subject to a mortgage, or trust deed of record, creating a purchase money mortgage, shall be the
 Purchaser (does) (does not) agree to assume) aggregating \$ _____ bearing interest at the rate of _____ a year and the
 payment of a sum which represents the difference between the amount of \$ _____ the indebtedness at the time of closing and the balance of the
 purchase price.

4. Seller, at his own expense, agrees to furnish Purchaser a recent plat of survey of the above real estate made, and so certified by the surveyor as having
 been made, in compliance with the Illinois Land Survey Standards
 or before _____

5. The time of closing shall be on JANUARY 31, 1991 or on the date, if any, to which such time is extended by reason of paragraphs 3 or 10 of
 the Conditions and Stipulations hereafter becoming operative (whichever date is later), unless subsequently mutually agreed otherwise, at the office of
Purchaser's attorney or of the mortgage lender, if any, provided title is shown to be good or is accepted by Purchaser.

6. Seller and Purchaser represent each to the other, that the respective party has used no broker
 in connection with this transaction.

7. The earnest money shall be held by Purchaser's attorney
 for the mutual benefit of the parties.

8. Seller warrants that Seller, his beneficiaries or agents of Seller or of his beneficiaries have received no notices from any city, village or other
 governmental authority of any zoning, fire or health code violations in respect to the real estate that have not been heretofore corrected.

9. A duplicate original of this contract, duly executed by the Seller and his spouse, if any, shall be delivered to the Purchaser within 7 days from
 the date hereof, otherwise, at the Purchaser's option, this contract shall become null and void and the earnest money shall be refunded to the Purchaser.

This contract is subject to the Conditions and Stipulations set forth on the back page hereof, which Conditions and Stipulations are made a part of this
 contract.

Done _____
 Purchaser [Signature] (Address) 5420 SPRINGBARK CHICAGO, ILL.
 Purchaser _____ (Address) _____
 Seller [Signature] (Address) _____
 Seller [Signature] (Address) _____

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Provisional Agency

(C) Purchaser agrees to notify Seller in writing of the name and post office address of each mortgage lender who has issued a commitment to finance the purchase hereunder or any part thereof, such notice shall be furnished within 10 days after issuance of any such commitment, but in no event less than 45 days prior to delivery of the deed hereunder unless waived by each lender or lender. Purchaser further agrees to place of record, immediately with the deed recorded pursuant to this contract, any disclosure statement furnished to Purchaser pursuant to paragraph 10(B) and, within 30 days after delivery of the deed hereunder, to file a true and correct copy of said disclosure statement with the Illinois Department of Real Estate.

(B) Seller agrees to execute and deliver to Purchaser and each mortgage lender of Purchaser such disclosure documents as may be required by the Illinois Residential Property Transfer Act.

(A) Purchaser and Seller agree that the disclosure requirements of the Illinois Residential Property Transfer Act (60 ILCS 100) do not apply to the transfer contemplated by this contract. (B) and (C) below.

10. This contract is expressly contingent upon: (1) Purchaser's inspection and approval (which shall be at Purchaser's sole discretion) of the condition of the subject premises within seven (7) days of the acceptance date of this contract. If Purchaser fails to notify Seller of its disapproval within three (3) business days of the expiration of the seven (7) day period, this contract shall be deemed to be of full force and effect. Notice of disapproval shall terminate this contract and all security deposits shall be returned to Purchaser. (2) Seller's commitment to issue a construction loan upon closing in the amount of \$302,000 at an interest rate of 10.25% for a term of 18 months at a cost of 1/25. Such interest shall be collected on an accrual basis. Purchaser shall have the option to extend such loan for an additional 6 months at a cost of an additional 1/25.

11. All notices herein required shall be in writing and shall be served on the parties at the address following their signature on this contract. If the responsible attorney or other representative of either party is not available, then such notice shall be delivered to the address of the other party. If the responsible attorney or other representative of either party is not available, then such notice shall be delivered to the address of the other party. If the responsible attorney or other representative of either party is not available, then such notice shall be delivered to the address of the other party.

12. The provisions of the Uniform Vendor and Purchaser Security Act of the State of Illinois shall be applicable to this contract. The provisions of the Uniform Vendor and Purchaser Security Act of the State of Illinois shall be applicable to this contract. The provisions of the Uniform Vendor and Purchaser Security Act of the State of Illinois shall be applicable to this contract.

13. Seller shall pay the amount of any taxes imposed by the State of Illinois, and shall provide a completed Real Estate Transfer Declaration Form to the Seller or the Seller's agent in the form required by the Real Estate Transfer Act of the State of Illinois and shall provide a completed Real Estate Transfer Declaration Form to the Seller or the Seller's agent in the form required by the Real Estate Transfer Act of the State of Illinois and shall provide a completed Real Estate Transfer Declaration Form to the Seller or the Seller's agent in the form required by the Real Estate Transfer Act of the State of Illinois.

14. The most recent acceptable title report shall be provided to the Seller or the Seller's agent in the form required by the Real Estate Transfer Act of the State of Illinois and shall provide a completed Real Estate Transfer Declaration Form to the Seller or the Seller's agent in the form required by the Real Estate Transfer Act of the State of Illinois.

15. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 3 days prior to the time of closing, the plan of survey. If the plan of survey is not delivered under the terms of this contract, Seller shall be deemed to have accepted the plan of survey as shown on the plat of survey. If the plan of survey is not delivered under the terms of this contract, Seller shall be deemed to have accepted the plan of survey as shown on the plat of survey.

16. Seller shall deliver or cause to be delivered to Purchaser or Purchaser's agent, not less than 3 days prior to the time of closing, the plan of survey. If the plan of survey is not delivered under the terms of this contract, Seller shall be deemed to have accepted the plan of survey as shown on the plat of survey. If the plan of survey is not delivered under the terms of this contract, Seller shall be deemed to have accepted the plan of survey as shown on the plat of survey.

CONDITIONS AND stipulations

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Property of [Watermark]

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EXHIBIT 9 | 1 | 0 | 3 | 1 | 1

GUARANTY

THIS GUARANTY (the "Guaranty"), is executed and delivered this ___ day of ___, 1990, to University Financial Savings, F.A. (the "Lender"), by Eric Johnstone, his heirs, successors and assigns (the "Guarantor").

WITNESSETH

WHEREAS, Lender has made a loan (the "Loan") in the amount of One Hundred Eighty-Seven Thousand Five Hundred Dollars and No/Cents (\$187,500.00) to Edgar and Beatrice Fields ("Fields");

WHEREAS, the Loan is evidenced by the promissory note (the "Note") of the Fields payable to the order of Lender in the original principal amount of the Loan; secured in part by that certain Mortgage, Security Agreement and Financing Statement ("Mortgage") placing a lien against property located in Cook County, Illinois, and being more particularly described in Exhibit A attached hereto and incorporated herein ("Property");

WHEREAS, the Fields defaulted on their payments due under the Note, and in exchange for Lender dismissing its foreclosure lawsuit, agreed to sell and transfer the Property to Johnstone, Inc., an Illinois corporation ("Borrower");

WHEREAS, as part of the consideration for the purchase, Borrower would assume the obligations under the Note and Mortgage as amended by the Assumption and Modification Agreement dated February __, 1991;

WHEREAS, in order to induce Lender to consent to the assumption of the Mortgage by Borrower and to amend the Note and Mortgage, the Guarantor has agreed to guarantee the payment of the interest accruing under the Note and performance under the Note, Mortgage and other loan documents entered into in connection with the Loan by the Fields and assumed by the Borrower (referred to as the "Obligations") as required by the Lender, through the date of full repayment of the Loan, except as herein-after limited, as hereinafter provided;

WHEREAS, the Lender has agreed to consent to the assumption of the Mortgage and amendment of the Note upon satisfaction of certain conditions precedent;

WHEREAS, as a material inducement for the Lender to consent to the assumption of the Mortgage and amendment of the Note, the Lender requires that the Guarantor, guarantee payment and performance of the Obligations as provided herein;

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WHEREAS, the consent to the assumption of the Mortgage and amendment of the Note shall inure to the substantial economic benefit of the Guarantor; and

WHEREAS, the Guarantor has agreed to guarantee the payment of the Obligations as required by the Lender, all as hereinafter provided.

NOW, THEREFORE, in consideration of good and valuable consideration, the receipt and legal sufficiency of which is hereby acknowledged the parties hereto agree to the following:

1. In order to induce the Lender to consent to the assumption of the Mortgage and amendment of the Note, the Guarantor hereby irrevocably and unconditionally guarantees the due and punctual payment and performance of the Obligations when such Obligations are due. The Guarantors further agree that the Obligations may be extended or renewed, in whole or in part, without further assent from it and that it will remain bound under this Guaranty notwithstanding any extension or renewal of any of the Obligations. Notwithstanding anything contained herein, or in the Note, Mortgage or other Loan Documents, the obligations of the Guarantor hereunder shall be absolute and unconditional.

2. The Guarantor waives presentation and protest of or to any Obligation and notice of protest for nonpayment or non-performance of any Obligation and demand for payment or performance from any obligor on any Obligation. The obligations of the Guarantor hereunder shall not be discharged, released, impaired or affected in any way, and the Guarantor waives any defense to its obligations hereunder which might otherwise be available by reason of (a) the failure of the Lender to assert any claim or demand or to enforce any right or remedy against the Borrower or any other guarantor; (b) any extension or renewal of any thereof; (c) any rescission or waiver, of any of the terms or provisions of this Guaranty, any other guaranty, or other agreement pertaining hereto or the waiver of compliance by any person with any of the terms hereof; (d) the sale, exchange, impairment, waste, release or surrender of, damage to, or realization upon, any security held or the failure by the Lender to perfect, or continue the perfection of, or the delay in the perfection of, any such security; (e) the failure of the Lender to exercise any right or remedy against the Borrower of the Obligations; (f) the settlement or compromise of any Obligations, the subordination thereof or the settlement or compromise of the liability of any obligor thereon; (g) the irregularity, invalidity or unenforceability in whole or in part of any of the Obligations; (h) the exercise by the Lender of non-judicial or judicial remedies against the

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Borrower; (i) the impairment of the right of subrogation of the Guarantor against the Borrower or any real or personal property of such Borrower; or (j) any event of any kind or nature, whether similar or dissimilar to any of the foregoing other than indefeasible payment and performance in full of the Obligations.

3. The Guarantor further agrees that this Guaranty constitutes an irrevocable, continuing, absolute and unconditional guarantee of payment and not of collection and waive any right to require that any resort be had by the Lender to any security held for payment or performance of the Obligations.

4. The obligations of the Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including, without limitation, any claim of waiver, release, surrender, alteration or compromise and shall not be subject to any defense or set-off, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. The obligations of the Guarantor hereunder shall not be discharged, released or impaired or otherwise affected by any default, failure or delay, willful or otherwise, in the performance of the Obligations or by any other act or thing which could operate as a discharge of the Guarantor as a matter of law.

5. The Guarantor further agrees that this Guaranty shall continue to be effective or be reinstated, as the case may be, if at any time payment, or any part thereof, of principal of or interest on any Obligation is rescinded or must be restored by the Lender upon the bankruptcy or reorganization of the Borrower or any other obligor on the Obligations or otherwise. In furtherance of the foregoing and not in limitation of any other right which the Lender may have at law or in equity against the Guarantor by virtue hereof, upon the failure of any obligor thereon to pay any Obligation when and as the same shall become due, whether at maturity, after notice of prepayment or otherwise, the Guarantor hereby promises to and, upon receipt of written demand by the Lender, shall forthwith pay, or cause to be paid, to the Lender in cash, an amount equal to such Obligation and thereupon the Lender shall assign such Obligation, together with all security interests, if any, then held by it in respect of such Obligation to the Guarantor or make such disposition thereof as the Guarantor shall direct (all without recourse to the Lender).

6. Upon payment by the Guarantor of any sums to the Lender hereunder, all rights of the Guarantor against any obligor on the Obligations arising as a result of such payment by way of right of subrogation or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible

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right of Lender to receive payment in full of all sums due to the Lender under or in connection with the Note or under any agreement or instrument delivered in connection therewith; provided, however, that notwithstanding the foregoing, in the event that all Obligations payable in respect of the obligations of the Borrower have been paid in full, the Guarantors shall be subrogated to the rights of the Lender against the Borrower.

7. Guarantor authorizes the Lender any time in its discretion to alter any of the terms of the Obligations, to take and hold any security for the Obligations and to accept additional or substituted security, to subordinate, compromise any security, to release the Borrower of its liability for all or any part of the Obligations, to release, substitute or add any one or more guarantors or endorsers, and to assign this Guaranty in whole or in part. The Lender may take any of the foregoing actions upon any terms and conditions as the Lender may elect, without giving notice to Guarantor or obtaining the consent of Guarantor and without affecting the liability of Guarantor to the Lender.

8. Guarantor's obligations under this Guaranty are independent of those of the Borrower. The Lender may bring a separate action against Guarantor without first proceeding against the Borrower, any other guarantors or any other person or any security held by the Lender, and without pursuing any other remedy, save and except the obligation of Lender to proceed with a foreclosure action under the Mortgage prior to taking any action under this Guaranty. The Lender's rights under this Guaranty will not be exhausted by any action by the Lender until all of the Obligations have been fully paid and performed.

9. The Guarantor assumes full responsibility for keeping fully informed of the financial condition of the Borrower and all other circumstances affecting the Borrower's ability to perform its obligations to the Lender, and agrees that the Lender will have no duty to report to the Guarantor any information which the Lender receives about the Borrower's financial condition or any circumstances bearing on its ability to perform.

10. Upon a default of the Borrower, the Lender may elect to nonjudicially or judicially foreclose against any real or personal property security it holds for the Obligations, or any other indebtedness owing to the Lender by the Borrower, or any part thereof or exercise any other remedy against the Borrower or any security. No such action by the Lender will release or limit the liability of Guarantor to the Lender, even if the effect of that action is to deprive Guarantor of the right to collect reimbursement from the Borrower for any sums paid to the Lender, save and except that the proceeds from any foreclosure

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sale by Lender will be applied to the Obligations, and any actions hereunder will be for any deficiency amount resulting from the inability of such foreclosure sales proceeds to satisfy the entire Obligations.

11. This Guaranty shall be governed by and construed under the laws of the State of Illinois.

IN WITNESS WHEREOF, the undersigned have hereunto set their hands on the date first set forth above.

GUARANTOR:

ERIC JOHNSTONE

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EXHIBIT A

LEGAL DESCRIPTION

The South 1/2 of Lot 5 in Division 2 in Westfall's Subdivision of 208 Acres in the East 1/2 of the Southwest 1/4 and Southeast Fractional 1/4 of Section 30, Township 38 North, Range 15, East of the Third Principal Meridian, in Cook County, Illinois.

Commonly known as: 7527-7529 South Colfax Avenue
Chicago, Illinois 60615

PIN: 21-30-304-005

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