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CAF = 5.69%

96161919

00102085100

PREPARED BY:
Mary Jo Ramson
(CLOS Center)

WHEN RECORDED RETURN TO:

NBD BANK
(Highland Park office)
(c/o Glenn D. Gustafson)
513 Central Avenue
Highland Park, IL 60035

DEPT-01 RECORDING \$27.00
T#0012 TRAN 9403 03/01/96 13:02:00
#6687 : ER *-96-161919
COOK COUNTY RECORDER

NOTE AND MORTGAGE MODIFICATION AND EXTENSION AGREEMENT

27 v E

THIS AGREEMENT (the "Agreement") is made and entered into as of the 15th of February, 1996, by and among NBD Bank, Successor by Merger to NBD Highland Park Bank, N.A., an Illinois banking corporation, having its principal office at 211 South Wheaton Avenue, Wheaton, Illinois 60187 (the "Mortgagee"), NBD Bank as successor Trustee to NBD Trust Company of Illinois not personally but as Trustee under a Trust Agreement dated August 19, 1986 and known as Trust Number 4172-HP (the "Mortgagor"), Larry M. Klairmont and Klairmont Enterprises, Inc. as Guarantors (the "Guarantors") and Klairmont Enterprises, Inc. (the "Beneficiary").

WITNESSETH

WHEREAS, the Mortgagor has previously executed and delivered to the Mortgagee a certain Secured Promissory Note dated the 14th day of September, 1990 (the "Note"), in the original principal amount of Three Million and 00/100 Dollars (\$3,000,000.00), which indebtedness is secured by a Mortgage (the "Mortgage") and a Collateral Assignment of Lease and Rents (the "Collateral Assignment") each of even date therewith executed by the Mortgagor, and each recorded in the office of the Recorder of Deeds, of Cook County, Illinois on the 27th of March, 1991 as Document Numbers 91135575 and 91135576, respectively, on property legally described as follows:

LOTS 'A', 'B', 'C' AND THE NORTH 19.98 FEET OF LOT D (WHICH MEASUREMENT IS THE DISTANCE FOR THE NORTH LINE OF LOT D TO THE CENTERLINE OF AN EXISTING WALL) IN KOESTER AND ZANDER'S SECTION LINE SUBDIVISION OF THE NORTH WEST 1/4 OF THE NORTH WEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

THAT PART OF THE WEST 5.00 FEET OF THE EAST 100.00 FEET OF THE WEST 1/2 OF THE NORTH WEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING SOUTH OF THE EASTERLY EXTENSION OF THE NORTH LINE OF LOT C, AND LYING NORTH OF THE EASTERLY EXTENSION OF THE NORTH LINE OF THE SOUTHERLY 224.07 FEET OF LOT D, IN KOESTER AND ZANDER'S SECTION LINE SUBDIVISION AFORESAID, IN COOK COUNTY, ILLINOIS.

THE NORTH 59.55 FEET OF THE SOUTH 80 FEET OF THE WEST 218 FEET OF THE EAST 313 FEET OF THE NORTH WEST 1/4 OF SECTION 27, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

(the "Premises")

Commonly known as: 3101 Knox Avenue, Chicago, IL.

Tax Parcel Identification No. 13-27-103-001, 002, 004 and 14-30-310-010, 019, 020, 021, and 022

BOX 333-CTI

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AND WHEREAS, the Mortgagee and Mortgagor have previously entered into that certain Extension Agreement dated as of February 15, 1991 (the "Extension Agreement") and recorded in the office of the Recorder of Deeds, of Cook County, Illinois on April 9, 1991 as Document Number 91-159742, whereby the terms of repayment of the above described Note were modified and the maturity date of said Note extended to February 15, 1996; and

WHEREAS, the present balance outstanding under the Note remaining unpaid as of the date hereof, and for which the Mortgagor remains justly indebted to the Mortgagee, is Two Million Seven Hundred Ten Thousand Nine Hundred Sixty-Six and 99/100 Dollars (\$2,710,966.99); and

WHEREAS, the Mortgagor has requested that the Mortgagee agree to allow the repayment of the above described Note to be extended for an additional period of time and further modifying the rate of interest of the remaining unpaid indebtedness under such terms and conditions as are set forth herein;

Now Therefore, in consideration of the mutual promises and covenants of the parties hereto, it is agreed as follows:

RECITALS

1. The maturity date of the Note and Mortgage, as amended by this Agreement, is hereby extended from February 15, 1996 to February 15, 2001.
2. Consecutive monthly installments of principal including interest in the amount of \$25,814.00 each shall continue to be made on the 15th day of each month commencing March 15, 1996 until the maturity, unless renewed, modified or extended for additional periods.
3. Interest accruing on the unpaid principal balance of the Note shall continue to be computed for the actual number of days elapsed on the basis of a year consisting of 360 days at the rate of 7.94% per cent per annum (the "Note Rate"), and after maturity, whether by acceleration or otherwise, until payment in full, at the rate of 10.94% per cent per annum, together with all costs of collection, including reasonable attorneys' fees.
4. The Mortgagor may prepay all or any part of the principal balance of this Note on one business day's notice provided that, in addition to all principal, interest and costs owing at the time of prepayment, the Mortgagor pays a prepayment premium equal to the Current Value of (i) the interest that would have accrued on the amount prepaid at the Note Rate, minus (ii) the interest that could accrue on the amount prepaid at the Treasury Rate. In both cases, interest will be calculated from the prepayment date to the maturity date(s) of the installment(s) being prepaid. Such maturity date(s) shall be determined by applying the prepayment to the scheduled installment(s) of principal in their inverse order of maturity. "Treasury Rate" shall mean the yield, as of the date of prepayment, on United States Treasury bills, notes or bonds, selected by the Mortgagee in its discretion, having maturities comparable to the scheduled maturities of the installment(s) being prepaid. "Current Value" means the net present value of the dollar amount of the interest to be earned, discounted at the Treasury Rate. In no event shall the prepayment premium be less than zero. The Mortgagor's notice of its intent to prepay shall be irrevocable. If the balance of this note is accelerated in accordance with the terms of this note, the resulting balance due shall be considered a prepayment due and payable as of the date of acceleration. The Mortgagor agrees that the prepayment premium is a reasonable estimate of loss and not a penalty. The prepayment premium is payable as liquidated damages for the loss of bargain, and its payment shall not in any way reduce, affect or impair any other obligation of the Mortgagor under this Note.
5. The Guarantors agrees to furnish to the Mortgagee whatever information, books, and records the Mortgagee may reasonably request, including at a minimum, the following:
 - (i) Within 90 days after and as of the end of each calendar year, the signed personal financial statement of Larry M. Klairmont;
 - (ii) Within 45 days after and as of the end of each fiscal quarter, an operating statement on all related real estate holdings; and
 - (iii) Within 90 days after and as of the end of each calendar year, an annual rent roll on the real estate as described herein.

Except where the context otherwise may require, it is agreed that the terms "Trustee", "Owner", "Borrower" and "Mortgagor" when used and appearing in the Note, Mortgage, Extension Agreement, and this Note and Mortgage Modification and Extension Agreement shall be construed as and mean NBD Bank as successor Trustee to NBD Trust Company of Illinois, not personally but as Trustee under a Trust Agreement dated August 19, 1986, and known as Trust Number 4172-HP.

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Except where the context otherwise may require, it is agreed that the terms "Lender", "Mortgagee", "Assignee", and "Bank" when used and appearing in the Note, Mortgage, Extension Agreement, and this Note and Mortgage Modification and Extension Agreement shall be construed as and mean NBD Bank, as successor by merger to NBD Highland Park Bank, N.A.

It is further agreed as between the Mortgagor, Mortgagee and the Guarantor that neither the repayment of the indebtedness evidenced by the Note, nor the obligations of the Mortgagor thereunder, nor the Mortgage or other security given to secure same, shall in any way be prejudiced by this Agreement; said Note and Mortgage being intended to be modified only to the extent therein and herein mentioned and said Mortgage to continue and remain in full force and effect. The parties hereto hereby ratify, adopt and confirm their respective covenants, agreements and conditions as set forth in the Note and the Mortgage as modified by this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Note and Mortgage Modification and Extension Agreement to be executed by their respective duly authorized representatives as of the date first written above.

MORTGAGEE:

NBD BANK, an Illinois banking corporation

By: [Signature]

Glenn B. Gustafson Vice President

ATTEST: [Signature]

Its: Second Vice President

GUARANTOR:

Larry M. Klairmont

Klairmont Enterprises, Inc.

By: [Signature]

Its: Larry M. Klairmont President

MORTGAGOR:

NBD Bank as successor Trustee to NBD Trust Company of Illinois, not personally, but as Trustee aforesaid

By: [Signature]

Its: 2ND VICE PRESIDENT

ATTEST: [Signature]

Its: TRUST OFFICER

BENEFICIARY:

Klairmont Enterprises, Inc.

By: [Signature]

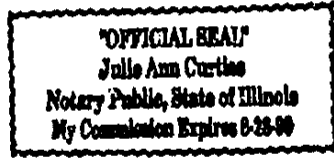
Its: Larry M. Klairmont President

State of Illinois)
County of Cook) SS

This instrument is received by NBD Bank, not individually but solely as Trustee, as aforesaid. All the covenants and conditions to be performed hereunder by NBD Bank are undertaken by it solely as Trustee, as aforesaid and not individually, and no personal or individual liability shall be asserted or enforceable against NBD BANK by reason of any of the covenants, statements, representations, indemnifications or warranties expressed or implied herein contained in this instrument.

I, JULIE ANN CURTIS, a Notary Public in and for said County, in the State of Illinois, do hereby certify that NBD Bank a Michigan (corporation) (association) and [Signature] personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such 2ND VICE PRESIDENT and TRUST OFFICER, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary acts, and as the free and voluntary act of said (corporation) (association), as Trustee, for the uses and purposes therein set forth; and the said [Signature] did also then and there acknowledge that she, as custodian of the corporate seal of said (corporation) (association), affixed the said corporate seal of said (corporation) (association) to said instrument as his/her own free and voluntary act, and as the free and voluntary act of said (corporation) (association), as Trustee, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 2nd day of Feb., 1996.
My Commission Expires: 8-28-99 [Signature] Notary Public



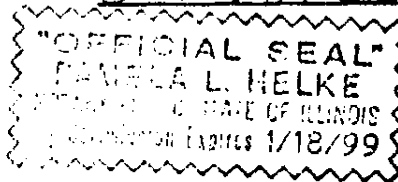
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State of Illinois)
County of Cook) SS

I, Pamela L. Helke a Notary Public in and for said County, in the State aforesaid, do hereby certify that Larry H. Klaimant and _____ the President respectively, of Klaimant Enterprises, Inc. personally known to me to be the same person(s) whose name(s) are subscribed to the foregoing instrument as such officers, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth; and the said _____ did also then and there acknowledge that he, as custodian of the corporate seal of said corporation, did affix the said corporate seal of said corporation to said instrument, as (his) (her) own free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21st day of February, 1996.
My Commission Expires 1/18/99 Pamela L. Helke, Notary Public

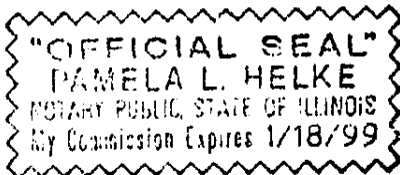


STATE OF ILLINOIS)
COUNTY OF COOK) SS

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Glenn D. Gustafson and Dennis Green Gallagher respectively, are the Vice President and Second Vice President of NBD BANK, an Illinois banking corporation, thereof are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such officers of said corporation, respectively, appeared before me this day in person and acknowledged that they signed, sealed and delivered the said instrument as their free and voluntary act, and the free and voluntary act of NBD Bank for the uses and purposes therein set forth.

Given under my hand and official seal, this 21st day of February, 1996.

Pamela L. Helke
Notary Public



My Commission expires:

61619196

State of Illinois)
County of Cook) SS

I, Pamela L. Helke, a Notary Public in and for said County and State, do hereby certify that Larry H. Klaimant personally known to me to be the same person(s) whose name(s) subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his/her free and voluntary act, for the uses and purposes herein set forth.

Given under my hand and notarial seal this 21st day of February, 1996.
My Commission Expires: 1/18/99 Pamela L. Helke, Notary Public

