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- (i) Real Estate Mortgage dated December 26, 1986, executed by Trustee in favor of Lender and recorded on December 26, 1986, in the Recorder's Office of Cook County, Illinois as Document No. 86620436 ("Mortgage");
- (ii) Collateral Assignment of Rents and Leases dated December 26, 1986, executed by Trustee in favor of Lender and recorded on December 26, 1986, in the Recorder's Office of Cook County, Illinois as Document No. 86620437 ("Assignment of Rents");
- (iii) Assignment Under Land Trust dated as of December 26, 1986, by and among Trustee, Beneficiary and Lender ("Collateral ABI");
- (iv) Guaranty dated December 30, 1986, executed by Guarantor in favor of Lender ("Guaranty"); and
- (v) Supplement and Extension to Mortgage and Note dated December 15, 1991, by and between Trustee, Beneficiary and Lender and recorded on January 24, 1992 in the Recorder's Office of Cook County, Illinois as Document No. 92046288 ("First Amendment").

The Note, Mortgage, Assignment of Rents, Collateral ABI, Guaranty and First Amendment, together with all other documents evidencing or securing the Loan including this Second Amendment, are sometimes hereinafter collectively referred to as the "Loan Documents."

C. The Mortgage, as amended hereby, constitutes a valid first lien on the real property described on Exhibit A attached hereto and made a part hereof ("Property").

D. Borrower has requested that Lender increase the amount of the Note by One Hundred Fifteen Thousand Three Hundred Twelve and 29/100 Dollars (\$115,312.29) to Seven Hundred Thousand and No/100 Dollars (\$700,000.00) and to modify the Loan as provided herein.

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E. Lender is willing to increase the amount of the Loan and modify the Loan as provided herein, provided that: (a) the Loan Documents, and any and all modifications thereof, and the liens of any of the foregoing, as amended hereby, shall have the same validity, priority and effect against all of the real and personal property to which they apply and to the extent that said liens had immediately prior to the execution and delivery of this Second Amendment; (b) no such amendment or modification shall constitute a waiver by Lender of any default by Borrower or Guarantors under any of the Loan Documents; (c) the Borrower complies with and fulfills all of its obligations and requirements set forth herein; (d) Borrower pays to Lender a loan commitment/extension fee of \$3,500.00; and (e) Beneficiary executes and delivers to Lender a certain Environmental Indemnity Agreement.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements hereinafter set forth, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Trustee, Beneficiary, Guarantors and Lender hereby mutually agree as follows:

1. Incorporation by Reference. The foregoing recitals are hereby incorporated herein by reference as if set forth in full in the body of this Second Amendment.

2. Modification of Note. The terms and provisions of the Note are hereby amended and modified as follows:

(a) "\$660,500.00 shall be deleted from the upper left corner of Page 1 of the Note and shall be replaced with \$700,000.00."

(b) The maturity date of the Loan (i.e., December 15, 1991) as referenced in the upper left corner of Page 1 of the Note and in the first Paragraph of Page 1 of the Note shall be and is hereby changed to "December 15, 2001."

(c) The first full Paragraph of Page 1 of the Note is hereby deleted and replaced with the following:

"FOR VALUE RECEIVED, the undersigned promises to pay to the order of LaSalle Northwest National Bank ("Bank"),

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at its offices in Chicago, Illinois, Seven Hundred Thousand and No/100 Dollars (\$700,000.00) together with interest thereon, at a per annum rate equal to Eight and Twelve Hundredths percent (8.12%). Principal and interest shall be due and payable in arrears in monthly installments of Five Thousand Four Hundred Fifty-Eight and 48/100 Dollars (\$5,458.48) [based upon a twenty-five (25) year amortization], commencing on the fifteenth (15th) day of January, 1997, and on the fifteenth (15th) day of each month thereafter to and including the maturity date of December 15, 2001."

(d) The third full grammatical Paragraph of Page 1 of the Note and the third full grammatical Paragraph of Page 2 of the Note are hereby deleted in their entirety and replaced with the following:

"The privilege is reserved of prepaying the entire (but not less than the entire) balance of principal and accrued interest thereon on any installment due date subject to giving not less than thirty (30) days prior written notice. The prepayment premium ("Prepayment Premium") due and payable in connection with such prepayment is calculated as provided on Exhibit B attached hereto and made a part hereof. Notwithstanding anything herein to the contrary, if Trustee or Beneficiary sells the Property to an independent third party (i.e., a party not affiliated with James P. Grusecki, Thomas D. Grusecki, Mary Grusecki or Northern Builders, Inc.) for fair market value, there shall be no Prepayment Premium charged by the Lender.

3. Modification of Mortgage. The terms and provisions of the Mortgage are hereby amended and modified as follows:

(a) "Six Hundred Sixty Thousand Five Hundred (\$660,500.00) Dollars" shall be deleted from the second grammatical Paragraph of Page 1 of the Mortgage and shall be replaced with "Seven Hundred Thousand and No/100 Dollars (\$700,000.00)."

(b) The maturity date of the Promissory Note as secured by this Mortgage shall be December 15, 2001.

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4. Modification of Loan Documents. The terms and provisions of each of the Loan Documents are hereby amended and modified to provide that (i) the maturity date has been extended to December 15, 2001 and (ii) the original principal amount of the Note is \$700,000.00. A duplicate original of this Second Amendment may, at Lender's sole option, be affixed to the Note.

5. Reaffirmation of Note and other Loan Documents. Borrower and Guarantors hereby acknowledge and reaffirm their respective obligations under the Note and the other Loan Documents and the indebtedness evidenced thereby, and acknowledge and agree that such indebtedness is owing to the Lender and is enforceable against the Borrower and Guarantors in accordance with the terms of the Note and the other Loan Documents as modified, amended and extended by this Second Amendment, subject to no defenses, counterclaims, deductions or set-offs whatsoever. Nothing contained in this Second Amendment, or the transactions contemplated hereby, shall be deemed or construed to be a consent to or a waiver of any breach or default in the performance by Borrower or the Guarantors of their respective obligations to Lender, whether evidenced by the Note, the other Loan Documents, or otherwise, nor shall Lender be impaired or limited in its ability to fully and completely enforce any and all the rights and remedies presently available to Lender under the Loan Documents for a breach of Borrower's and Guarantors' obligations as required by the Note or the other Loan Documents as may exist at the time of the making of this Second Amendment.

6. Reaffirmation of Representations and Warranties. Borrower and Guarantors hereby acknowledge and reaffirm that all the representations and warranties of Borrower and Guarantors as stated in the Loan Documents are true and correct as of the date hereof.

7. Leases of the Property. Borrower represents and warrants that neither Borrower nor any tenant of the Property are in default under any of the leases of the Property and no event has occurred which, with the giving of notice or passage of time, or both, could result in such a default.

8. Title Insurance. As a condition precedent to Lender's agreement to modify the Note and the other Loan Documents in accordance with the terms of this Second Amendment, Borrower shall:

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(i) cause this Second Amendment to be promptly recorded with the Recorder's Office of Cook County, Illinois and (ii) provide Lender with a date down endorsement, satisfactory to Lender, to Lender's policy of title insurance on the Property which was issued by Chicago Title Insurance Company and known as Policy No. 7090111.

9. Expenses. Borrower shall be solely responsible for any and all costs, expenses, fees, charges, taxes, of whatever kind and nature, incurred by Lender in connection with the modification of the Loan Documents provided for in this Second Amendment, including, without limitation, attorneys' fees and costs, recording fees and title insurance charges.

10. Intent of Parties. The parties expressly agree that the liens evidenced by the Loan Documents shall be in no way be deemed to have been subordinated, released, modified, terminated, or otherwise affected by this Second Amendment, it being understood by the parties hereto that the liens of said documents shall continue in full force and effect, and are to have the same validity, priority and effect that they had immediately prior to the execution of this Second Amendment and the documents and instruments executed and delivered pursuant to this Second Amendment, and shall survive and not be merged into the execution and delivery of this Second Amendment or any of the documents and instruments to be executed pursuant to this Second Amendment, without interruption; provided, however, that the respective liens shall be documented by, and all rights and privileges and obligations of the parties hereto, and the respective successors and assigns, shall be governed by the (i) Mortgage, as modified by this Second Amendment; (ii) Loan Documents, as modified by this Second Amendment; and (iii) all other documents and agreements executed in connection with the transactions described in this Second Amendment.

11. Release of Claims. Borrower acknowledges and agrees that Lender has fulfilled any and all of Lender's obligations under the Loan Documents to date. Borrower hereby releases and holds Lender harmless from and against any and all claims, actions, lawsuits, damages, costs and expenses whatsoever which Borrower may have had or currently has against Lender in connection with or related to the Loan Documents or the Loan evidenced thereby.

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12. No Third Party Beneficiaries. This Second Amendment is made and entered into for the sole protection and benefit of the Lender and Borrower, and no other person, entity or entities shall have the right of action hereon, right to claim any right or benefit from the terms contained herein, or be deemed a third party beneficiary hereunder.

13. Conflicts. The provisions of this Second Amendment shall govern and control in the event of any conflict between this Second Amendment and the provisions of any of the Loan Documents.

14. Entire Agreement. Except as expressly set forth herein, this Second Amendment and the Loan Documents constitute the entire agreement of the parties hereto with respect to the matters addressed herein, and supersede all prior or contemporaneous contracts, representations, statements and warranties, whether oral or written, with respect to such matters.

15. Successors and Assigns; Assignability. This Second Amendment shall be binding upon and inure to the benefit of the parties hereto, their respective successors, legal representatives and assigns; provided, however, that Borrower may not assign its rights under the Loan Documents or this Second Amendment.

16. Effect of Second Amendment. Except as specifically amended or modified by the terms of this Second Amendment, all terms and provisions of each of the Loan Documents shall remain in full force and effect. Lender's agreement to modify the Loan and the Loan Documents as set forth herein shall not be interpreted or construed as obligating Lender to make any future modifications to, or extensions of the Loan.

17. Governing Law. This Agreement shall be governed by and be construed in accordance with the internal laws of the State of Illinois.

18. Captions. The title of this Second Amendment and the headings of the various paragraphs of this Second Amendment have been inserted only for the purposes of convenience and are not part of this Second Amendment and should not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Second Amendment.

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19. Further Assurances. The parties hereto, and each of them, agree to execute from time to time, any and all documents reasonably requested by the others to carry out the intent of this Second Amendment.

20. Effective Date of This Second Amendment. The parties hereto acknowledge and agree that the terms and provisions of this Second Amendment shall be effective as of December 15, 1996.

21. Loan Commitment/Extension Fee. On the date hereof, Borrower shall pay to Lender a loan commitment/extension fee of Three Thousand Five Hundred and No/100 Dollars (\$3,500.00).

22. Counterparts. This Second Amendment may be executed in counterparts, each of which shall constitute an original, but all together shall constitute one and the same instrument.

23. Debt Service Requirement. Borrower covenants and agrees that the Debt Service Ratio, as hereinafter defined, shall at all times be not less than 1.20 to 1. The Debt Service Ratio shall mean Cash Flow, as hereinafter defined, divided by the annual installments of principal and interest due and payable under the Note. Cash Flow shall mean rental income plus any tenant expense reimbursements less normal non-structural operating expenses (including but not limited to utilities, real estate taxes, insurance, salary, general and administrative, advertising and promotion, maintenance and management). If at any time during the term of the loan the Debt Service Ratio falls below 1.20 to 1, Borrower shall have ninety (90) days to cure same after which time same will be a default hereunder.

24. Property Improvement Escrow. Borrower agrees to deposit with the Lender the amount of \$100,000.00 ("Escrowed Monies") from the increase in the Loan as evidenced by this Second Amendment, to be held in an account at the Lender to be used to reimburse Borrower for the cost of replacement of the roof of the Property and other improvements to the Property. The Escrowed Monies will be held in an interest bearing account at the Lender with interest accruing for the benefit of the Borrower. Upon completion of the roof replacement and other improvements to the Property aggregating not less than \$100,000.00 and presentation to Lender of proof of payment in full, said Escrowed Monies will be released to Borrower.

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25. Exculpation of Trustee. This Second Amendment is executed by American National Bank and Trust Company of Chicago, not personally, but as trustee as aforesaid, and the exercise and authority conferred upon and vested in it as such trustee. It is expressly understood and agreed by every person now or hereafter claiming any right hereunder, that nothing contained herein shall be construed as creating any liability on trustee personally to pay the Note or any interest that may accrue thereon, or any other indebtedness accruing hereunder or under any of the Loan Documents, or to perform any warranties, indemnities, undertakings, agreements or covenants either expressed or implied herein contained, all such liabilities, if any, being expressly waived.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment on the day first above written.

**TRUSTEE:**

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but as Trustee under Trust Agreement dated February 18, 1966 and known as Trust Number 23038

By: 

Name: EILEEN F. NEARY  
Title: TRUST OFFICER

**LENDER:**

LASALLE NORTHWEST NATIONAL BANK

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

By: 

Name: J. MICHAEL WHELAN  
Title: ASSISTANT SECRETARY

**BENEFICIARY:**

  
JAMES P. GRUSECKI

**GUARANTOR:**

  
JAMES P. GRUSECKI

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25. Exculpation of Trustee. This Second Amendment is executed by American National Bank and Trust Company of Chicago, not personally, but as trustee as aforesaid, and the exercise and authority conferred upon and vested in it as such trustee. It is expressly understood and agreed by every person now or hereafter claiming any right hereunder, that nothing contained herein shall be construed as creating any liability on trustee personally to pay the Note or any interest that may accrue thereon, or any other indebtedness accruing hereunder or under any of the Loan Documents, or to perform any warranties, indemnities, undertakings, agreements or covenants either expressed or implied herein contained, all such liabilities, if any, being expressly waived.

IN WITNESS WHEREOF, the parties hereto have executed this Second Amendment on the day first above written.

**TRUSTEE:**

AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but as Trustee under Trust Agreement dated February 18, 1966 and known as Trust Number 23038

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**BENEFICIARY:**

\_\_\_\_\_  
JAMES P. GRUSECKI

**LENDER:**

LASALLE NORTHWEST NATIONAL BANK

By: [Signature]  
Name: John Smulik  
Title: Sec. V.P.

**GUARANTOR:**

\_\_\_\_\_  
JAMES P. GRUSECKI

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STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, a notary public, in and for and residing in Cook County, in the State aforesaid, do hereby certify that EUGEN E. NEARY and J. MICHAEL WHELAN, the ~~Trust Officer~~ <sup>President</sup> and ASSISTANT SECRETARY ~~Secretary~~, respectively, of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, personally known to me to be the same persons whose names are subscribed in the foregoing instrument as such TRUST OFFICER ~~President~~ and ASSISTANT SECRETARY ~~Secretary~~, respectively, appeared before me this day in person and being first duly sworn by me, acknowledged that they signed and delivered the said instrument as their free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purpose therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 28 day of January, 1997.

Cynthia K. Harris  
Notary Public

My commission expires: \_\_\_\_\_



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STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, a notary public, in and for and residing in Cook County in the State aforesaid, do hereby certify that Jean Smilk, the Sr. Vice President of LASALLE NORTHWEST NATIONAL BANK, personally known to me to be the same person whose name is subscribed in the foregoing instrument as such Sr. Vice President, appeared before me this day in person and being first duly sworn by me, acknowledged that he signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act of said corporation, for the uses and purpose therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and notarial seal this 2nd day of January, 1997.

Maria Del Pilar Cousino  
Notary Public  
OFFICIAL SEAL  
MARIA DEL PILAR COUSINO  
Notary Public, State of Illinois  
My Commission Expires 8-28-97

My commission expires: 8/28/97

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## EXHIBIT A

### LEGAL DESCRIPTION

LOT 17 (EXCEPT THE SOUTH 57 FEET THEREOF) AND THE SOUTH 52 FEET OF LOT 18 IN HIGGINS ROAD COMMERCIAL SUBDIVISION UNIT NUMBER 1 BEING A SUBDIVISION IN THE WEST 1/2 OF SECTION 22, TOWNSHIP 41 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

Permanent Indor. Nos.: 08-22-102-027-0000  
08-22-102-028-0000  
08-22-102-188-0000

Property Address: 220 Bond Street  
Elk Grove Village, Illinois

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## "EXHIBIT B"

Prepayment Premium  
Present Value Yield Loss

### YIELD MAINTENANCE PROVISION

#### Prepayment

Privilege is reserved by the Maker to prepay all or any portion of the unpaid balance with accrued interest thereon to date of payment on any installment date upon giving 30 days written notice to the holder hereof of the intention to make such prepayment, if at the time of said payment:

1. The sum of the yield on a United State Treasury Security or Bond with the closest matching maturity to the maturity date of this Note plus 2.75% (The "Index Rate") is the same as or greater than the interest rate on this Note, there shall be no prepayment premium.
2. The Index Rate is less than the interest rate on this Note, there shall be a prepayment premium in the amount of the present value (using the Index Rate for purposes of discounting on a monthly basis) of the Monthly Interest Shortfall (as hereinafter defined) for the remaining term of the Loan. For purposes hereof, the phrase "Monthly Interest Shortfall" shall mean the product of (a) the sum of the Note Rate minus the Index Rate, which sum shall then be divided by 12; times (b) the outstanding principal balance of the loan on each monthly payment date for each full and partial month remaining until 12/15/01 (THE MATURITY DATE).

The above prepayment premium will be applicable to all amounts prepaid (A) on or before 6/15/01 (6 MONTHS PRIOR TO THE MATURITY DATE), including without limitation, all payments arising from the acceleration of the maturity date of this Note as a result hereunder, and (B) after 6/15/01 (6 MONTHS PRIOR TO THE MATURITY DATE), if such payments arise from the acceleration of the maturity date of this Note as a result of a default hereunder. Except as expressly set forth above, this Note may not be prepaid by Maker.

JH:kt  
PREPAY1  
02/17/93

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