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| DEPT-01 RECORDING | \$39.50 |
| LOAN ASSUMPTION AGREEMENT | |
| AND | |
| MODIFICATION OF MORTGAGE | |
| AND SECURITY AGREEMENT | |
| 140009 TRAN 7494 03/16/97 14:41:00 | |
| 48978 \$ SK # - 97 - 152705 | |
| COOK COUNTY RECORDER | |
| DEPT-10 PENALTY | \$36.00 |

THIS Loan Assumption Agreement and Modification of Mortgage and Security Agreement ("Modification") is made this 3rd day of March, 1997, effective as of March 3, 1997 ("Effective Date") between Household Bank, f.s.b. ("Lender") American National Bank not personally but as Trustee under Trust No. 1022029-01 ("Original Borrower") and 7022 Limited Partnership, an Illinois limited partnership ("Successor Borrower").

WITNESSETH:

IN CONSIDERATION of Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the undersigned Borrower and Lender hereby covenant and agree as follows:

RECITALS:

1. On or about February 22, 1993, Lender made a loan to Original Borrower, in the amount of Three Million and No/100 Dollars (\$3,000,000.00) (the "Loan").

2. To evidence the Loan, Original Borrower executed and delivered that certain Mortgage Note in the amount of \$3,000,000.00 dated February 22, 1993 in favor of Lender (the "Note"). The Loan is secured by that certain Mortgage and Security Agreement dated February 22, 1993, recorded February 26, 1993 as document No. 93150420 ("Mortgage") in Cook County, Illinois. To additionally secure repayment of the Note, Original Borrower executed a certain Assignment of Rents and Leases ("Assignment of Rents") dated February 22, 1993, which Assignment of Rents was recorded at Document No. 93150421 in Cook County, Illinois. The Deed and Assignment of Rent encumber the real estate legally described in Exhibit "A" attached hereto (the "Land"). (The Land is improved with a 217 unit apartment a building in Chicago, Illinois (together with the Land, the "Premises"). (The Note, Deed, Assignment of Rents and all other documents which evidence and secure the Loan are, collectively, the "Loan Documents").

3. Successor Borrower has entered into an arrangement with LaSalle National Bank ("LNB") by which LNB will extend a second mortgage wraparound loan to Successor Borrower in the approximate amount of \$3,720,000.00 ("LNB Financing"). The LNB Financing will be secured by: (i) a junior mortgage and assignment of rents on the Premises; (ii) a junior security interest in all personal property located in and used in connection with the operation of the Premises; and (iii) certain limited recourse guaranties of the Guarantors (defined below). (The documents given to evidence or secure the LNB Financing are, collectively, the "LNB Loan Documents").

4. Borrower has requested that Lender, (i) consent to the LNB Financing; (ii) permit Successor Borrower to assume the Loan; and (iii) modify the terms of the Loan Documents accommodate the wraparound aspects of the LNB Financing.

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5. No default or event which would constitute a default but for the passage of time or the giving of notice, or both, exists under the Note or under the obligations of Original Borrower pursuant to the Loan Documents.

6. Unless otherwise defined hereon, all capitalized terms shall bear the same meaning as ascribed to them in the Loan Documents.

NOW, THEREFORE, in consideration of the Premises and the mutual promises of the parties, the receipt and sufficiency of which are hereby acknowledged by Original Borrower, it is hereby agreed as follows:

1. The Loan Documents are hereby modified as follows:

(A) All monthly payments due under the terms of the Note shall be paid to Lender on the tenth day of each and every month; however, the Maturity Date shall remain March 1, 1998.

(B) The occurrence of an event of default under the LNB Loan Documents shall constitute an event of default under the Loan Documents.

3. Commencing on the Effective Date, Successor Borrower hereby assumes the Loans and all of Original Borrower's obligations under the Loan Documents, including, without limitation, Original Borrower's obligation to timely pay all sums due thereunder. Lender hereby consents to the assumption of the Loans and Loan Documents. Lender agrees that (i) Successor Borrower shall henceforth be substituted as Borrower under the Loan Documents, and (ii) and that Original Borrower, Town House Apartments Limited Partnership and the Additional Indemnitors shall be released from all obligations and liability under the Loan Documents, except that Additional Indemnitors shall not be released from any liability they have or might have as of the date hereof, resulting from fraud, intentional misrepresentation, or a violation of any environmental law or covenant contained in that certain Environmental and Personal Indemnity Agreement dated February 18, 1993.

4. Lender hereby consents to Successor Borrower's execution of the LNB Loan Documents and agrees that such action by Successor Borrower shall not constitute a default under the Loan Documents.

5. The modification provided for in this Agreement shall be effective only upon the following terms and conditions being complied with by Successor Borrower:

A. Successor Borrower hereby acknowledges and agrees that as of March 1, 1997, the outstanding principal amount due and owing to Lender for the account of the Loan is \$2,904,547.23.

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B. Lawrence W. Conjar, Donna K. Conjar, Matthew Conjar and MATCO Development, Inc. shall execute an Unconditional Guaranty of Payment and Performance and an Environmental and Personal Indemnity Agreement in favor of Lender both in form and substance satisfactory to Lender in its sole discretion.

C. That the Note is and always has been maintained in good standing, free from any default, and there is no uncured event of default hereunder or under the Loan Documents, as of the date hereof.

D. Payment to Lender of the remaining portion of the assumption fee due it in the amount of \$29,045.47. Lender acknowledges prior receipt of \$14,522.74 on account of the assumption fee.

E. Receipt of documentation, in form reasonably satisfactory to Lender, evidencing the existence of Successor Borrower and its general partner and their respective authority to enter into this Agreement, including, without limitation, an opinion of Borrower's counsel.

F. Receipt of a satisfactory (i) a title search and "date down" endorsement to Lender's policy of title insurance reflecting no further liens against the Premises except for the LNB Loan Documents; (ii) a UCC search and executed UCC financing statements; and (iii) an appraisal demonstrating a fair market value for the Premises of at least \$4,650,000.00.

6. To the extent any term(s) or condition(s) in the Loan Documents shall contradict or be in conflict with the amended terms of the Loans as set forth herein such terms and conditions are hereby deemed modified and amended accordingly, upon the effective date hereof to reflect the terms of the Loans as so amended herein. All terms of the Loan Documents, as amended hereby, shall be and remain in full force and effect and shall constitute the legal, valid, binding and enforceable obligations of Successor Borrower to the Lender. Upon the effective date hereof, Successor Borrower herein restates, ratifies and reaffirms each and every term and condition set forth in the Loan Documents as modified, renewed and extended hereby.

7. Contemporaneously with the execution and delivery hereof, Successor Borrower shall pay or cause to be paid all closing costs and expenses, including title insurance premiums, and shall reimburse to Lender the reasonable fees and expenses of counsel for Lender, incident to the transactions contemplated herein.

8. Successor Borrower hereby acknowledges that (i) Successor Borrower has no defense, offset or counterclaim with respect to the payment of any sum owed to Lender, or with respect to any covenant in the Loan Documents; (ii) Lender, on and as of the date hereof, has fully performed all obligations to Successor Borrower which it may have had or has on and as of the date hereof; (iii) other than as specifically set forth herein does not waive any condition or obligation in the Loan Documents.

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9. This Modification shall be governed and construed in accordance with the laws of the State of Illinois.

10. To further induce the Lender to enter into this Modification, Successor Borrower hereby acknowledges and agrees that, as of the date hereof, there exists no right of offset, defense, counterclaim or objection in favor of Successor Borrower as against the Lender with respect to the Successor Borrower's obligations to the Lender.

11. Successor Borrower shall execute and deliver to Lender, or cause to be executed and delivered to Lender from time to time, immediately upon Lender's request, all documents, including changes to any of the existing documents, required by Lender as Lender reasonably deems necessary to protect its security in any existing collateral security for the indebtedness described above.

12. Each party acknowledges that they have read this Modification, that they fully understand its terms, provisions, and consequences; and, that the entry into this Modification is voluntary, free from duress, fraud or undue influence of any kind.

13. This Modification shall be and become effective and binding pursuant to its terms after execution as of the date first above written. It is understood and agreed that said date shall be the effective date even though that date may be a date other or different than the actual date of execution.

14. Successor Borrower shall pay Lender's attorneys' fees and costs in connection with documentation of this Modification, enforcement of this Modification, any additional documentation required by Lender and any and all of the Loan Documents. Without limiting the generality of the foregoing, if the Lender employs counsel to protect, collect, lease, sell, take possession of, or liquidate any of the Premises, or to attempt to enforce or protect any rights of the Lender or obligations of Successor Borrower or any other person, firm or corporation which may be obligated to Lender by virtue of this Modification or under any of the Loan Documents then all of the attorneys' fees arising from such services, and any expenses, costs and charges relating hereto, shall constitute an additional indebtedness owing by Successor Borrower to Lender payable on demand and evidenced and secured by the Loan Documents.

15. Any one or more phrases, sentences, sections or provisions of the Loan Documents which subsequently shall be deemed, construed or interpreted by a court of competent jurisdiction to be unenforceable, invalid or contrary to law, or the inclusion of which would effect the validity or legal enforceability of the Loan Documents, shall be of no force or effect; and in such event each of the remaining provisions of the Loan Documents shall subsist and remain and be fully effective according to the terms of the Loan Documents, as though any such unenforceable, invalid or unlawful provision or provisions had never been included in the Loan Documents.

16. Neither this Modification nor any provision hereof may be amended, waived, discharged or terminated orally, unless such is deemed unenforceable, invalid or contrary to law as provided above. Rather, no provision of this Modification may be amended, waived, discharged or

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terminated except by a written instrument duly executed and acknowledged by each and every of the parties to this Modification and by no other means.

17. The terms, provisions and conditions of this Modification shall be binding upon and inure to the benefit of each respective party and their respective legal representatives, successors and assigns.

18. Each right, power, and remedy herein conferred upon any party to and under the Loan Documents is cumulative and in addition to every other right, power, or remedy, express or implied, given now or hereafter existing under the Loan Documents, at law or in equity, and each and every right, power, and remedy herein set forth or otherwise so existing may be exercised from time to time as often and in such order as may be deemed expedient by either party, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power, or remedy; and no delay or omission of either party in the exercise of any right, power, or remedy accruing hereunder or arising otherwise shall impair any such right, power, or remedy, or be construed to be a waiver of any default, or acquiescence therein.

19. The failure to insist upon strict performance of any of the terms, covenants, obligations or conditions hereof or under the Loan Documents shall not be deemed a waiver of any rights or remedies that any party may have and shall not be deemed a waiver of any subsequent breach or default in any such terms, covenants or conditions.

20. All notices which any party may be required or may desire to give in connection with this Modification shall be in writing, and shall be given in the manner required under the Loan Documents.

21. This Modification may be executed simultaneously or otherwise in one or more identical counterparts, each of which shall be deemed and construed as an original, and all of which shall be construed together to constitute one and the same document. It is specifically agreed and acknowledged by each party that in the event of an actual or alleged variation or discrepancy between two or more executed duplicate originals, the executed duplicate original in the possession of the Lender shall control.

22. Each party acknowledges that this Modification consists of multiple sections each of and understands that the characterizations of such sections are for convenience and general descriptive purposes only, are not definitive in nature, and shall not be construed to limit, enlarge or affect the scope or intent of this Modification or the meaning of any provision hereof. The parties further acknowledge each to the other that no party is relying upon any characterization or implication from any such section heading in the execution of this Modification.

23. Any and all notices, elections or demands permitted or required to be made under this Agreement shall be in writing, signed by the party giving such notice, election or demand, and shall be delivered personally, or by overnight courier delivery service or sent by registered or certified mail, postage prepaid, to the addressee set forth below, or at such other address as may

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have theretofore been designated in writing. The effective date of such notice shall be the date of delivery, or in the case of mailing on the earlier of receipt or the third (3rd) day after deposit in the mail. For purposes of this Agreement:

The address of Lender is:

Household Bank, f.s.b.
700 Wood Dale Road
Wood Dale, Illinois 60191
Attention: President

with copies to:

Household Bank, f.s.b.
2700 Sanders Road
Prospect Heights, Illinois 60070
Attention: General Counsel

The address for Original Borrower:

American National Bank and Trust Company
of Chicago as Trustee, Trust No. 10022029
c/o Walton Realty Co., Inc.
101 East Ontario, Suite 350
Chicago, Illinois 60611

The address for Successor Borrower:

P. O. Box 5133
Evanston, Illinois 60204

with copies to:

Joel Brosk, Esquire
40 Skokie Boulevard
Suite 300
Northbrook, Illinois 60062

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IN WITNESS WHEREOF, the parties hereto have executed this Modification Agreement as of the day and year first above written.

HOUSEHOLD BANK, f.s.b.

By: [Signature]
Its: SENIOR VICE PRESIDENT

AMERICAN NATIONAL BANK
not personally but as Trustee under
Trust No. 1022029-01

By: [Signature]
Its: [Signature]

7022 LIMITED PARTNERSHIP

MATCO Development Company, Inc.
an Illinois corporation
Its general partner

By: [Signature]
Its: PRESIDENT

Attest: [Signature]

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

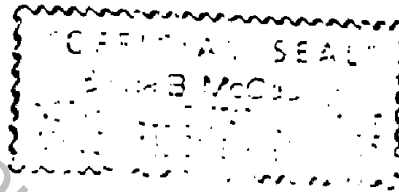
I, Sylvia B. McCauley, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Caryn Tausend, Senior Vice President of Household Bank, f.s.b., a federal savings bank (the "bank"), who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as said Senior Vice President appeared before me this day in person and acknowledged that he signed the said instrument as his 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 28th day of February, 1997.

Sylvia B. McCauley
Notary Public

My Commission Expires:

12/7/97



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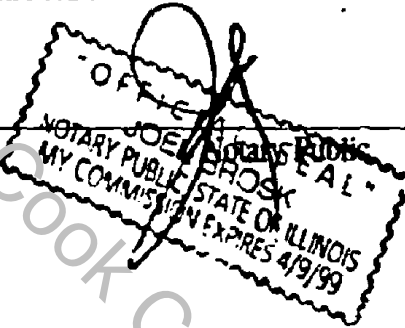
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

On Nov 3 1997, before me, Doel N. M., a notary public, personally appeared Michael C. [Vice] [President of M. K. [unclear] Corporation, a [unclear] corporation, General Partner for [unclear] [unclear] limited partnership, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.



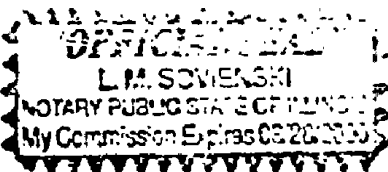
STATE OF Illinois)
) SS.
COUNTY OF COOK)

On 2/28/97, before me, _____, a notary public, personally appeared EILEEN F. NEARY of _____, American National, personally known to me or proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) are subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the persons, or the entity upon behalf of which the persons acted, executed the instrument.

WITNESS my hand and official seal.

L.M. Sowiński

Notary Public



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EXHIBIT A

LEGAL DESCRIPTION

LOTS 15 TO 19 INCLUSIVE IN BLOCK 3 IN RESUBDIVISION OF BLOCKS 10 AND 11, AND PART OF BLOCK 12, IN SOUTH SHORE DIVISION NO. 5 BEING A SUBDIVISION OF THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN,

AND

THE SOUTH HALF OF A STRIP OF LAND IN THE EAST HALF OF THE SOUTHEAST QUARTER OF SECTION 24, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, LYING BETWEEN THE SOUTH LINE OF EAST 70TH STREET AND THE NORTH LINE OF THE EAST 70TH PLACE AS SHOWN ON THE PLAT OF RESUBDIVISION RECORDED AUGUST 10, 1910, AS DOCUMENT 2608737, MORE PARTICULARLY DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON SAID SOUTH LINE OF EAST 70TH STREET 174.5 FEET WEST OF THE WEST LINE OF SOUTH SHORE DRIVE (FORMERLY KNOWN AS YATES AVENUE); RUNNING THENCE SOUTH ON A LINE PARALLEL WITH AND 174.5 FEET WEST OF THE WEST LINE OF SOUTH SHORE DRIVE (FORMERLY KNOWN AS YATES AVENUE) TO THE NORTH LINE OF EAST 70TH PLACE; THENCE WEST 30 FEET ON THE NORTH LINE OF EAST 70TH PLACE; THENCE NORTH ON A LINE PARALLEL WITH AND 204.5 FEET WEST OF THE WEST LINE OF SOUTH SHORE DRIVE (FORMERLY KNOWN AS YATES AVENUE) TO THE SOUTH LINE OF EAST 70TH STREET; THENCE EAST ALONG THE SOUTH LINE OF EAST 70TH STREET TO THE PLACE OF BEGINNING. IN COOK COUNTY, ILLINOIS.

prepared by return to (after reading)
Nancy Bromley
Murdell Leah FSB
2700 Garden Road
Prospect Heights, IL 60070

Common Address: 7022 South Shore Drive
Chicago, Illinois

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