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Cook County Recorder 45.50



This instrument prepared by
and please return to:
Jennifer L. Worstell, Esq.
100 West Monroe Street #1500
Chicago, Illinois 60603

Parcel No. 1:

COMMONLY KNOWN AS: 1701 West 19th Street, Chicago, Illinois
P.I.N.: 17-19-416-024

Parcel No. 2:

COMMONLY KNOWN AS: 1722 West 21st Street, Chicago, Illinois
P.I.N.: 17-19-420-039

LOAN MODIFICATION AGREEMENT

This instrument is a Loan Modification Agreement ("Modification") among LaSalle Bank National Association, formerly known as LaSalle National Bank, a national banking association ("Lender"), Cole Taylor Bank as Trustee ("Trustee") under Trust Agreement dated December 13, 1988 and known as its Trust No. 88110 ("Trust"), and Heriberto Palacios as beneficiary ("Beneficiary") of the Trust and as fee simple owner of the real estate commonly known as 1701 West 19th Street, Chicago, Illinois ("Parcel No. 1"). Trustee and Beneficiary are sometimes collectively referred to herein as "Borrowers".

RECITALS:

A. Beneficiary holds fee simple title to Parcel No. 1 and Trustee holds fee simple title to certain real estate commonly

known as 1722 West 21st Street, Chicago, Illinois ("Parcel No. 2"). (Parcel No. 1 and Parcel No. 2 are referred to collectively herein as the "Real Estate"). The Real Estate is legally described on Exhibit A attached hereto.

B. On April 13, 1998, Borrowers executed a Promissory Note in the amount of \$265,000 ("Note") which evidences a loan in the amount of \$265,000 ("Loan"). To secure the Note, Borrowers executed and delivered to Lender the following documents ("Security Documents"):

1. a Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC-2 Financing Statement ("Mortgage") executed by Borrowers covering the Real Estate, which Mortgage was recorded with the Recorder of Deeds on April 14, 1998 as Document No. 9829423;
2. an Environmental Indemnity Agreement executed by Beneficiary;
3. UCC-1 Financing Statements in connection with the Mortgage executed by Borrowers which were filed and recorded;
4. a Collateral Assignment of Beneficial Interest in Land Trust executed by Beneficiary and accepted by Trustee; and
5. other documents of an evidentiary and security nature.

C. Beneficiary previously owned the beneficial interest in a land trust, the trustee for which was LaSalle Bank National Association, formerly known as LaSalle National Bank, as trustee under Trust Agreement dated August 29, 1989 and known as its Trust

No. 114769, which trust held fee simple title to certain real estate commonly known as 1710 S. Paulina, Chicago, Illinois ("Parcel No. 3"), which was previously covered by the Mortgage. Beneficiary recently sold this property and repaid a portion of the Note. The outstanding balance on the Loan is presently \$200,000. Lender has received this partial payment and has agreed to release Parcel No. 3 from the lien of the Mortgage.

D. Borrowers have requested Lender to revise the monthly payment due on the Note. Lender is agreeable to this request subject to the covenants, conditions and restrictions contained herein.

NOW, THEREFORE, in consideration of good and valuable consideration, the parties agree as follows:

1. Lender hereby covenants and agrees to release its collateral interest in Parcel No. 3.

2. On August 1, 1999, Borrowers will pay to Lender a monthly payment of principal and interest in the amount of \$1,962.33, as set forth in the Note. The Note is hereby modified and amended in its entirety by the Revised Promissory Note in the amount of \$200,000.00 ("Revised Note"), a copy of which is attached hereto as Exhibit B. The Security Documents are hereby modified and amended to secure the Revised Note and all references to the Note in the Security Documents are modified and amended to refer to the Revised Note in place of the Note.

3. This Modification shall be effective upon Lender's receipt of this Modification executed by the parties hereto and the following documents and items:

(a) the Revised Note executed by Trustee and Beneficiary;

(b) a certified copy of the Letter of Direction to Trustee from Beneficiary authorizing execution of this Modification;

(c) an endorsement to Lender's current title insurance policy issued which insures the Mortgage as modified by this Modification as a first lien on the Real Estate, subject only to such exceptions as Lender shall permit, and which reflects and insures that Borrowers are the holders and owners of fee simple interest in the Real Estate; and

(d) updated certificates of insurance as required by the Mortgage.

4. This Modification shall constitute an amendment of the Note and Security Documents and wherever in said instruments or in any other instrument evidencing or securing the indebtedness evidenced by the Note or Revised Note ("Loan Documents") reference is made to the Loan Documents aforesaid, such reference shall be deemed a reference to such Loan Documents as hereby modified and amended. All other provisions of the Loan Documents remain unchanged. Nothing herein contained shall in any manner affect the lien or priority of the Security Documents, or the covenants,

conditions and agreements therein contained or contained in the Note or Revised Note.

5. In the event of conflict between any of the provisions of the Loan Documents and this instrument, the provisions of this instrument shall override and control.

6. Borrowers hereby renew, remake and affirm the representations and warranties contained in the Loan Documents.

7. Borrowers hereby agree to pay all of Lender's expenses arising out of and in connection with this Modification including, but not limited to, title insurance premiums, recording fees and attorneys' fees performed in the preparation of necessary documentation.

8. This instrument is executed by Cole Taylor Bank, as Trustee, not individually or personally, but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in them as such Trustee, and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on Trustee personally to pay any indebtedness arising or accruing under or pursuant to this instrument, or to perform any covenant, undertaking, representation or agreement, either express or implied, contained in this instrument, all such personal liability of Trustee, if any, being expressly waived by each and every person now or hereafter claiming any right under this instrument.

9. Borrowers have reviewed the areas within their business and operations which could be adversely affected by, and have

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developed or are developing a program to address on a timely basis, the "Year 2000 Problem" (that is, the risk that computer applications used by Borrowers may be unable to recognize and perform properly date-sensitive functions involving certain dates prior to and any date on or after December 31, 1999), and have made related appropriate inquiry of material suppliers and vendors. Based on such review and program, Borrowers believe that the "Year 2000 Problem" will not have a Material Adverse Effect on Borrowers. From time to time, at the request of Lender, Borrowers shall provide to Lender such updated information or documentation as is requested regarding the status of their efforts to address the "Year 2000 Problem."

IN WITNESS WHEREOF, the parties hereto have executed this Modification on July 12, 1999, 1999.

TRUSTEE:

Cole Taylor Bank, as Trustee under Trust No. 88110 dated December 13, 1989

By: [Signature]
Its VICE PRESIDENT

Attest: [Signature]
Its Sr Trust Officer

LENDER:

LaSalle Bank National Association, formerly known as LaSalle National Bank, a national banking association

By: [Signature]
Its COMMERCIAL BANKING OFFICER

BENEFICIARY:

[Signature]
Heriberto Palacios

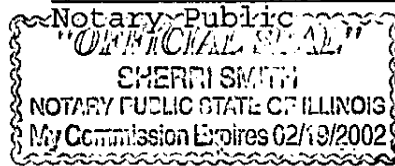
STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

Sherri K. Smith, a Notary Public in and for the State and County aforesaid, do hereby certify that WALTER E. PIEKOT, of Cole Taylor Bank, as Trustee aforesaid, 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 acknowledged that s/he signed and delivered the said instrument as her/his own free and voluntary act and as the free and voluntary act of said Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal 8-16, 1999.

Sherri K. Smith

STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)



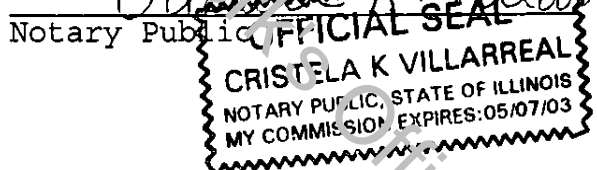
CRISTELA VILLARREAL

CRISTELA VILLARREAL, a Notary Public in and for the State and County aforesaid, do hereby certify that Sandra R. Varano, CBO President of LaSalle Bank National Association, formerly known as LaSalle National Bank, 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 acknowledged that s/he signed and delivered the said instrument as her/his own free and voluntary act and as the free and voluntary act of said Bank, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal Aug 24, 1999.

CRISTELA K VILLARREAL

STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)



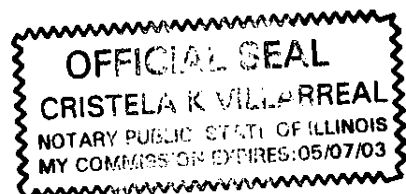
CRISTELA VILLARREAL

CRISTELA VILLARREAL, a Notary Public in and for the State and County aforesaid, do hereby certify that Heriberto Palacios, 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 acknowledged that he signed and delivered the said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal Aug 24, 1999.

CRISTELA K VILLARREAL

Notary Public



LEGAL DESCRIPTION:

Parcel No. 1:

LOT 1 IN LOMBARD'S SUBDIVISION OF BLOCK 50 IN THE SUBDIVISION OF SECTION 19, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

P.I.N.: 17-19-416-024

COMMONLY KNOWN AS: 1701 West 19th Street, Chicago, Illinois

Parcel No. 2:

LOT 91 IN LOMBARD'S SUBDIVISION OF BLOCK 50 IN SECTION 19, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN IN COOK COUNTY, ILLINOIS

P.I.N.: 17-19-420-039

COMMONLY KNOWN AS: 1722 West 21st Street, Chicago, Illinois

Property of Cook County Clerk's Office

EXHIBIT A

PROMISSORY NOTE
("Revised Note")

\$200,000.00

July 12, 1999, 1999

FOR VALUE RECEIVED the undersigned, Cole Taylor Bank as Trustee under Trust Agreement dated December 13, 1988 and known as its Trust No. 88110 and Heriberto Palacios (collectively "Borrower") jointly and severally promise to pay to the order of LaSalle Bank National Association, formerly known as LaSalle National Bank (said Bank and each successive owner and holder of this Note being hereinafter called "Holder"), the principal sum of Two Hundred Thousand (\$200,000) Dollars, or so much thereof as may from time to time be outstanding hereunder, together with interest on the balance of principal from time to time remaining unpaid, in the amounts, at the rates and on the dates hereafter set forth.

The rate of interest payable on this Note will change from time to time as hereafter provided. Monthly payments on account of this Note are to be made in such amounts as are appropriate to amortize the principal balance, adjusted, however, from time to time as the rate of interest changes. Payments on account of this Note shall be made as follows:

(a) On September 1, 1999, and on the first day of each succeeding month thereafter to and including May 1, 2003, there shall be paid \$1,551.51, which such payment shall be applied first to interest at a rate of 7.875% per annum and the remainder to principal.

(b) On May 1, 2003, May 1, 2008, May 1, 2013 and May 1, 2018 (each date shall hereafter be referred to as "Adjustment Date"), the rate of interest to be paid by Borrower to Holder shall be adjusted ("Adjusted Rate"). The Adjusted Rate shall be determined by adding 2.75 percentage points to the weekly average yield on United States Treasury securities adjusted to a constant maturity of five years in effect as of the date 45 days preceding the Adjustment Date, as published in the Federal Reserve Statistical Release (H.15, Selected Interest Rates Report), rounded to the nearest .125%. While no default exists hereunder, the Adjusted Rate shall not exceed 12.875% per annum.

(c) On June 1, 2003, June 1, 2008, June 1, 2013 and June 1, 2018 (each date shall hereafter be referred to as an "Adjusted Payment Date"), the monthly payment shall be adjusted to a payment in the appropriate amount required to amortize, by the level rate amortization method, the outstanding principal balance of the Note as of the Adjustment Date at such Adjusted Rate for a term of

months determined by deducting from 285 months the number of months elapsed from September 1, 1999 to the Adjustment Date ("Adjusted Payment"). The Adjusted Payment shall be on the Adjusted Payment Date or the Maturity Date, whichever first occurs, and on the first day of each succeeding month thereafter until the next Adjusted Payment Date or the Maturity Date, whichever first occurs, and shall be applied first to interest at the Adjusted Rate and the remainder to principal.

(d) On May 1, 2023 ("Maturity Date"), the principal balance together with all accrued interest and all other amounts due hereunder shall be paid.

In the event prior to any Adjustment Date the United States shall discontinue the publication of the Federal Reserve Statistical Release, the adjustment provided for in subparagraph (b) above shall be made based upon such index as shall be, in the reasonable judgment of Holder, comparable to the index provided for in said subparagraph (b). In the event the index selected by the Holder is not acceptable to Borrower, the interest rate previously in effect shall continue to be in effect for an additional period of two months and monthly payments shall continue in the same amount. During such period of two months Borrower and Holder shall negotiate an acceptable rate of interest and a mutually acceptable method of determining a rate of interest for future adjustments. Should the parties reach an agreement the monthly payments for the preceding two months shall be adjusted and monthly payments shall be calculated based upon such agreement. Should the parties not reach an agreement within such two months, then the principal balance, together with all accrued interest and all other amounts due hereunder, shall be due and payable, and shall be paid on the tenth day following the expiration of such two-month period.

Interest shall be calculated and paid on the basis of a year having 360 days and a month having 30 days.

The balance due on account of this Note may be prepaid, without premium or penalty, in whole or in part and all accrued interest hereon shall be payable and shall be paid on the date of prepayment.

Payment upon this Note shall be made in lawful money of the United States at such place as the Holder of this Note may from time to time in writing appoint and in the absence of such appointment, shall be made at the offices of LaSalle Bank National Association, 135 South LaSalle Street, Chicago, Illinois 60603.

Without limiting the provisions of the succeeding paragraphs, in the event any payment of interest is not paid within ten (10)

days after the date the same is due, the undersigned promises to pay a "Late Charge" of five (5%) percent of the amount so overdue to defray the expense incident to handling any such delinquent payment or payments.

This Note is executed pursuant to a Loan Modification Agreement ("Modification") executed and delivered concurrently herewith. This Modification modifies a Promissory Note ("Original Note") and is secured by an instrument entitled "Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC-2 Financing Statement" ("Mortgage") and other documents, which Mortgage was executed and delivered on April 13, 1998 and was recorded with the Cook County Recorder of Deeds on April 14, 1998 as Document No. 9829423, and other documents, all of which were executed and delivered concurrently therewith. All amounts presently outstanding on the Original Note are deemed outstanding hereunder. All amounts previously charged and paid on the Original Note are unchanged.

At the election of the Holder hereof, without notice, the principal sum remaining unpaid hereon, together with accrued interest, shall be and become at once due and payable in the case of default for five (5) days in the payment of principal or interest when due in accordance with the terms hereof or upon the occurrence of any "Event of Default" under the Mortgage.

Under the provisions of the Mortgage the unpaid balance hereunder may, at the option of the Holder, be accelerated and become due and payable forthwith upon the happening of certain events as set forth therein. The Mortgage is, by this reference, incorporated herein in its entirety and notice is given of such possibility of acceleration.

The principal hereof, including each installment of principal, shall bear interest after the occurrence of an event of default, not cured within the applicable cure period, at the annual rate (herein called the "Default Rate") determined by adding three (3%) percentage points to the interest rate then required to be paid, as above provided, on the principal balance.

Borrower waives notice of default, presentment, notice of dishonor, protest and notice of protest.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceeding, the undersigned promise to pay all costs incurred by Bank in connection therewith including, but not limited to, court costs, litigation expense and attorneys' fees.

Payments received on account of this Note shall be applied first to the payment of any amounts due pursuant to the next preceding paragraph, secondly to interest and Late Charges and the balance to principal.

Funds representing the proceeds of the indebtedness evidenced herein which are disbursed by Holder by mail, wire transfer or other delivery to Borrower, Escrowees or otherwise for the benefit of Borrower shall, for all purposes, be deemed outstanding hereunder and received by Borrower as of the date of such mailing, wire transfer or other delivery, and interest shall accrue and be payable upon such funds from and after the date of such mailing, wire transfer or other delivery until repaid to Holder, notwithstanding the fact that such funds may not at any time have been remitted by such Escrowees to the Borrower.

Borrower knowingly, voluntarily and intentionally waives irrevocably the right it may have to trial by jury with respect to any legal proceeding based hereon, or arising out of, under or in connection with this Note, Mortgage or any of the other obligations, or the collateral secured by the Security Documents, or any agreement, executed or contemplated to be executed in conjunction herewith or any course of conduct or course of dealing, in which Holder and Borrower are adverse parties. This provision is a material inducement for Holder in granting any financial accommodation to Borrower.

Borrower hereby irrevocably submits to the jurisdiction of any state or federal court sitting in Chicago, Illinois over any action or proceeding based hereon and Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such state or federal court. Borrower hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Borrower irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to such Borrower at its address as specified herein or otherwise in the records of the Holder. Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

Borrower agrees not to institute any legal action or proceeding against Holder or the directors, officers, employees, agents or property thereof, in any court other than the one hereinabove specified. Nothing in this Section shall affect the right of Holder to serve legal process in any other manner permitted by law or affect the right of Holder to bring any action or proceeding

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against Borrower or its property in the courts of any other jurisdictions.

This Note is executed by Cole Taylor Bank, not individually or personally, but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on Cole Taylor Bank personally to pay any indebtedness arising or accruing under or pursuant to this Note, or to perform any covenant, undertaking, representation or agreement, either express or implied, contained in this instrument, all such personal liability of Cole Taylor Bank, if any, being expressly waived by each and every person now or hereafter claiming any right under this Note.

Time is of the essence of this Note and each provision hereof.

TRUSTEE:

Cole Taylor Bank, as Trustee
under Trust No. 88110 dated
December 13, 1988

By: _____
Its _____

Attest: _____
Its _____

BENEFICIARY:

Heriberto Palacios

Property of Cook County Clerk's Office
COPY

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