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Prepared By:
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MARTIN & KARCAZES, LTD.
161 N. Clark - #550
Chicago, Illinois 60601



COOK COUNTY
RECORDER
EUGENE "GENE" MOORE
BRIDGEVIEW OFFICE

Mail to:
EDENS BANK
3245 W. Lake Avenue
Wilmette, Illinois 60091



MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT made as of this 4th day of December, 2002, by and between CYRUS HOMES, INC., an Illinois corporation (hereinafter called "Borrower") and EDENS BANK, an Illinois banking corporation, with an office at 3245 W. Lake Avenue, Wilmette, Illinois 60091 (hereinafter called "Lender").

WITNESSETH:

This Agreement is based upon the following recitals:

A. On January 11, 2002, for full value received, Borrower executed and delivered to Lender a Promissory Note in the principal amount of ONE MILLION FOUR HUNDRED SEVENTY THREE THOUSAND TWO HUNDRED FIFTY (\$1,473,250.00) DOLLARS (hereinafter called "Note") in accordance with a Construction Loan Agreement dated January 11, 2002, between Borrower and Lender (the "Construction Loan Agreement")

B. Borrower secured the obligations under the Note by granting to Lender a certain Mortgage (hereinafter called the "Mortgage") and an Assignment of Leases and Rents, dated January 11, 2002, covering certain improved real property at 1121 Greenwood, Wilmette, County of Cook, State of Illinois, which Mortgage and Assignment of Leases and Rents were recorded as Document Nos. 4857099 and 4859700, respectively with the Recorder of Deeds of Cook County, Illinois, covering the property described below (hereinafter called the "Mortgaged Premises"):

THE WEST 75 FEET OF THE EAST 300 FEET OF THE NORTH HALF OF BLOCK 20 IN GAGE'S ADDITION TO WILMETTE IN SECTIONS 27 AND 28, TOWNSHIP 42 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPTING FROM THE ABOVE DESCRIBED PREMISES THE SOUTH 10 FEET THEREOF TAKEN FOR AN ALLEY), IN COOK COUNTY, ILLINOIS.

X

PIN: 05-07-311-003-0000

C. Borrower and Lender have agreed to an additional advance of \$156,750.00 and to extend the maturity date of the Note to April 11, 2003.

D. The principal balance of the Note as of December 4, 2002 is \$1,440,356.35, with an additional undisbursed sum of \$32,893.65 available under the Construction Loan Agreement.

E. Borrower represents to Lender that there is no junior mortgage or other subsequent lien now outstanding against the Mortgaged Premises (except such permitted exceptions noted in the Lender's loan policy of title insurance or unless disclosed to Lender, and such subsequent lienholder has agreed to consent to this Modification Agreement and subordinate its lien to the lien of the Mortgage, as herein modified, which Consent and Subordination is attached hereto as Exhibit "A"), and that the lien of the Mortgage, as herein modified, is a valid, first and subsisting lien of said Mortgage Premises.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto do hereby mutually agree that Note, secured by the Mortgage and Assignment of Leases and Rents, is hereby modified as follows:

1. Lender shall advance an additional sum of \$156,750.00, increasing the principal balance of the Note secured by the Mortgage and Assignment of Leases and Rents to \$1,630,000.00.
2. The maturity date of the Note shall be extended from January 11, 2003 to April 11, 2003.
3. Borrower agrees to pay to Lender a Loan Fee of \$1,567.50 for the additional advance, to reimburse Lender for its attorney's fees of \$350.00 and to pay and title and recording charges in connection with the additional advance.
4. All other terms and conditions of the Note, Mortgage, Assignment of Rents and Construction Loan Agreement shall remain in full force and effect.

In consideration of the additional advance under the note and Construction Loan Agreement, secured by the Mortgage and Assignment of Leases and Rents, as hereinabove set forth, Borrower does hereby covenant and agree to pay the balance of the indebtedness evidenced by the Note secured by the Mortgage and Assignment of Leases and Rents as herein modified, and to perform the covenants contained in the aforementioned documents, and Borrower represents to Lender that there is no junior mortgage or other subsequent lien now outstanding against the Mortgaged Premises, except such permitted exceptions noted in the Lender's loan policy of title insurance or as otherwise disclosed herein, and that the lien of the Mortgage is a valid, first and subsisting lien on the Mortgaged Premises.

Nothing herein contained shall in any manner whatsoever impair the Note and other loan

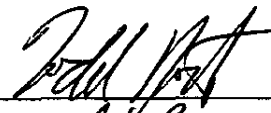
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documents as identified hereby, or the lien created thereby or any other documents executed by Borrower in connection therewith, or alter, waive, vary or affect any promise, agreement, covenant or condition recited in any of the above-mentioned documents, except as herein expressly modified, nor affect or impair any rights, powers, or remedies of Lender under any of the above-mentioned documents. Except as hereinabove otherwise provided, all terms and provisions of the Note and other instruments and documents executed in connection with the subject loans, shall remain in full force and effect and shall be binding upon the parties hereto, their successors and assigns.

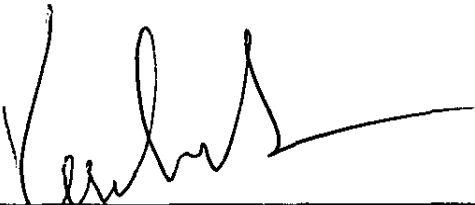
The undersigned hereby authorizes Lender to place a legend on any such instrument giving effect to the aforementioned modification or to attach this agreement or any executed counterpart thereof to said instrument as a part thereof.

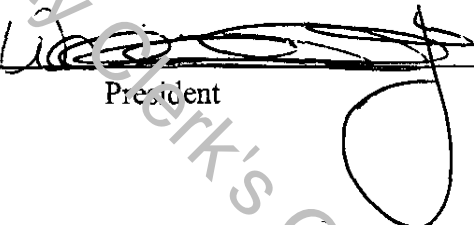
IN WITNESS WHEREOF, this instrument has been executed by the parties hereto in manner and form sufficient to bind them, as of the day and year first above written.

EDENS BANK, LENDER:

By: 
Its A.V.P.

CYRUS HOMES, INC.

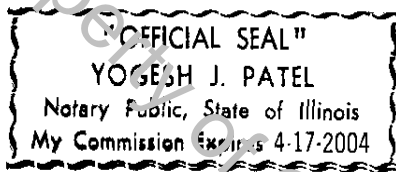
Attest: 
Secretary

By: 
President

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said County, in the State aforesaid, does hereby certify that on this day personally appeared before me, Todd Roth, personally known to me to be the same person whose name is subscribed to the foregoing instrument and personally known to me to be a Asst. Vice President, and an authorized agent, of EDENS BANK and acknowledged that he signed and delivered the said instrument as his free and voluntary act and deed, and as the free and voluntary act of said corporation for the uses and purposes set forth.

Given under my hand and notarial seal this 4th day of December, 2002.

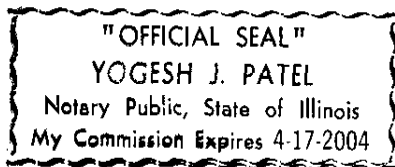


Yogesh J. Patel
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said County, in the aforesaid State, do hereby certify that Walter Kihn and Ron Fleckman, of CYRUS HOMES, INC. and known to me to be the same persons whose names are subscribed to the foregoing instrument as such _____ President and _____ Secretary respectively, appeared before me this day in person and acknowledged that they 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.

Given under my hand and notarial seal this 4th day of December, 2002.



Yogesh J. Patel
Notary Public