

THIS INSTRUMENT PREPARED BY:
Bruce A. Salk
Cohen, Salk & Huvard, P.C.
630 Dundee Road, Suite 120
Northbrook, Illinois 60062

8575/0035 16 001 Page 1 of 9
1998-12-22 10:57:19
Cook County Recorder 37.50



AND AFTER RECORDING MAIL TO:
Frank Lakofka
Oxford Bank & Trust
1100 West Lake Street
Addison, Illinois 60101



Property of Cook County Clerk's Office

MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT (hereinafter referred to as the "Modification Agreement") made as of this 1st day of December, 1998, by and among GVP NEAR NORTH L.P., an Illinois limited partnership ("GVP"), and GVP HOLDINGS II, INC., an Illinois corporation, MARVIN G. GRAHN, PETER M. GRAHN, ERICK V. GRAHN (collectively, the "Guarantors") (GVP and Guarantors are hereinafter collectively referred to as the "Obligors") and OXFORD BANK & TRUST ("Lender").

WITNESSETH:

WHEREAS, GVP has executed and delivered to Lender that certain mortgage note dated as of January 19, 1998, in the original principal sum of One Million Two Hundred Seventy-Five Thousand and 00/100 Dollars (\$1,275,000.00) (the "Note"), which Note is secured by the following documents (the following documents and any and all other instruments executed by any Obligor are hereinafter collectively referred to as the "Loan Documents"):

- (i) a mortgage and security agreement of even date therewith, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. 98069561 (the "Mortgage") on property commonly known as 639 West Melrose, Chicago, Illinois and legally described on Exhibit "A" attached hereto and made a part hereof (the "Premises");
- (ii) assignment of rents and of lessor's interest in leases dated of even date with the Note made by GVP in favor of Lender, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. 98069562;
- (iii) construction loan agreement dated of even date with the Note between GVP and Lender (the "Loan Agreement");
- (iv) guaranty dated of even date with the Note made by Guarantors in favor of Lender;
- (v) environmental indemnity agreement dated of even date with the Note made by Obligors in favor of Lender (the "Indemnity Agreement");

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- (vi) security agreement and assignment of contractual agreements affecting real estate dated of even date with the Note made by GVP in favor of Lender;
- (vii) assignment of sales contracts dated of even date with the Note made by GVP in favor of Lender (the "Assignment of Sales Contracts"); and
- (viii) UCC-1 financing statement dated of even date with the Note made by GVP in favor of Lender.

WHEREAS, Obligors are desirous of increasing the principal sum of the Note by \$178,000.00 to \$1,453,000.00, and Lender is willing to consent to such changes subject to the terms and provisions hereinafter provided.

NOW THEREFORE, in consideration of the mutual promises of the parties hereto, and upon the express conditions that the lien of the Mortgage held by Lender is a valid, first and subsisting lien on the Premises and that the execution of this Modification Agreement will not impair the lien of said Mortgage and that there is no existing second mortgage or other liens subsequent to the lien of the Mortgage held by Lender that will not be paid in full and released concurrently herewith (for breach of which conditions, or either of them, this Modification Agreement, at the sole election of Lender, shall not take effect and shall be void), **IT IS AGREED AS FOLLOWS:**

1. The parties represent and agree that the foregoing recitals are true and correct. All defined terms used herein and not otherwise defined shall have the meaning ascribed to such term as set forth in the Loan Documents.

2. As of December 1, 1998, the total outstanding principal balance of the Note is \$526,070.76. Concurrent with the execution of this Modification Agreement, GVP shall execute and deliver to Lender an amended and restated mortgage note of even date herewith in the principal amount of One Million Four Hundred Fifty-Three and 00/100 Thousand Dollars (\$1,453,000.00), with interest on the principal balance outstanding from time to time at the rate per annum of one half percent (½%) above the base rate of interest charged from time to time by Lender (the "Amended Note").

3. The Loan Agreement is hereby modified as follows:

a. The first sentence of section 3 is deleted in its entirety and replaced with the following: "Lender agrees to lend to Borrower, and Borrower agrees to borrow from Lender an amount not to exceed One Million Four Hundred Fifty-Three Thousand and 00/100 Dollars (\$1,453,000.00) at any one time for the purposes and upon the terms and subject to the conditions contained in this Agreement (the "Loan")."

b. The number "\$1,275,000.00" is deleted from section 6.1(b) and replaced with the number "\$1,453,000.00".

c. Section 14.3(i) is deleted in its entirety and replaced with the following: "\$347,000.00 for the first floor front Unit, \$262,000.00 for the second floor front Unit; \$277,000.00 for the third floor front Unit; \$361,000.00 for the fourth floor front Unit; \$329,000.00 for the first floor rear Unit; and \$419,000.00 for the second floor rear Unit and".

d. Exhibit "B" is replaced with the project budget attached hereto as Exhibit "B".

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4. The Indemnity Agreement is hereby modified by deleting the number "\$1,275,000.00" from the second line on page 1 and replacing it with the number "\$1,453,000.00".

5. The definition of "Loan" in the Assignment of Sales Contracts is hereby amended to refer to "a loan in the principal amount not to exceed One Million Four Hundred Fifty-Three Thousand and 00/100 (\$1,453,000.00) Dollars".

6. The Loan Documents are hereby amended to secure the obligations and liabilities evidenced by the Note, as hereby amended and restated by the Amended Note. All references in the Loan Documents to the "Note" shall be deemed to be a reference to the Amended Note.

7. Except for the modifications stated herein, the Amended Note, Loan Agreement and Loan Documents are not otherwise changed, modified or amended. Except as expressly provided herein, the Amended Note and other Loan Documents and each other instrument or agreement delivered by any Obligor to or for the benefit of Lender in connection with the Loan shall remain in full force and effect in accordance with their respective terms and the execution and delivery of this Modification Agreement shall not operate to waive any rights or remedies that Lender may have with respect to the Amended Note and other Loan Documents, to forgive or waive any violation, default or breach under the Amended Note or any other Loan Document, or to obligate Lender in any manner to make any further extensions of credit other than as expressly set forth herein.

8. Contemporaneously with the execution of this Modification Agreement by Lender, Obligors shall pay to Lender a nonrefundable modification fee in the amount of \$1,335.00, plus all of Lender's attorneys' fees incurred in connection with the negotiation and documentation of the agreements contained in this Modification Agreement, all recording fees and charges, title insurance charges and premiums, appraisal fees, and all other expenses, charges, costs and fees necessitated by or otherwise relating to this Modification Agreement (the "Additional Fees"). If any of the Additional Fees are not paid at the time this Modification Agreement is executed by Lender, such Additional Fees shall be paid by Obligors within five days after written demand therefor by Lender, and if not timely paid, they shall bear interest from the date so incurred until paid at an annual rate equal to the Default Rate (as defined in the Amended Note).

9. The Premises described in the Mortgage shall remain in all events subject to the lien, charge or encumbrance of the Mortgage, or conveyance of title (if any) effected thereby, and nothing herein contained, and nothing done pursuant hereto, shall affect or be construed to effect the lien, charge or encumbrance of, or warranty of title in, or conveyance effected by the Mortgage, or the priority thereof over liens, charges, encumbrances or conveyances, or, except as expressly provided herein, to release or affect the liability of any party or parties whomsoever may now or hereafter be liable under or on account of the Amended Note and/or Mortgage, nor shall anything herein contained or done in pursuance thereof affect or be construed to affect any other security or instrument, if any, held by Lender as security for or evidence of the aforesaid indebtedness.

10. This Modification Agreement shall extend to and be binding upon each of the Obligors and their heirs, legatees, personal representatives, successors and assigns, and shall inure to the benefit of lender and its successors and assigns.

11. Each Obligor hereby ratifies and confirms his or its respective obligations and liabilities under the Amended Note and other Loan Documents, as hereby amended, and the liens and security interest created thereby, and acknowledge that he or it have no defenses, claims or set-offs against the enforcement by Lender of their respective obligations and liabilities under the Amended Note and other Loan Documents, as so amended.

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12. This Modification Agreement shall, in all respects, be governed by and construed in accordance with the laws of the State of Illinois, including all matters of construction, validity and performance.

13. This Modification Agreement constitutes the entire agreement between the parties with respect to the aforesaid Modification and shall not be amended or modified in any way except by a document in writing executed by all of the parties thereto.

14. This Modification Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be one agreement.

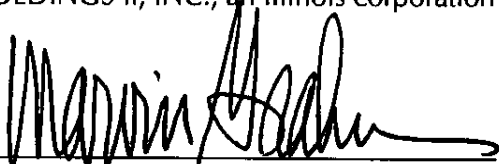
15. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS MODIFICATION AGREEMENT SHALL BE TRIED AND DETERMINED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, OR, AT THE SOLE OPTION OF LENDER IN ANY OTHER COURT IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS PARAGRAPH.

TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR AND LENDER HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS MODIFICATION AGREEMENT, OR IN ANY WAY CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE DEALINGS OF OBLIGORS AND LENDER WITH RESPECT TO THIS MODIFICATION AGREEMENT, OR THE TRANSACTION RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR AND LENDER HEREBY AGREE THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT ANY OBLIGOR OR LENDER MAY FILE A COPY OF THIS EXECUTED MODIFICATION AGREEMENT WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF EACH OBLIGOR AND LENDER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the date first above written.

GVP NEAR NORTH L.P., an Illinois limited partnership

By: GVP HOLDINGS II, INC., an Illinois corporation

By: 
Marvin G. Grahn, President

[SIGNATURES CONTINUED ON NEXT PAGE]

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GVP HOLDINGS II, INC., an Illinois corporation

By: Marvin G. Grahn
Marvin G. Grahn, President

Attest: Erick V. Grahn
Erick V. Grahn, Secretary

Marvin G. Grahn
MARVIN G. GRAHN, individually

Peter M. Grahn
PETER M. GRAHN, individually

Erick V. Grahn
ERICK V. GRAHN, individually

OXFORD BANK & TRUST

By: A. J. Lapham
Its: V.P.

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

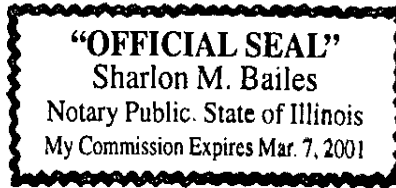
I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that MARVIN G. GRAHN, President of GVP Holdings II, an Illinois corporation, the sole general partner of GVP NEAR NORTH L.P., an Illinois limited partnership, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said limited partnership, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21st day of dec, 1998.

Sharon M Bailes
Notary Public

My Commission Expires: 3-7-2001

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)



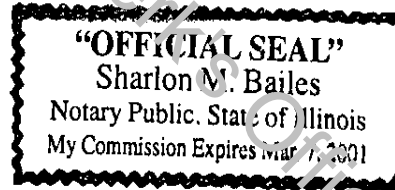
I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that MARVIN G. GRAHN, President of GVP Holdings II, an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his own free and voluntary act and as the free and voluntary act of said limited partnership, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 21 day of dec, 1998.

Sharon M Bailes
Notary Public

My Commission Expires: 3-7-2001

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

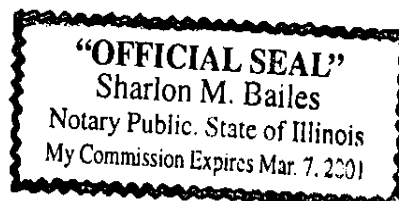


I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that MARVIN G. GRAHN personally appeared before me this day and subscribed his name to the foregoing instrument for the uses and purposes therein stated.

Given under my hand and notarial seal this 21 day of dec, 1998

Sharon M Bailes
Notary Public

My Commission Expires: 3-7-2001



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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

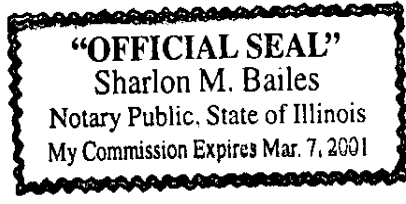
I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that PETER M. GRAHN personally appeared before me this day and subscribed his name to the foregoing instrument for the uses and purposes therein stated.

Given under my hand and notarial seal this 21 day of Dec, 1998

Sharlon M Bailes
Notary Public

My Commission Expires: 3-7-2001

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)



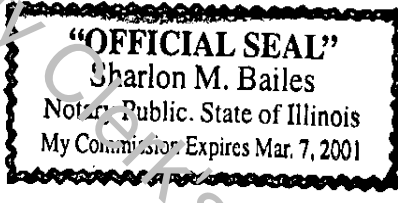
I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that ERICK V. GRAHN personally appeared before me this day and subscribed his name to the foregoing instrument for the uses and purposes therein stated.

Given under my hand and notarial seal this 21 day of Dec, 1998.

Sharlon M Bailes
Notary Public

My Commission Expires: 3-7-2001

STATE OF ILLINOIS)
) SS
COUNTY OF ~~COOK~~ ^{DUPAGE})



I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Frank H Lakofka, of OXFORD BANK & TRUST, a national banking association, and _____ of said bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice Pres. and _____, 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 banking association, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 16th day of December 1998

Lurann K. Kiesa
Notary Public



My Commission Expires: May 24, 1999

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EXHIBIT "A"

PIN: 14-21-313-026

ADDRESS: 639 West Melrose, Chicago, Illinois

THE WEST 1/2 OF LOT 8 AND THE EAST 12 1/2 FEET OF LOT 9 IN SANDERS SUBDIVISION OF THE SOUTH 3.19 CHAINS OF LOT 30 IN PINE GROVE, SAID PINE GROVE BEING A SUBDIVISION OF PART OF SECTION 21, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

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EXHIBIT B GMR

Attachment to Sworn Owner's Statement
GVP Near North LP
 639 West Meigs Street, Chicago IL
 Draw #3 - December 16, 1998

1	2	3	4	5	6	7	8
Name and Address	Kind of Work	Original Contract Price	Extra & Credits	Adjusted Total Contract Price, Extra & Credits	Previously Paid	Amount of This Payment	Balance in Become Due
GVP Near North LP	Land	180,000		180,000	180,000		0
863 W Newport, Chicago, IL 60657	Real Estate Commission	15,079		15,079	15,079		0
Marvin Grinn, Real Estate Broker							
863 W Newport, Chicago, IL 60657							
GVP Development	General Contractor - Construction	632,075	183,143	1,015,220	209,121	243,100	562,999
863 W Newport, Chicago, IL 60657	General Contractor - Construction Contingency	49,925	(18,143)	33,780			33,780
Oxford Bank & Trust	Lender Inspections	1,600		1,600	1,025.00	325	250
1100 W Lake, Addison, IL 60101							
Sullivan Goulaine Ltd.	Architect	18,000	4,733	22,733	22,732		1
350 N Franklin, Chicago, IL 60610	Structural Engineer	0	5,412	5,412	5,412		0
Charles Pease	Legal	4,352		14,252	8,678		5,574
Schwartz, Cooper, Greenberger & Krauss	Legal	2,248.05		2,248.05	2,248.05		0.00
180 N LaSalle, Chicago IL 60601							
Oxford Bank & Trust	Accounting	1,000		1,000			1,000
1100 W Lake, Addison, IL 60101	Appraisal	1,500	(200)	1,300	1,300		0
Near North Title	Title Insurance and Escrow Charges	2,000	2,638	4,638	4,638		0
222 N LaSalle, Chicago, IL 60601	Insurance	5,000	(1,754)	3,246	1,646		0
Lamb, Little	Taxes / Fees	12,700		12,700	5,064	* 1,600	4,703
5301 Keystone, Rolling Meadows, IL						* 3,433	2,200
Cook County Collector	Survey	4,000	(1,500)	2,500	300		2,200
Certified Survey Co.	Utilities	4,500		4,500	484		4,016
5740 N Elston, Chicago 60646	Overhead	4,500		4,500		1,000	3,500
GVP Near North LP	Loan Fee	6,375		6,375	6,375		0
863 W Newport, Chicago, IL 60657	Inst. Fee	59,736		59,736	12,398.84	15,606.82	31,730.29
Oxford Bank & Trust	Dev. Agent's Fee	60,510		60,510	35,298	15,129	10,083
1100 W Lake, Addison, IL 60101	Miscellaneous	0	1,671	1,671			1,671
GVP Holdings II, Inc.							
863 W Newport, Chicago, IL 60657							
GVP Development							
863 W Newport, Chicago, IL 60657							
Totals		1,275,000	178,000	1,453,000	511,798.94	280,193.82	661,007.24

* To be reimbursed to GVP Near North LP
 You are authorized to disburse the above amounts in accordance with the terms of the escrow agreement.

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