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FIRST AMENDMENT TO  
**CONSTRUCTION LOAN AGREEMENT,  
 MORTGAGE NOTE, MULTIFAMILY MORTGAGE, ASSIGNMENT  
 OF RENTS AND SECURITY AGREEMENT AND OTHER LOAN DOCUMENTS**

THIS FIRST AMENDMENT TO CONSTRUCTION LOAN AGREEMENT, MORTGAGE NOTE, MULTIFAMILY MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT AND OTHER LOAN DOCUMENTS is entered into as of the 3rd day of November, 1986 by and among CHICAGO TITLE AND TRUST COMPANY, not personally but solely as Trustee under Trust Agreement dated August 9, 1986 and known as Trust No. 1088650 (the "Trust"), SWANSON DEVELOPMENT CORPORATION, an Illinois corporation (the "Corporation"), being the sole beneficiary of the Trust (the Trust and the Corporation are hereinafter jointly referred to as the "Borrower"), JEROME PFEFFER ("Guarantor") and IRVING FEDERAL SAVINGS AND LOAN ASSOCIATION, a corporation organized under the laws of the United States of America ("Lender").

**RECITALS:**

A. Borrower, Guarantor and Lender have entered into a certain Construction Loan Agreement and Commitment dated September 22, 1986 (the "Loan Agreement"), pursuant to which, among other things, Lender agreed to loan to Borrower an amount not to exceed at any one time the sum of TWO HUNDRED TWO THOUSAND AND NO/100 DOLLARS (\$202,000.00) (the "Loan"), for the purposes, upon the terms and subject to the conditions of the Loan Agreement. The Loan Agreement provides, among other things, that the proceeds of the Loan are to be used by Borrower for purposes of (i) acquiring certain real property situated in the Village of Wheeling, Cook County, Illinois (the "Property") and legally described in Exhibit A attached hereto and made a part hereof, and (ii) paying the cost of constructing certain site improvements (collectively, the "Improvements") thereon.

B. The Loan is evidenced by a certain Mortgage Note (the "Note") dated September 22, 1986 made by each Borrower to the order of Lender, pursuant to which each Borrower, jointly and severally, agreed to pay to the order of Lender the principal sum of Two Hundred Two Thousand and No/100 Dollars (\$202,000.00) at the place and in the manner therein provided, together with interest on said principal sum at the rates set forth therein.

C. The Note is secured, among other things, by a Multifamily Mortgage, Assignment of Rents and Security Agreement (the "Mortgage") of even date therewith, recorded in the Office of the Cook County, Illinois Recorder of Deeds on 11-21-86, 1986 as Document 26556117 and covering the Property (the Mortgage and all other documents evidencing and securing the Note are hereinafter collectively referred to as the "Loan Documents").

D. Guarantor has agreed to guarantee the obligations and liabilities of Borrower under the Note, the Mortgage, the Loan Agreement and the other Loan Documents.

E. Borrower has requested that Lender issue a letter of credit (the "LC") in favor of the Village of Wheeling, Illinois (the "Village") as security for Borrower's obligations to complete certain Improvements in an amount not to exceed \$131,079. Lender has agreed to issue the LC, subject to Borrower and others agreeing to the terms and conditions contained in this First Amendment.

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NOW, THEREFORE, in order to induce Lender to issue the LC, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Guarantor and Lender hereby agree as follows. Except as expressly indicated, all capitalized terms used herein shall have the same meanings ascribed to them in the Loan Agreement.

1. The Recitals set forth above are hereby incorporated herein and made a part hereof.

2. Section 2.1 of the Loan Agreement is hereby amended by adding the following definitions thereto:

"LC: An unconditional, irrevocable letter of credit in favor of the Village, on Lender's standard form and otherwise in form and substance acceptable to Lender in an amount not to exceed One Hundred Thirty-One Thousand Seventy-Nine and No/100 Dollars (\$131,079).

Village: The Village of Wheeling, Illinois."

3. Borrower hereby confirms and certifies to Lender that each warranty and representation contained in Article 3 of the Loan Agreement is true, complete and correct in all respects, except that the words "and this First Amendment" are hereby added after the word "Agreement" in line one of subsection (b) of Section 3.1 of the Loan Agreement.

4. The following paragraphs are hereby added after the word "commitment" in Section 4.1 of the Loan Agreement:

"Provided that no default or any event with which the giving of notice or the passage of time, or both, would constitute a default then exists under this Agreement, the Mortgage Note or the mortgage securing the Mortgage Note, upon written request from Borrower, Lender agrees, subject to the following additional conditions, to issue the LC in favor of the Village on Lender's standard form and otherwise in form and substance acceptable to Lender; provided, however, that prior to and as a condition to Lender being obligated to issue the LC, Borrower shall pay to Lender an issuance fee equal to one percent (1%) of the amount of the LC. Such issuance fee shall be deemed to be fully earned upon the payment thereof. Any amounts disbursed by Lender to the Village under the LC at any time and from time to time shall be due and payable by Borrower to Lender ten (10) days after written demand from Lender.

Borrower acknowledges and agrees that Borrower shall cause the Village to release and cancel in full the LC on the earlier to occur of (1) the Completion Date, or (2) the date on which Lender reasonably determines that 75% of the value of the security for the loan is less than the sum of the outstanding amounts due to Lender under the Mortgage Note, this Agreement, the mortgage securing the Mortgage Note and the other documents described in Section 4.2 of this Agreement and the then outstanding amount of the LC. In the event Borrower fails to cause the Village to release and cancel in full the LC on the earlier to occur of the aforesaid dates, Borrower shall pay to Lender, within ten (10) days after written demand from Lender, the then outstanding amount of the LC. Lender shall hold such amount paid to it by Borrower, without interest, as security for any draws made by the Village under the LC and shall have the absolute right to use such amount to pay any such draws. So long as the LC is outstanding, Lender shall not

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be required to issue a full release of any of the documents described in Section 4.2 of this Agreement."

5. Section 18.1 of the Loan Agreement is hereby amended by adding the following subsections thereto:

"(k) the failure by Borrower to pay within ten (10) days after written demand from Lender any amount disbursed by Lender to the Village under the LC, together with all accrued interest thereon at the Mortgage Interest Rate then in effect; and

(l) Failure by Borrower to pay to Lender the outstanding amount of the LC on the earlier to occur of (i) the Completion Date, or (ii) the date on which based upon Lender's reasonable determination, 75% of the value of the security for the Mortgage Note is less than the sum of all outstanding obligations due to Lender under the Mortgage Note, this Agreement, the mortgage securing the Mortgage Note and the other documents described in Section 4.2 of this Agreement and the then outstanding amount of the LC."

6. The Schedule attached to the Loan Agreement is hereby amended by adding the following thereto:

"26. Issuance Fee: Borrower shall pay a fee for the issuance of the LC in the amount of \$1,311."

7. The principal amount of the Note is hereby increased to Three Hundred Thirty-Three Thousand Seventy-Nine and No/100 Dollars (\$333,079.00).

8. The words and number "Two Hundred Two Thousand and 00/100 Dollars (\$202,000.00)" appearing in lines ten, eleven and twelve in the first paragraph on page 1 of the Note are hereby deleted and the words and number "Three Hundred Thirty-Three Thousand Seventy-Nine and 00/100 Dollars (\$333,079.00)" are hereby substituted in lieu thereof.

9. The following paragraph is hereby added immediately above the last paragraph on page 1 of the Note:

"Maker acknowledges that, at the request of Maker, Lender has agreed to issue a letter of credit (the "LC") for the benefit of the Village of Wheeling, Illinois (the "Village"), in an aggregate amount not to exceed One Hundred Thirty-One Thousand Seventy-Nine and No/100 Dollars (\$131,079.00) at any one time outstanding. Maker further acknowledges and agrees that in the event Lender disburses to the Village all of any portion of the funds evidenced by the LC, the funds so disbursed at any time and from time to time shall be deemed to constitute a disbursement by Lender to Maker under this Note as of the day any said disbursement is made to the Village and shall constitute principal indebtedness evidenced by this Note, and notwithstanding anything contained herein to the contrary, such funds, together with interest thereon at the Loan Rate then in effect, shall be due and payable from Maker to Lender ten (10) days after written demand from Lender. In the event that on the Maturity Date, the LC is outstanding and has not been released and cancelled in full by the Village, the outstanding amount of the LC shall be deemed to have been disbursed by Lender to Maker under this Note on the Maturity Date and shall constitute principal indebtedness evidenced by this Note, and notwithstanding anything contained herein to the contrary, said outstanding amount, shall be due and

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payable from Maker to Lender within ten (10) days after written demand from Lender."

10. The words ",except as expressly provided to the contrary in (f) and (g) below" are hereby added immediately after the word "hereof" in subparagraph (a) on the top of page 3 of the Note.

11. The word "or" is hereby added immediately after the word "Trust" in subparagraph (e) on the top of page 3 of the Note.

12. The following subparagraphs (f) and (g) are added immediately after subparagraph (e) on the top of page 3 of the Note:

"(f) the failure by Maker to make payment to Lender of any amount disbursed by Lender to the Village under the LC, together with accrued interest thereon at the Loan Rate then in effect, within ten (10) days after written demand from Lender; or

(g) the failure by Maker to make payment to Lender of the outstanding amount of the LC on the earlier to occur of (i) the Maturity Date, or (ii) the date on which based upon Lender's reasonable determination, 75% of the value of the security for this Note is less than the sum of all outstanding obligations due to Lender under this Note, the Mortgage and the other Loan Documents and the then outstanding amount of the LC."

13. The words and number "Two Hundred Two Thousand and No/100 Dollars (\$202,000.00)" appearing in lines one and two of the second paragraph appearing on page 1 of the Mortgage are hereby deleted and the words and number "Three Hundred Thirty-Three Thousand Seventy-Nine and 00/100 Dollars (\$334,079.00)" are hereby substituted in lieu thereof.

14. The following sentence is added after the word "Instrument" in paragraph 1 on page 3 of the Mortgage:

"Notwithstanding anything contained herein to the contrary, any amounts disbursed by Lender on behalf of Borrower to the Village of Wheeling, Illinois under the LC (as defined in the Note), together with interest thereon at the applicable Loan Rate (as defined in the Note) then in effect under the Note, shall be due and payable ten (10) days after written demand from Lender."

15. The number "\$199,600.00" appearing in Paragraph 30 on page 7 of the Mortgage is hereby deleted and the number "\$333,079.00" is hereby substituted in lieu thereof.

16. The obligation of Lender to agree to the issuance of the LC shall be subject to Borrower having delivered or causing to be delivered to Lender the following, all of which shall be in form and substance acceptable to Lender:

(a) This First Amendment;

(b) An endorsement to the title policy required pursuant to Paragraph 6.1(b) of the Loan Agreement issued by the Title Insurance Company (as defined in the Loan Agreement) describing the insured Mortgage thereunder as including this First Amendment, extending the effective date of such title policy to the date of the recording of this First Amendment and increasing the amount of the pending disbursement endorsement thereof by the sum of \$131,079; and



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(c) Payment to Lender of a fee for the issuance of the LC in the amount of \$1,311.

17. Upon the satisfaction of the requirements set forth in Paragraph 16 above, Lender shall issue the LC.

18. In addition to the Loan Expenses described in Article 5 of the Loan Agreement, Borrower hereby agrees to pay all expenses, charges, costs and fees relating to issuance of the LC, including Lender's attorneys' fees in connection with the negotiation and documentation of the agreements contained in this First Amendment, all recording fees and charges, title insurance charges and premiums, and all other expenses, charges, costs and fees referred to in or necessitated by the terms of this First Amendment (collectively, the "Additional Loan Expenses"). The Additional Loan Expenses shall bear interest from the date so incurred until paid at an annual rate equal to five percent (5%) plus the Loan Rate (as defined in the Note) then in effect under the Note.

19. Each Borrower has full power and authority to execute and deliver this First Amendment and to perform their respective obligations hereunder. Upon the execution and delivery thereof, this First Amendment will be valid, binding and enforceable upon each Borrower and Guarantor, as the case may be, in accordance with its terms. Execution and delivery of this First Amendment does not and will not contravene, conflict with, violate or constitute a default under (i) the articles of incorporation and by-laws governing the Corporation, or (ii) any applicable law, rule, regulation, judgment, decree or order or any agreement, indenture or instrument to which either Borrower or Guarantor is a party or is bound, or which is binding upon or applicable to the Project, or any portion thereof.

20. All references to the "Loan Agreement" contained in the Note, the Mortgage and the other Loan Documents shall be deemed to refer to the Loan Agreement, as amended by this First Amendment.

21. All references to the "Note" contained in the Loan Agreement, the Mortgage and the other Loan Documents shall be deemed to refer to the Note, as amended by this First Amendment.

22. All references to the "Mortgage" contained in the Loan Agreement, the Note and the other Loan Documents shall be deemed to refer to the Mortgage, as amended by this First Amendment.

23. All references to the other "Loan Documents" contained in the Loan Agreement, the Note and the Mortgage shall be deemed to refer to the Loan Documents, as amended by this First Amendment.

24. The Mortgage secures the Note, as amended by this First Amendment.

25. Each Borrower and Guarantor hereby ratifies and confirms its respective liabilities and obligations, the Loan Agreement, the Note, the Mortgage and the other Loan Documents, as amended by this First Amendment, and the liens and security interests created thereby, and acknowledges that he or it has no defenses, claims or set-offs to the enforcement by Lender of the obligations and liabilities of Borrower or Guarantor, as the case may be, under the Loan Agreement, the Note, the Mortgage and the other Loan Documents, as amended by this First Amendment.

26. This First Amendment shall be binding on the Trust, the Corporation, Guarantor and their respective heirs, legatees,

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legal representatives, successors and permitted assigns, and shall inure to the benefit of Lender, its successors and assigns.

27. Except as expressly provided herein, the Loan Agreement, the Note, the Mortgage and the other Loan Documents shall remain in full force and effect in accordance with their respective terms.

28. This First Amendment is executed by Chicago Title and Trust Company, not personally, but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in said Trustee, and it is expressly understood and agreed that nothing in this First Amendment shall be construed as creating any personal liability on said Trustee.

IN WITNESS WHEREOF, this First Amendment has been entered into as of the date first above written.

CHICAGO TITLE AND TRUST COMPANY,  
not personally, but solely as  
Trustee as aforesaid

By: Susan Becker  
Title: ASST. VICE PRESIDENT

Attest: Debra Smith  
Title: ASST. SECRETARY

SWANSON DEVELOPMENT CORPORATION,  
an Illinois corporation

By: Jerome Pfeffer  
Title: Pres

Attest: \_\_\_\_\_  
Title: \_\_\_\_\_

Jerome Pfeffer  
JEROME PFEFFER

IRVING FEDERAL SAVINGS AND LOAN  
ASSOCIATION, a corporation  
organized under the laws of the  
United States of America

By: Frank Schuch  
Title: Ex. Vice Pres.

Attest: Constantine...  
Title: Assistant Secretary

COOK COUNTY, ILLINOIS  
FILED FOR RECORD

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✓ This instrument prepared by:  
Jerrold M. Peven, Esq.  
Greenberger, Krauss & Jacobs,  
Chartered  
180 North LaSalle Street  
Suite 2700  
Chicago, Illinois 60601

Permanent Real Estate  
Tax Index Nos.

03-10-401-022

Street Address:  
Vacant Land  
Wheeling, Illinois

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STATE OF ILLINOIS )

8 5 5 5 6 1 1 3

COUNTY OF COOK )

SS.

I, MARIA L. CONTRERAS, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT SUSAN BECKER and OLINTHA SMITH personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such ASST. VICE PRESIDENT and ASST. SECRETARY, respectively of Chicago Title and Trust Company (the "Company"), appeared before me this day in person and severally acknowledged that they signed and delivered the said instrument pursuant to authority given by the Board of Directors of said Company, as Trustee as their free and voluntary act and deed, and as the free and voluntary act and deed of said Company, as Trustee for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 10<sup>th</sup> day of November, 1986.

Maria L. Contreras  
Notary Public

(SEAL)

My Commission expires:

9/21/87

STATE OF ILLINOIS )

COUNTY OF COOK )

SS.

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT \_\_\_\_\_ and \_\_\_\_\_ personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such \_\_\_\_\_ and \_\_\_\_\_, respectively, of Swanson Development Corporation, an Illinois Corporation (the "Corporation"), appeared before me this day in person and severally acknowledged that they signed and delivered the said instrument pursuant to authority given by the Board of Directors of said Corporation, as their own free and voluntary act and deed, and as the free and voluntary act and deed of said Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this \_\_\_\_\_ day of \_\_\_\_\_, 1986.

Notary Public

(SEAL)

My Commission expires:

\_\_\_\_\_

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STATE OF ILLINOIS )  
                          ) SS.  
COUNTY OF COOK    )

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT Jerome Pfeffer 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 severally acknowledged that he signed and delivered the said instrument as his free and voluntary act and deed, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this \_\_\_\_\_ day of \_\_\_\_\_, 1986.

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission expires:

\_\_\_\_\_

STATE OF ILLINOIS )  
                          ) SS.  
COUNTY OF COOK    )

I, \_\_\_\_\_, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT \_\_\_\_\_ and \_\_\_\_\_ personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such and \_\_\_\_\_, respectively, of Irving Federal Savings and Loan Association (the "Association") appeared before me this day in person and severally acknowledged that they signed and delivered the said instrument pursuant to authority given by the Board of Directors of said Association as their free and voluntary act and deed, and as the free and voluntary act and deed of said Association, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this \_\_\_\_\_ day of \_\_\_\_\_, 1986.

\_\_\_\_\_  
Notary Public

(SEAL)

My Commission expires:

\_\_\_\_\_

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## EXHIBIT A

LOTS 1 THROUGH 13 INCLUSIVE IN SWANSON'S SUBDIVISION OF THE NORTH 1/4 OF THE WEST 1/2 OF THE SOUTH WEST 1/4 OF THE SOUTH EAST 1/4 (EXCEPT THE NORTH 164.06 FEET OF THE WEST 271.0 FEET AND EXCEPT THE SOUTH 100.0 FEET OF THE WEST 250.00 FEET THEREOF) IN SECTION 10, TOWNSHIP 42 NORTH, RANGE 11 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

657 ELMHURST RD

Property of Cook County Clerk's Office

Mail to:  
Spring Federal Savings & Loan Assoc.  
770 W. Dundee  
Arlington Hts., IL 60004  
attn: Charmaine S. Murray

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BOX 531-EN

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