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LOAN MODIFICATION AGREEMENT 17 F * - 90 - 135013
COOK COUNTY RECORDER
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This Loan Modification Agreement is made and entered at Roselle, Illinois, as of March ____, 1990, by and among Burkart & Oehlerking, Inc., an Illinois corporation, (the "Corporation"); Harris Bank Roselle, not personally, but solely as Trustee (the "Trustee") under Trust Agreement dated January 24, 1989 and known as Trust No. 12900 (the "Trust"); Richard J. Burkart, personally and individually; Bruce E. Oehlerking, personally and individually and Harris Bank Roselle, an Illinois banking corporation (the "Lender").

RECITALS

A. The Lender loaned to the Corporation and the Trustee the sum of Four Million One Hundred Seventy-Five Thousand Dollars (\$4,175,000.00) (the "Loan") to acquire certain real estate located North of Irving Park Road and East of East Avenue in the Village of Streamwood, Cook County, Illinois, legally described on Exhibit A (the "Land") and for the construction of certain public improvements and residential improvements on the Land (the "Project"), as well as a Letter of Credit to guarantee completion of the public improvements.

B. The Corporation is the Beneficiary of the Trust and the general contractor constructing the Project. Bruce E. Oehlerking is the President of the Corporation and Richard J. Burkart is the Secretary of the Corporation.

C. To induce the Lender to make the Loan to the Trustee and the Corporation, collectively, the "Borrower", Richard J. Burkart, individually, and Bruce E. Oehlerking, individually, have executed a joint and several personal Guaranty dated

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April 26, 1989 to guarantee the repayment of the Loan and the performance of the Borrower's other obligations under the Loan Documents (hereinafter defined). In addition, to induce Lender to make the loan, Richard J. Burkart, individually, and Bruce E. Oehlerking, individually, and the Corporation each have executed the Environmental Indemnity Agreement dated April 26, 1989.

D. On or about April 26, 1989, the parties executed the following documents to evidence the Loan to define the obligations, duties and representations of the parties and to further secure the repayment of the Loan and performance by the Borrower of all its duties and obligations:

(1) The promissory Note ("LOC Note") dated April 26, 1989, in the principal amount of Seven Hundred Forty Thousand Dollars (\$740,000.00) (the "LOC Indebtedness") under which the Borrower promises to pay to the Lender said principal amount or so much thereof as shall have been disbursed by the Lender from time to time with interest accruing on the balance of principal remaining from time to time outstanding under the LOC Note, during each calendar month at an annual rate of 2 percentage points in excess of the reference rate of interest, which is the interest rate announced by the Harris Trust and Saving Bank, Chicago, Illinois, from time to time as its prime rate, and maturing and being due and payable in full on January 27, 1990 (the "LOC Note Maturity Date").

(2) A Promissory Note (the "Term Note") dated April 26, 1989, in the principal amount of Seven Hundred Thirty-Five Thousand Dollars (\$735,000.00) (the "Term Indebtedness") under which the Borrower promises to pay to the Lender the said principal amount with interest accruing on the balance of the

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principal remaining from time to time outstanding during each calendar month at an annual interest rate equal to 2 percentage points in excess of the reference rate of interest, which is the interest rate announced by Harris Trust and Saving Bank, Chicago, Illinois, from time to time as its prime rate and maturing and being due and payable in full on January 27, 1990 (the "Term Note Maturity Date").

(3) A Promissory Note (the "Construction Note") dated April 26, 1989, in the principal amount of Two Million Seven Hundred Thousand Dollars (\$2,700,000.00) evidencing a revolving construction loan up to that amount (the "Construction Loan Indebtedness") under which the Borrower promises to pay the Lender said principal amount or so much as shall have been disbursed by the Lender from time to time, with interest accruing on the balance of principal remaining from time to time outstanding during each calendar month at an annual interest rate equal to 2 percentage points in excess of the reference rate of interest, which is the rate of interest announced by Harris Trust and Savings Bank, Chicago, Illinois, from time to time as its prime rate and maturing and being due and payable in full on January 27, 1990 ("the Construction Note Maturity Date").

(4) The LOC Note, the Term Note and the Construction Note are together referred to as the "Notes" and the LOC Note Maturity Date, the Term Note Maturity Date and the Construction Note Maturity Date are together referred to as the "Maturity Date". The LOC Indebtedness, the Term Indebtedness and the Construction Indebtedness are together sometimes referred to herein and as the "Indebtedness".

(5) The Notes are the Notes referred to in that certain Construction Loan Agreement, also dated April 26, 1989, by and among the Trustee, the

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Corporation and the Lender which Agreement more fully defines the obligations of the Borrower, including its nonmonetary obligations and set forth the conditions precedent to Lender's obligation to fully disburse the Loan and/or to release its security for the Loan including the condition that the Project be completed in accordance with the Plans and Specifications as therein defined on or before January 24, 1990 (the "Completion Date").

(6) The payment of the Notes and the performance by the Corporation of its other obligations and duties under the Construction Loan Agreement and the Environmental Indemnity Agreement are secured by (a) the personal guaranty of Richard J. Burkoff and Bruce E. Oehlerking, (b) a Mortgage and Security Agreement creating a first lien upon the Land, (c) an Assignment of Rents of all Leases and Rents of the Project, (d) a Combined Security Agreement and Collateral Assignment of Beneficial Interest in the Land Trust, (e) a Chattel Mortgage Security Agreement, (f) a UCC-1 Financing Statement and UCC-2 Financing Statement, and (g) an Assignment of Plans, Specifications, Contracts and Permits, all of which are of even date having been executed and delivered to the Lender on April 26, 1989, and are hereinafter collectively referred to as the Security Agreements.

E. The Notes, the Construction Loan Agreement and the Environmental Indemnity Agreement as well as the Security Agreements are hereinafter collectively referred to as the "Loan Documents" and each of the Loan Documents is expressly incorporated herein by this reference.

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F. "Liabilities" means all of the obligations of the Corporation, the Trustee, Richard J. Burkart, Bruce E. Oehlerking, or any of them, to the Lender under any of the Loan Documents.

G. Some or all of the Loan Documents provide that the Loan may be extended by the Lender or otherwise modified by the Lender.

H. The Project has not been completed by the Completion Date nor has the Indebtedness been paid in full by the Maturity Date, but the Borrower and the Lender have determined that it is in their mutual best interest that the Notes be extended and that the Borrower be given more time to complete the Project.

NOW, THEREFORE, in consideration in the matters set forth in the Recitals, the mutual promises hereinafter set forth, and for other good and valuable considerations, the receipt and sufficiency of which is expressly and irrevocably acknowledged, the parties agree as follows:

1. The matters set forth in the Recitals are expressly made a part of this Loan Modification Agreement.
2. The Maturity Date on the LOC Note shall be extended from January 27, 1990 to July 31, 1990.
3. The Maturity Date set forth on the Term Note shall be extended from January 27, 1990 to July 31, 1990.
4. The Maturity Date set forth on the Construction Note shall be extended from January 27, 1990 to July 31, 1990.
5. The Completion Date for the Project as set forth in the Construction Loan Agreement shall be extended from January 24, 1990 to July 31, 1990.

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6. The Notes, each of which is captioned "Mortgage Note", shall each be modified to be called simply "Business Note" and each such Note shall have appended to it an allonge reflecting that the amended Maturity Date for each shall be July 31, 1990.

7. The Construction Loan Agreement shall also have an allonge appended to it reflecting an amended Completion Date for the Project shall be July 31, 1990.

8. It is mutually understood and agreed by each of the parties hereto that all of the other terms and conditions of the Loan Documents, except for the extension of the Maturity Date and the Completion Date, shall remain in full force and effect and nothing contained herein shall in any way modify the Liabilities, or in any way release any of the parties hereto or any of the parties under any of the Loan Documents from any liability to perform each and every duty and obligation it or he may have under any or all of the Loan Documents, and specifically each of the guarantors by executing this agreement does hereby consent to the extension of the Maturity Date of each Note and also the Completion Date of the Project and each is hereby estopped from raising as a defense in any cause of action to enforce the Guaranty that the extension in any way released the guarantors, or either of them, individually, jointly, severally or collectively, and that each has examined the status of the payment of the Loan, the progress of the Project, the financial condition of the Corporation and all other matters material and relevant to the Project and the Loan, and has determined to his satisfaction that this position as a guarantor has not changed and that his personal Guaranty shall remain in full force and effect, and each Guarantor does hereby consent to the granting of the extension of the Maturity Date and the Completion Date to July 31, 1990.

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9. Conditions Precedent

a. The extension shall not become effective unless this Agreement is executed by the Lender.

b. The Corporation shall deliver to Lender corporate resolutions in a form approved by the Lender's counsel authorizing the modification of the Loan and authorizing the president and secretary of the Corporation to execute and attest respectively this Agreement.

c. Such further documents and assurances as Chicago Title Insurance Company may require to insure the Mortgage and Security Agreement as the first lien upon the premises.

d. Such further documents and the assurances as the Lender, or its counsel may require.

10. In the event there is any conflict among the terms and provisions of the Loan Documents or any of them and this Agreement, Lender shall have the right to elect whichever terms in each one or more of the Loan Documents and this Agreement as the Lender determines to be the most favorable to the Lender without waiving any of the rights and remedies available to the Lender under any one or more of the Loan Documents.

11. The terms and conditions of the Loan Documents are the final written expression of the parties except for the extension of the Maturity Date and the extension of the Completion Date set forth hereinabove and all prior discussions, negotiations and agreements have been merged in the Loan Documents and/or herein, which can only be modified in writing duly executed by all of the parties.

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12. Should any provision of this Agreement be adjudged to be unenforceable, this Agreement shall, at the Lender's election, be deemed to automatically reformed to the extent possible to render it enforceable and, in any event, the invalidity or unenforceability of one provision of this Agreement shall not affect or impair the validity and enforceability of any of the remaining provisions of this Agreement or the validity or enforceability of the Loan Documents.

13. The singular number shall include the plural, the plural the singular and the use of any gender shall be applicable to all gender and the description of the party is used in each documents shall apply to that same party for all of the Loan Documents and this Agreement.

14. Time is of the essence of this Agreement. All times herein specified are in each case firm and shall not be extended without Lender's approval. The Borrower shall not be entitled to any extension by reason of delays caused by acts of God or public authority or for any reason whether or not beyond the control of any of the parties hereto, without Lender's approval.

IN WITNESS WHEREOF the Lender and the Borrower have caused this Loan Modification Agreement to be executed on this _____ day of March, 1990.

Burkart and Oehlerking, Inc.

By: Bruce E. Oehlerking
President

Attest:

[Signature]
Secretary

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Harris Bank Roselle, not personally or individually, but solely as Trustee under Trust Agreement dated January 24, 1989 and known as Trust No. 12900

By: _____
Title: _____

Attest:

Title: _____

Richard J. Burkart
Richard J. Burkart, individually

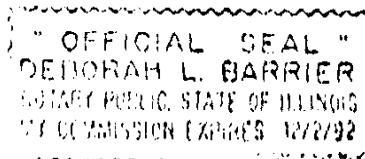
Bruce E. Oehlerking
Bruce E. Oehlerking, individually

STATE OF ILLINOIS)
) SS:
COUNTY OF DU PAGE)

I, the undersigned, a Notary Public in and for said county, in the State aforesaid, DO HEREBY CERTIFY that Bruce E. Oehlerking, President of Burkart and Oehlerking, Inc., an Illinois corporation, duly authorized business in the State of Illinois, and Richard J. Burkart, personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this date in person and severally acknowledged that they signed and delivered the said instrument as President and Secretary of said corporation, pursuant to authority given by the Board of Directors of said corporation, as their own free and voluntary act, 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 13th day of March, 1990.

Deborah L. Barrier
Notary Public



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STATE OF ILLINOIS)
) SS:
COUNTY OF DU PAGE)

I, the undersigned, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that the above named Vice-President -- Trust Officer of Harris Bank Roselle and the above named Assistant Secretary of said Bank, personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice-President -- Trust Officer and Assistant Secretary, respectively, appeared before me this day in person, and acknowledged that they signed and delivered the aid instrument as their own free and voluntary act, and as the free and voluntary act of said Association, for the uses and purposes therein set forth; and the said Assistant Secretary did also then and there acknowledge that he, as custodian of the corporate seal of said Bank did affix the said corporate seal of said Bank to said instrument as his own 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 this _____ day of _____, 1989.

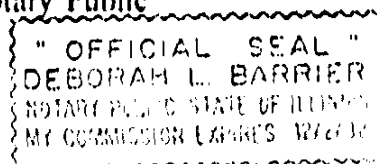
Notary Public

STATE OF ILLINOIS)
) SS:
COUNTY OF DU PAGE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Richard J. Burkart, 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, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 13th day of March, 1990.

Deborah L. Barrier
Notary Public



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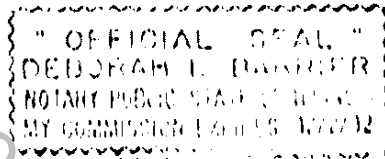
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STATE OF ILLINOIS)
) SS:
COUNTY OF DU PAGE)

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Bruce E. Oehlerking, 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, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 13th day of March, 1990.

Deborah L. Dunbar
Notary Public



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