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MODIFICATION AND EXTENSION AGREEMENT

THIS MODIFICATION AND EXTENSION AGREEMENT made as of this 20th day of April, 1995, by and between **FIRST MIDWEST TRUST COMPANY, NATIONAL ASSOCIATION**, not personally, but as trustee under Trust Agreement dated April 1, 1993, and known as Trust No. 5783 ("Trust" or "Trustee"), **OAK FOREST CLUB LIMITED PARTNERSHIP**, an Illinois limited partnership ("Partnership") (the Trustee and the Partnership being hereinafter referred to as "Borrower"), **RICHARD T. GAMMONLEY and RALPH E. HAVEY**, ("Guarantors"), and **FIRST MIDWEST BANK/ILLINOIS, N.A.**, a national banking association ("Lender").

Property of Cook County Clerk's Office

DEPT-01 RECORDING $41.00
T#0012 TRAN 4249 05/22/95 14:22:00
#4015 # JM *-95-333788
COOK COUNTY RECORDER
DEPT-10 PENALTY $28.00

WITNESSETH

WHEREAS, on or about April 20, 1993, the Lender made a loan to the Borrower in an amount not exceeding ONE MILLION EIGHT HUNDRED FIFTY SIX THOUSAND THREE HUNDRED TWENTY SIX AND NO/100 DOLLARS ($1,856,326.00) for the construction and development of 48 townhomes on a 6.5 acre parcel in Oak Forest, Illinois, legally described in EXHIBIT A attached hereto ("Loan"); and

WHEREAS, the Loan is evidenced and secured by the following instruments ("Loan Instruments"):

1. Construction Loan Agreement dated April 20, 1993 between Borrower and Lender ("Loan Agreement");

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DEPT-01 RECORDING ~~$41.00~~
T#0012 TRAN 4239 05/22/95 11:26:00
#3659 # JM *-~~95-323788~~
COOK COUNTY RECORDER
DEPT-10 PENALTY $38.00

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2. Construction Mortgage Note dated April 20, 1993 made by Trustee payable to Lender in the principal amount of ONE MILLION EIGHT HUNDRED FIFTY SIX THOUSAND THREE HUNDRED TWENTY SIX AND NO/100 DOLLARS ($1,856,326.00);

3. Construction Mortgage from Trustee to Lender, dated April 20, 1993 and recorded in the Office of the Recorder of Deeds of Cook County, Illinois on April 29, 1993 as Document No. 93319997;

4. Assignments of Rent and Leases from Trustee to Lender, dated April 20, 1993 and recorded April 29, 1993 as Document No. 93319998;

5. Security Agreement (Assignment of Beneficial Interest) from Partnership to Lender; and

6. Guaranty by the Guarantors.

WHEREAS, the Loan matured on April 20, 1995, and Lender and Borrower have agreed to extend the term of the Loan to April 20, 1996, and to modify the terms of the Loan Instruments, as herein provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. **Extension Fee; Letter of Credit Fee.** Borrower shall pay to Lender a non-refundable Extension Fee in the amount of FIVE THOUSAND SIX HUNDRED SEVENTY EIGHT and 4/100 DOLLARS ($5,678.04), and a non-refundable Letter of Credit fee in the amount of FIVE HUNDRED AND NO/100 DOLLARS ($500.00).

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2. **Extension of Term of Loan**. The term of the Loan shall be extended to April 20, 1996, subject to the payment of the Extension Fee as provided in Section 1 hereof, and subject to the modification of the terms of the Loan Instruments, as hereinafter provided in Section 3. hereof.

3. **Modification of Loan Instruments**. The terms and provisions of the Loan Agreement, and the corresponding provisions of the other Loan Instruments, are hereby modified and amended, effective as of the date hereof, as follows:

1.1 **Definitions**. The following definitions contained in the Loan Agreement are hereby amended as follows:

"**Letter of Credit**. The Irrevocable Letter of Credit issued by Lender in favor of the City of Oak Forest, Illinois, in an amount not greater than FIFTY THOUSAND AND NO/100 DOLLARS ($50,000.00)."

"**Loan Fee**. A non-refundable extension fee in the amount of FIVE THOUSAND SIX HUNDRED SEVENTY-EIGHT AND 04/100 DOLLARS ($5,678.04), and a non-refundable Letter of Credit Fee in the amount of FIVE HUNDRED AND NO/100 DOLLARS ($500.00)."

"**Loan Amount**. ONE MILLION ONE HUNDRED EIGHTY FIVE THOUSAND SIX HUNDRED EIGHT AND NO/100 DOLLARS ($1,185,608.00)."

"**Maturity Date**. April 20, 1996."

"**Interest Rate**. One (1%) percent plus the Prime Rate per annum."

3.1 **Agreement to Borrow and Lend**. Section 3.1 of the Loan Agreement is hereby amended so as to provide as follows:

"3.1 **Agreement to Borrow and Lend**. Subject to the terms and provisions, and relying upon the representations and warranties herein contained, and provided that no default has occurred hereunder (whether or not notice of such default has been given to Borrower and whether or not any lapse or cure period has expired with respect thereto), Lender agrees to lend and Borrower agrees to borrow an amount not to exceed the aggregate sum of ONE MILLION ONE HUNDRED EIGHT FIVE THOUSAND SIX HUNDRED EIGHT AND NO/100 DOLLARS ($1,185,608.00) which shall be disbursed as follows:

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(i) **Interest Reserve**. Lender shall disburse an amount not to exceed ONE HUNDRED THOUSAND AND NO/100 DOLLARS ($100,000.00) to fund an interest reserve to pay accrued interest on the Loan.

(ii) **Model Disbursements**. Lender shall disburse an amount not to exceed THREE HUNDRED EIGHTY-EIGHT THOUSAND ONE HUNDRED SIXTY-EIGHT AND NO/100 DOLLARS ($388,168.00) in the aggregated, the proceeds of which shall be used to construct and furnish model homes in the Project; provided, however, that the total construction cost of the Models shall not exceed 75% of the total appraised value of the Models ("Model Loan").

(iii) **Revolving Line-of-Credit**. An amount net to exceed SIX HUNDRED FORTY-SEVEN THOUSAND FOUR HUNDRED FORTY AND NO/100 ($647,440.00) at any time outstanding shall be disbursed by Lender in periodic installments pursuant to a "revolving credit" arrangement, as defined in 205 ILCS 5/5d, for the actual cost of construction of the Project.

(iv) **Letter of Credit**. Lender shall issue an Irrevocable Letter of Credit in favor of the City of Oak Forest, Illinois ("City") in an amount not to exceed FIFTY THOUSAND AND NO/100 DOLLARS ($50,000.00) in order to guaranty completion of site improvements in the Project. The letter of credit shall be in form and content acceptable to Lender, and shall expire not later than the Maturity Date. The obligations arising from draws paid by Lender pursuant to the letter of credit shall be evidenced and secured by the Loan Documents.

4. **Borrower's Attorney's Opinion**. Borrower shall furnish to Lender an opinion of Borrower's counsel acceptable to Lender, stating that this Second Modification and Extension Agreement has been duly executed and delivered by the Borrower and each Guarantor, and that the Loan Instruments, as modified and amended hereby, are legal, valid and binding obligations of the respective parties thereto, enforceable in accordance with the respective terms and provisions thereof.

5. **Reaffirmation of Loan Instruments**. Except as expressly herein provided, Borrower and Lender hereby reaffirm and incorporate herein by reference each and every term, provision, representation and warranty contained in the Loan Instruments, and Borrower agrees that said terms, provisions, representations and warranties shall remain in full force and effect.

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6. **Attorneys' Fees and Costs**. Borrower shall pay any and all attorneys' fees and costs incurred by Lender in connection with the preparation, negotiation and perfection of this Modification and Extension Agreement, including recording and title charges.

7. **Trustee Exculpation**. This Instrument is executed by **FIRST MIDWEST TRUST COMPANY, NATIONAL ASSOCIATION**, not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and vested in it as such Trustee (and said **FIRST MIDWEST TRUST COMPANY, NATIONAL ASSOCIATION**, hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said **FIRST MIDWEST TRUST COMPANY, NATIONAL ASSOCIATION** personally to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed and acknowledged as of the day and year first above written.

FIRST MIDWEST TRUST COMPANY, NATIONAL ASSOCIATION, not personally but as Trustee aforesaid

ATTEST:

By: Rebecca Shree
Trust Officer

By: Joseph M Demirski
Trust Officer/Vice President

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OAK FOREST CLUB LIMITED PARTNERSHIP, an Illinois limited partnership

By: RICHARD T. GAMMONLEY ENTERPRISES, INC., General Partner

By: Richard T. Gammonley Exec
Authorized Partner

Richard T. Gammonley
RICHARD T. GAMMONLEY

Ralph E. Havey
RALPH E. HAVEY

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IN WITNESS WHEREOF, FIRST MIDWEST BANK/ILLINOIS, N.A., a national banking association, has caused this instrument to be executed as of the day and year first above written.

FIRST MIDWEST BANK/ILLINOIS, N.A., a national banking association

By: [signature]
Name: WILLIAM M. MARQUARDSEN
Title: VICE PRESIDENT

Instrument Prepared By and Mail To:

Richard C. Jones, Jr.
MALK & JONES
212 East Ohio Street
Suite 400
Chicago, Illinois 60611
(312) 649-0200

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STATE OF ILLINOIS)
)SS.
COUNTY OF GRUNDY)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that Josephine M. Denison, ~~Vice President~~ (Trust Officer) and Rebecca J. Bell, Trust Officer of FIRST MIDWEST TRUST COMPANY, NATIONAL ASSOCIATION, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Vice President (Trust Officer), and Trust Officer, 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 Trustee as aforesaid, for the uses and purposes therein set forth; and the said Vice President (Trust Officer), as custodian of the corporate seal of said Trustee, did affix the seal of said Trustee to said instrument as said Vice President (Trust Officer's) own free and voluntary act an as the free and voluntary act of said Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 19 day of May, 1995.

"OFFICIAL SEAL"
Linda S. Dooley
Notary Public, State of Illinois
My Commission Expires 12/6/95

Linda S. Dooley
NOTARY PUBLIC

My Commission Expires:

12/6/95

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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 RICHARD T. GAMMONLEY who is personally known to me to be the President of RICHARD T. GAMMONLEY ENTERPRISES, INC., the general partner in the OAK FOREST CLUB LIMITED PARTNERSHIP, an Illinois limited partnership, and the same persons whose names are subscribed to the foregoing instrument, 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 Partnership for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 17th day of May, 1995

Wendy A. Shore
NOTARY PUBLIC

My Commission Expires:

"OFFICIAL SEAL"
Wendy A. Shore
Notary Public, State of Illinois
My Commission Expires 6/27/96

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"OFFICIAL SEAL"
Wendy A. Shore
Notary Public, State of Illinois
My Commission Expires 6/27/96

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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 RICHARD T. GAMMONLEY and RALPH E. HAVEY, who are personally known to me to be the same persons whose names are subscribed to the foregoing appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act for the uses and purposes therein set forth.

Wendy A. Shore
NOTARY PUBLIC

My Commission Expires:

"OFFICIAL SEAL"
Wendy A. Shore
Notary Public, State of Illinois
My Commission Expires 6/27/96

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"OFFICIAL SEAL"
Wendy A. Shore
Notary Public, State of Illinois
My Commission Expires 6/27/96

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
)SS.
COUNTY OF GRUNDY)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that ~~PETER L. BRUMMEL~~ WILLIAM M. MARQUARDSEN, personally known to me to be the Vice President of FIRST MIDWEST BANK/ILLINOIS, N.A., an Illinois banking association personally appeared before me this day in person and acknowledged that he signed and delivered the said instrument as their own free and voluntary act of said Bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 18th day of May, 1995.

"OFFICIAL SEAL"
Linda S. Dooley
Notary Public, State of Illinois
My Commission Expires 12/6/95

Linda S. Dooley
NOTARY PUBLIC

My Commission Expires:

12/6/95

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EXHIBIT A

THE LAND

THE WEST 300 FEET OF THE EAST 660 FEET OF THE SOUTH 900 FEET OF THE WEST 1/2 OF THE NORTH EAST 1/4 OF SECTION 7, TOWNSHIP 36 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 6660 West 147th Street
Oak Forest, Illinois

Permanent Index No. 28-07-200-013

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