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Ind. Mtg Corpn
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MODIFICATION OF LOAN DOCUMENTS

THIS MODIFICATION OF LOAN DOCUMENTS, made and entered into as of this 1st day of June, 1985, by and between HIGHLAND ASSOCIATES LIMITED PARTNERSHIP, an Indiana limited partnership, having its principal office located in New York, New York ("Mortgagor") and THE INDIANA NATIONAL BANK, a national banking association, having its princial banking office located at One Indiana Square, Indianapolis, Indiana ("Mortgagee"):

WITNESSETH:

WHEREAS, as of September 10, 1984, Mortgagor and Mortgagee entered into a certain Construction Loan Agreement ("Loan Agreement"), pursuant to which Mortgagee agreed to make credit available to Mortgagor in the amount of One Million Four Hundred Thousand Dollars (\$1,400,000) (the "Loan") to finance the construction of a 28,700 square foot addition to an existing retail shopping facility (the "Improvements") upon certain real estate located in Lake County, Indiana (the "Land"); and

WHEREAS, the Loan is evidenced by the Mortgage Note in the original face amount of One Million Four Hundred Thousand Dollars (\$1,400,000), dated September 10, 1984 (the "Note") and is secured by the lien of a certain Real Estate Mortgage and Security Agreement, dated September 10, 1984 and recorded in the Office of the Recorder of Lake County, Indiana, as Instrument No. 771703 (the "Mortgage"), and the lien of a certain Assignment of Rents and Leases, dated September 10, 1984 and

CHICAGO TITLE INSURANCE COMPANY
INDIANA DIVISION

RECORDED
JUL 22 10 00 AM '85
STATE OF INDIANA
LAKE COUNTY
OFFICE OF THE RECORDER

Handwritten signature and date
1985

recorded in the Office of the Recorder of Lake County, Indiana, as Instrument No. 771704 (the "Assignment"), the lien of a certain Assignment dated September 10, 1984 in favor of Mortgagee (the "Plans Assignment") (the Loan Agreement, the Mortgage, the Assignment, the Plans Assignment and all other documents executed in connection with the Loan Agreement, being sometimes hereinafter collectively referred to as the "Loan Documents"); and

WHEREAS, Mortgagor and Mortgagee mutually desire to modify the Loan Documents to provide for an increase in the amount of the Loan, all upon and subject to the terms, conditions and provisions contained herein.

NOW, THEREFORE, in consideration of the premises and mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, Mortgagor and Mortgagee hereby agree as follows:

1. The Loan. The outstanding principal balance of the Loan as of the date hereof is One Million One Hundred Twenty Thousand Four Hundred Ninety-Six and 99/100 Dollars (\$1,120,496.99), plus accrued but unpaid interest from May 10, 1985. In addition, Two Hundred Seventy-Nine Thousand Five Hundred Three and 01/100 Dollars (\$279,503.01) of the Loan are available to be drawn by Mortgagee. Subject to the terms, provisions and conditions herein set forth, Mortgagee shall make additional credit available to Mortgagor in the maximum principal amount of Twenty-Five Thousand Dollars (\$25,000),

such that the maximum principal amount of the Loan outstanding and evidenced by the Note shall be One Million Four Hundred Twenty-Five Thousand Dollars (\$1,425,000) and the principal face amount of the total debt secured by the Loan Documents is One Million Four Hundred Twenty-Five Thousand Dollars (\$1,425,000).

2. Use of Proceeds. The additional loan proceeds made available by Mortgagee to Mortgagor under this Modification shall be used exclusively to defray those costs set forth on the additional cost breakdown attached hereto as Exhibit A to this Modification Agreement.

3. Conditions Precedent. The following conditions precedent shall have occurred or be performed concurrently with the advance of the additional loan proceeds provided herein.

a. Mortgagor and the guarantors shall have caused this Modification to have been executed and delivered to Mortgagee and shall have taken, or caused to be taken, all necessary action required to be taken or performed on its or their part prior to such execution and delivery;

b. Mortgagor shall have provided to Mortgagee satisfactory evidence authorizing the additional borrowing hereunder, the execution and delivery of this Modification by the signers hereof and the performance of its terms;

c. Mortgagee shall have received satisfactory evidence as to the status of title to the Land securing the Loan, as herein increased, and that the title insurance

policy with respect to the Land has been amended and increased, if necessary, to cover the obligations evidenced by this Modification; and

d. Mortgagor shall have delivered to Mortgagee the opinion of its counsel to the effect that the execution and delivery of this Modification by Mortgagor has been duly authorized by Mortgagor, and upon execution constitutes the valid and binding obligation of Mortgagor, fully enforceable in accordance with the terms hereof and does not violate or contravene any existing indenture or agreement of Mortgagor.

4. Representations and Warranties. Mortgagor hereby represents and warrants to Mortgagee that there does not presently exist any default under the Loan Documents or the Note, or any event which with notice, or the lapse of time, or both, would constitute a default under the Loan Documents, or the Note and that each of the representations and warranties set forth in the Loan Documents remain true and correct as of the date hereof, except to the extent they specifically apply to an earlier date and are hereby incorporated herein and modified as necessary to apply to and cover the undertakings of the Mortgagor evidenced by this Modification.

5. Continuing Effect. Except as modified herein, all other terms, provisions and conditions of the Loan Documents and the Note shall remain in full force and effect. To the maximum extent practical, the terms, provisions and conditions

of this Modification shall be read and interpreted consistently with the Loan Documents and the Note. Nevertheless, in the event of any irreconcilable inconsistency between the terms, provisions and conditions of this Modification and the terms, provisions and conditions of the Loan Documents, the terms, provisions and conditions of this Modification shall control.

6. Waiver. No provision hereof or advance hereunder shall constitute a waiver of any of the terms or conditions of the Loan Documents. Mortgagor hereby represents, warrants, covenants and agrees that there exists no offsets, counter-claims or defenses to payment or performance of the obligations of the Mortgagor set forth in the Loan Documents and, in consideration hereof, waives any and all such offsets, counter-claims and defenses arising out of any alleged acts, transactions or omissions on the part of Mortgagee prior to the date hereof.

7. Definitions. All proper nouns used and not specifically herein defined shall have and assume the meaning set forth in the Loan Documents.

IN WITNESS WHEREOF, Mortgagor and Mortgagee have caused this Modification to be executed by their duly authorized officers as of the date and year first above written.

"MORTGAGOR"

HIGHLAND ASSOCIATES LIMITED
PARTNERSHIP

By: 

Mark H. Sayers, General Partner

"MORTGAGEE"

THE INDIANA NATIONAL BANK

By: B. Lynn Johnson
Asst. Vice President

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared Mark H. Sayers, known to me to be the General Partner of Highland Associates Limited Partnership, and having been first duly sworn, acknowledged the execution of the foregoing Modification for and on behalf of said Partnership.

Witness my hand and Notarial Seal this 7 day of June, 1985.

Phyllis E. Wagner
Notary Public-Signature

PHYLLIS E. WAGNER
Notary Public-Printed Name

My Commission Expires:

NOVEMBER 5, 1987

My County of Residence is

JOHNSON

STATE OF INDIANA)
) SS:
COUNTY OF MARION)

Before me, a Notary Public in and for said County and State, personally appeared B. LYNN JOHNSON, known to me to be the Asst. Vice President of The Indiana National Bank, and having been first duly sworn, acknowledged the execution of the foregoing Modification for and on behalf of said Bank.

Witness my hand and Notarial Seal this 7 day of June, 1985.

Phyllis E. Wagner
Notary Public-Signature

PHYLLIS E. WAGNER
Notary Public-Printed Name

My Commission Expires:

NOVEMBER 5, 1987

My County of Residence Is:

JOHNSON

REAFFIRMATION OF GUARANTY

The undersigned, being all of the guarantors of the above referenced loan, hereby consent to the execution and performance of the foregoing Modification of Loan Documents, and agrees that neither the execution nor the performance of the foregoing Modification shall in any way affect, impair, discharge, relieve or release the obligations of the undersigned to Mortgagee in respect to the undersigned's contract of guaranty, which contract of guaranty is hereby ratified, confirmed and reaffirmed in all respects and extended to cover all obligations of Mortgagor to Mortgagee incurred under this Modification and shall continue in full force and effect until all obligations of Mortgagor to Mortgagee under the Loan Documents, as modified, are fully paid.

EXECUTED, as of this 10th day of June, 1985.

Mark H. Sayers
Mark H. Sayers

Theodore R. Sayers
Theodore R. Sayers

Herbert Saywitz
Herbert Saywitz

STATE OF New York)
COUNTY OF New York) SS:

Before me, a Notary Public in and for said County and State, personally appeared Mark H. Sayers, and having been first duly sworn, acknowledged the execution of the foregoing Reaffirmation of Guaranty as of his own voluntary act and deed.

Witness my hand and Notarial Seal this 10th day of June, 1985.

Morrissa Plesser
Notary Public-Signature

MORRISA PLESSER
Notary Public-Printed Name

My Commission Expires:

MORRISA PLESSER
Notary Public, State of New York
No. 30-4795649

Qualified in Nassau County
Commission Expires March 30, 1987

My County of Residence Is:

NASSAU

STATE OF New York)
COUNTY OF New York) SS:

Before me, a Notary Public in and for said County and State, personally appeared Theodore R. Sayers, and having been first duly sworn, acknowledged the execution of the foregoing Reaffirmation of Guaranty as of his own voluntary act and deed.

Witness my hand and Notarial Seal this 10th day of June, 1985.

Morrissa Plesser
Notary Public-Signature

MORRISA PLESSER
Notary Public-Printed Name

My Commission Expires:

MORRISA PLESSER
Notary Public, State of New York
No. 30-4795649

Qualified in Nassau County
Commission Expires March 30, 1987

My County of Residence Is:

NASSAU

STATE OF ILLINOIS)
) SS:
COUNTY OF COOK)

Before me, a Notary Public in and for said County and State, personally appeared Herbert Saywitz, and having been first duly sworn, acknowledged the execution of the foregoing Reaffirmation of Guaranty as of his own voluntary act and deed.

Witness my hand and Notarial Seal this 12th day of June, 1985.


Paul S. Dean
Notary Public-Signature

CAROL S DEAN
Notary Public-Printed Name

My Commission Expires:
My Commission Expires July 16, 1986.

My County of Residence Is:
COOK

This instrument prepared by Blair R. Vandivier, attorney-at-law, JOHNSON, GROSS, DENSBORN & WRIGHT, 1000 Market Square Center, 151 N. Delaware Street, Indianapolis, Indiana 46204.

The affiant,

being first duly sworn, on oath deposes

and says that he is (1)

contract with (2) HIGHLAND ASSOCIATES LIMITED PARTNERSHIP, AN INDIANA LIMITED PARTNERSHIP, owner, for
 (3) GENERAL CONSTRUCTION WORK FOR HIGHLAND PLAZA SHOPPING CENTER ADDITION
 on the following described premises in said County, to-wit: CROSS SECTION OF INDIANAPOLIS BLVD., AND WICKER
AVENUE IN HIGHLAND, INDIANA 46322

That, for the purpose of said contract, the following persons have been contracted with, and have furnished, or are furnishing and preparing materials for, and have done or are doing labor on said improvement. That there is due and to become due them, respectively, the amounts set opposite their names for materials or labor as stated. That this statement is made to said owner, for the purpose of procuring from said owner, (4) Partial-Final Payment on said contract, and is a full, true and complete statement of all such persons, and of the amounts paid, due and to become due them.

(1) A member of the firm or officer of the corporation of, naming same. If a subcontractor so state and name the contractor. (2) Name of the owner or owners. (3) What the contract or subcontract is for. (4) Partial or Final Payment.

NAME AND ADDRESS	CONTRACT FOR	AMOUNT OF CONTRACT	TOTAL PREVIOUS	AMOUNT OF	BALANCE
TOWN OF HIGHLAND	BUILDING PERMIT	5,000.00			
HENRY E. EGGERS CO., INC.	EXCAVATING, DREDGING, WATER DAMS, ETC.	96,000.00			
HETTLER CONSTRUCTION COMPANY	CONCRETE	107,133.00			
COLVIN MASONRY	MASONRY	81,450.00			
TRUMP IRONWORKS, INC.	STEEL & DECK	74,000.00			
KREM PLUMBING COMPANY	PLUMBING & SEWER	103,836.00			
FIELDHOUSE, INC.	HEATING/VENTING & AIR CONDITIONING	98,818.00			
AUSTGEN'S ELECTRIC, INC.	ELECTRIC	111,921.00			
BARTON GLASS & PAINTING CO.	ALUMINIUM & GLASS	37,995.00			
KALUF LAMINATED DRYWALL CO.	DRYWALL	21,000.00			
EMIL PERROTTA CO., INC.	ACOUSTICS	22,755.00			
EMIL PERROTTA CO., INC.	DRYVIT SYSTEM	26,995.00			
STANDARD EQUIPMENT & SUPPLY CO.	HOLLOW METAL	5,686.00			
STANDARD EQUIPMENT & SUPPLY CO.	FINISH HARDWARE	5,250.00			
CONSUMERS ROOFING COMPANY	ROOF/SHEET METAL	61,700.00			
CONSUMERS ROOFING COMPANY	DAMP-PROOFING	1,554.00			
WISNER DECORATING COMPANY	PAINTING	14,200.00			
ALLOWANCE:	SIGN WORK	10,000.00			
MILLEN LANDSCAPE CONSTRUCTION	LANDSCAPING	13,108.00			
DAVID E. McDANIEL CO., INC.	FIRE PROTECTION	50,910.00			
RUETH DEVELOPMENT COMPANY	CARPENTRY/LUMBER/ MILLWORK	35,929.00			
LEARYS FLOORCOVERINGS INC.	FLOORING	23,000.00			
ATLAS BLACKTOP CO., INC.	PAVING	78,450.00			
RUETH DEVELOPMENT COMPANY	GENERAL CONDITIONS AND INSURANCE:	10,000.00			
RUETH DEVELOPMENT COMPANY	PERFORMANCE BOND	10,840.00			
RUETH DEVELOPMENT COMPANY	DEWATERING	10,000.00			
RUETH DEVELOPMENT COMPANY	OVERHEAD, PROFIT & SUPERVISION	70,000.00			
		1,187,530.00			
CHANGE ORDER:					
#1 - FASHION BUG		+ 25,000.00			
		1,212,530.00			

AMOUNT OF ORIGINAL CONTRACT	\$1,187,530.00
EXTRAS TO CONTRACT	\$ 25,000.00
TOTAL CONTRACT AND EXTRAS	\$1,212,530.00
CREDITS TO CONTRACT	\$ ---
NET AMOUNT OF CONTRACT	\$1,212,530.00

EXHIBIT A