

9

97087171

STATE OF INDIANA
LAKE COUNTY
FILED FOR RECORD

97 DEC 18 AM 11:06

MORRIS W. CARTER
RECORDER

SIXTH MODIFICATION OF LOAN DOCUMENTS

This Sixth Modification of Loan Documents (hereinafter referred to as the "Sixth Modification") is made and entered into as of the 30th day of April, 1997 by and between Dyer Auto Auction, Inc., an Indiana corporation (hereinafter referred to as "Auto Auction") and Walter J. Cotton, III, an individual (hereinafter referred to as "Cotton"; Auto Auction and Cotton are herein collectively referred to as "Borrowers"), and First Bank National Association (hereinafter referred to as "Lender").

RECITALS:

A. Borrowers and Lender entered into that certain Loan Agreement (hereinafter referred to as the "Loan Agreement") dated as of December 1, 1990 whereby Lender agreed to make various loans to Borrowers in the aggregate principal amount of ONE MILLION TWO HUNDRED SEVENTY-NINE THOUSAND TWO HUNDRED SEVENTY-TWO AND NO/100 (\$1,279,272.00) DOLLARS evidenced by (i) a Revolving Credit Note in the amount of EIGHT HUNDRED THOUSAND AND NO/100 (\$800,000.00) DOLLARS dated December 1, 1990 made by Auto Auction and payable to Lender (hereinafter referred to as the "Revolving Credit Note"), (ii) a Principal Note in the amount of ONE HUNDRED FIFTY THOUSAND AND NO/100 (\$150,000.00) DOLLARS dated December 1, 1990 made by Auto Auction and payable to Lender (hereinafter referred to as the "Principal Note"), and (iii) a Term Note in the amount of THREE HUNDRED TWENTY-NINE THOUSAND TWO HUNDRED SEVENTY-TWO AND NO/100 (\$329,272.00) DOLLARS dated November 1, 1990 made by Cotton and payable to Lender (hereinafter referred to as the "Term Note"; the Revolving Credit Note, the Principal Note and the Term Note are hereinafter collectively referred to as the "Notes").

**THIS DOCUMENT PREPARED BY AND AFTER
RECORDING SHOULD BE RETURNED TO:**

Michael Weininger
Katz Randall & Weinberg
333 West Wacker Drive
Suite 1800
Chicago, Illinois 60606
(312) 807-3800
KRW File No. 02441.25600

Handwritten:
13954

B. The Notes are secured by, among other instruments (i) a Junior Mortgage and Security Agreement dated December 1, 1990 made by Cotton and Candace Cotton in favor of Lender and recorded on March 7, 1991 in the Office of the Lake County, Indiana Recorder of Deeds as Document No. 91010727 (hereinafter referred to as the "Junior Mortgage") which encumbers the real property and improvements including approximately twenty-three (23) acres (less three thousand five hundred ninety-eight (3,598) square feet of land taken for road widening of Route 30) of land and buildings known as the Dyer Auto Auction in Dyer, Indiana and legally described in Exhibit "A" attached hereto and by this reference incorporated herein (hereinafter referred to as the "Property"), (ii) a Junior Assignment of Rents and Lessor's Interest in Leases dated December 1, 1990 made by Cotton and Candace Cotton in favor of Lender and recorded on March 7, 1991 in the Office of the Lake County, Indiana Recorder of Deeds as Document No. 91010728 (hereinafter referred to as the "Junior Assignment of Leases"), (iii) a Collateral Assignment of Accounts Receivable dated December 1, 1990 made by Auto Auction and Cotton in favor of Lender (hereinafter referred to as the "Assignment of Receivables"), (iv) UCC-1 Financing Statements executed by Auto Auction and Cotton and Candace Cotton filed with the Indiana Secretary of State on March 11, 1991 as Document Numbers 1703636 and 1703637 (hereinafter referred to as the "UCC-1 Financing Statements"), (v) UCC-2 Financing Statements executed by Auto Auction and Cotton and Candace Cotton and recorded with the Recorder of Deeds of Lake County, Indiana on March 12, 1991 as Document Numbers 91000823 and 91000824 (hereinafter referred to as the "UCC-2 Financing Statements"), (vi) Unlimited Guaranty executed by Cotton dated December 1, 1990 whereby Cotton did unconditionally and absolutely guaranty the prompt and full payment and performance of all obligations of Auto Auction to Lender, including but not limited to the obligations created under the Principal Note and the Loan Agreement (hereinafter referred to as the "Guaranty"), and (vii) certain other documents executed contemporaneously therewith as required by the Loan Agreement (the Loan Agreement, Notes, Junior Mortgage, Junior Assignment of Leases, Assignment of Receivables, UCC-1 Financing Statements, UCC-2 Financing Statements, Guaranty and other documents are hereinafter collectively referred to as the "Loan Documents").

C. By Modification of Loan Agreement dated as of November 1, 1991 (hereinafter referred to as the "First Modification"): (i) the Revolving Credit Note was modified by (a) increasing the principal amount thereof from EIGHT HUNDRED THOUSAND AND NO/100 (\$800,000.00) DOLLARS to ONE MILLION AND NO/100 (\$1,000,000.00) DOLLARS, and (b) extending the Maturity Date to April 30, 1992; and (ii) the Term Note was modified by extending the Maturity Date to May 1, 1992.

D. By Second Modification of Loan Agreement dated as of April 30, 1992 (hereinafter referred to as the "Second Modification"): (i) the Revolving Credit Note was modified by (a) increasing the principal balance thereof from ONE MILLION AND NO/100 (\$1,000,000.00) DOLLARS to ONE MILLION TWO HUNDRED THOUSAND AND NO/100 (\$1,200,000.00) DOLLARS, and (b) extending the Maturity Date to April 30, 1993; and (ii) the Term Note was modified by extending the Maturity Date to May 1, 1993.

E. By Third Modification of Loan Documents dated as of April 30, 1993 (hereinafter referred to as the "Third Modification"): (i) the Revolving Credit Note was modified by (a) increasing the principal amount thereof from ONE MILLION TWO HUNDRED THOUSAND AND NO/100 (\$1,200,000.00) DOLLARS to ONE MILLION FIVE HUNDRED THOUSAND AND NO/100 (\$1,500,000.00) DOLLARS, and (b) extending the Maturity Date to April 30, 1994, and (ii) the Term Note was modified by extending the Maturity Date to April 30, 1994.

F. By Fourth Modification of Loan Documents dated as of April 30, 1994 (hereinafter referred to as the "Fourth Modification"): (i) the Revolving Credit Note was modified by (a) increasing the principal amount thereof to TWO MILLION AND NO/100 (\$2,000,000.00) DOLLARS, and (b) extending the Maturity Date to April 30, 1995; and (ii) the Term Note was modified by extending the Maturity Date to April 30, 1995.

G. By Fifth Modification of Loan Documents dated as of April 30, 1995 (hereinafter the "Fifth Modification"), the Revolving Credit Note was modified by (i) increasing the principal amount thereof to TWO MILLION SEVEN HUNDRED FIFTY THOUSAND AND NO/100 (\$2,750,000.00) DOLLARS, (ii) decreasing the applicable interest rate to Lender's Reference Rate (as therein defined), and (iii) extending the Maturity Date to April 30, 1997.

H. The Principal Note and the Term Note have been paid in full.

I. Borrowers have requested that the Loan Documents be further modified to extend the Maturity Date of the Revolving Credit Note to July 31, 1997.

J. Lender has agreed to the aforesaid request as more fully provided herein and subject to the terms and express conditions hereof.

NOW, THEREFORE, in consideration of the foregoing Recitals, the mutual covenants and agreements of the parties contained herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Incorporation of Recitals. The Recitals set forth above are incorporated as though fully contained herein.

2. Amendments to Revolving Credit Note. Borrowers and Lender hereby acknowledge the following and agree that the Revolving Credit Note is amended as follows:

A. The Maturity Date is extended from April 30, 1997 to July 31, 1997.

3. References to Revolving Credit Note. From and after the date hereof, the Loan Documents (other than the Revolving Credit Note) shall be deemed to secure the Revolving Credit Note, as modified by the First Modification, the Second Modification, the Third Modification, the Fourth Modification and the Fifth Modification (hereinafter referred to collectively as the "Prior Modifications"), and as further modified by this Sixth Modification, and

any and all references in the Loan Documents (other than the Revolving Credit Note) to the Revolving Credit Note shall be deemed to refer to the Revolving Credit Note as modified by the Prior Modifications and as further modified by this Sixth Modification.

4. **References to Loan Documents.** Any and all references in the Loan Documents to any of the Loan Documents shall, from and after the date hereof, be deemed to refer to such Loan Documents as modified by the Prior Modifications and as further modified by this Sixth Modification.

5. **Reaffirmation of Representations and Warranties.** Borrowers and Candace Cotton hereby reaffirm as true and correct in all respects, as of the date hereof, any representations and warranties contained in the Loan Documents, as applicable, all as modified in the Prior Modifications and as further modified by this Sixth Modification.

6. **Reaffirmance of Covenants.** Borrowers and Candace Cotton do hereby reaffirm and agree to perform all of the terms, covenants, conditions and obligations applicable to such parties as set forth in the Loan Documents, as applicable, as modified in the Prior Modifications and as further modified by this Sixth Modification.

7. **Offsets and Defenses.** Borrowers and Candace Cotton hereby acknowledge and agree that (i) there are no offsets, defenses or counterclaims against Lender arising out of or in any way relating to the Property or the Loan Documents, as modified by the Prior Modifications and as further modified by this Sixth Modification, and (ii) they release and forever discharge Lender, its agents, servants, employees, directors, officers, attorneys, branches, affiliates, subsidiaries, successors and assigns and all persons, firms, corporations and organizations in its behalf of and from all damage, loss, claims, demands, liabilities, obligations, actions and causes of action whatsoever which it may now have or claim to have against Lender as of the date of this Sixth Modification, and whether presently known or unknown, and of every nature and extent whatsoever on account of or in any way touching, concerning, arising out of or founded upon the Property and Loan Documents as modified in the Prior Modifications and as further modified by this Sixth Modification.

8. **Guaranty.** Cotton acknowledges and agrees that the Guaranty is in full force and effect as modified by this Sixth Modification.

9. **Laws of Illinois.** This Sixth Modification shall be governed and construed under the laws of the State of Illinois.

10. **Full Force and Effect; Inconsistency.** Except as modified herein and in the Prior Modifications, the terms, conditions and covenants of the Loan Documents shall remain unchanged and otherwise in full force and effect. In the event of an inconsistency between this Sixth Modification and the Loan Documents, as modified by the Prior Modifications, the terms herein shall first control.

11. **Time of Essence.** Time is of the essence with regard to this Sixth Modification and the performance by Borrowers of their obligations hereunder.

12. **Joinder.** Candace Cotton joins in the execution of this Sixth Modification for the purpose of affirming the representations, warranties, covenants and obligations contained in the Loan Documents, as modified by the Prior Modifications, which are applicable to her, as herein further modified.

13. **Covenant of First Mortgagee.** First Chicago NBD Bank, successor to NBD Bank, N.A., successor to Gainer National Bank, does, by execution of the Consent of Mortgagee, hereby consent to the modifications herein contained.

IN WITNESS WHEREOF, the parties have caused this Sixth Modification of Loan Documents to be executed pursuant to authority duly granted as of the date above first written

BORROWERS:

DYER AUTO AUCTION, INC., an Indiana corporation


By: 
Walter J. Cotton, III, President


Walter J. Cotton, III, individually

Candace L. Cotton, individually, pursuant to the Joinder contained in Section 12 hereof

LENDER:

FIRST BANK NATIONAL ASSOCIATION

By: 
Its: *VELO PRESIDENT*

CONSENT OF FIRST MORTGAGEE

FIRST CHICAGO NBD BANK, successor to NBD Bank, N.A. as successor to Gainer National Bank, as Mortgagee pursuant to that certain Mortgage, Assignment of Rents and Security Agreement dated September 20, 1990 and recorded September 27, 1990 with the Office of the Recorder of Deeds of Lake County, Indiana as Document No. 90125899 hereby consents to the foregoing Sixth Modification of Loan Documents.

Dated as of April 30, 1997.

~~FIRST CHICAGO NBD BANK, successor to NBD Bank, N.A. as successor to GAINER NATIONAL BANK~~ *MR*

By: Margaret M Radwan
Its: Commercial Account Officer

IL
STATE OF INDIANA)
COUNTY OF IL *Spencer*)

I, MICHAEL MORAN, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that MARGARET M RADWAN, of First Chicago NBD Bank, successor to NBD Bank, N.A., successor to Gainer National Bank, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such CAO of said Bank, appeared before me this day in person and acknowledged that SHB signed and delivered the said instrument as HER own free 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 7 day of May, 1997.

Michael Moran



Notary Public

STATE OF IL)
COUNTY OF Rockford)

I, MICHAEL MORAN, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Walter J. Cotton, III, as President of Dyer Auto Auction, Inc., an Indiana corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President of said Corporation, 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 Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7 day of May, 1997.



Michael Moran

Notary Public

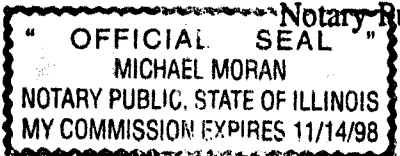
STATE OF IL)
COUNTY OF Rockford) SS)

I, MICHAEL MORAN, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Walter J. Cotton, III appeared before me this day in person and acknowledged that he signed and sealed the said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 7 day of May, 1997.

Michael Moran

Notary Public



STATE OF)
) SS
COUNTY OF)

I, _____, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Candace L. Cotton appeared before me this day in person and acknowledged that she signed and sealed the said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this ____ day of May, 1997.

Notary Public

STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, Joyce M. PERRY, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that BRIAN PETERSON, VILE PRESIDENT of First Bank National Association, a national banking association, who is personally known to me to be the same person whose names is subscribed to the foregoing instrument as such V.P. of said Bank, appeared before me this day in person and acknowledged that HE signed and delivered the said instrument as HIS own free 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 7 day of May, 1997.

Joyce M. Perry
Notary Public

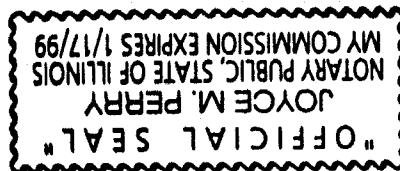


EXHIBIT "A"

Legal Description

LOTS 1 AND 2, DYER AUTO AUCTION ADDITION TO THE TOWN OF DYER, AS SHOWN IN PLAT BOOK 63, PAGE 4, IN LAKE COUNTY, INDIANA, EXCEPTING THEREFROM THAT PART OF LOT 1 IN DYER AUTO AUCTION ADDITION TO THE TOWN OF DYER, LAKE COUNTY, INDIANA, THE PLAT OF WHICH ADDITION IS RECORDED IN PLAT BOOK 63, PAGE 4, IN THE OFFICE OF THE RECORDER OF LAKE COUNTY, INDIANA, DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHWEST CORNER OF SAID LOT, WHICH CORNER IS ON THE NORTHERN BOUNDARY OF U. S. R. 30; THENCE NORTH 1 DEGREE 59 MINUTES 15 SECONDS WEST 16.08 FEET ALONG THE WEST LINE OF SAID LOT; THENCE SOUTHEASTERLY 353.42 FEET ALONG AN ARC TO THE LEFT AND HAVING A RADIUS OF 5,674.58 FEET AND SUBTENDED BY A LONG CHORD HAVING A BEARING OF SOUTH 84 DEGREES 20 MINUTES 02 SECONDS EAST AND A LENGTH OF 353.36 FEET; THENCE SOUTH 86 DEGREES 07 MINUTES 50 SECONDS EAST 12.10 FEET; THENCE NORTH 38 DEGREES 41 MINUTES 35 SECONDS EAST 36.54 FEET TO THE EAST LINE OF SAID LOT; THENCE SOUTH 2 DEGREES 57 MINUTES 16 SECONDS EAST 35.25 FEET ALONG SAID EAST LINE TO THE SOUTHEAST CORNER OF SAID LOT; THENCE NORTH 86 DEGREES 07 MINUTES 05 SECONDS WEST 388.70 FEET ALONG THE SOUTHERN LINE OF SAID LOT TO THE POINT OF BEGINNING.

NOTE FOR INFORMATION: THE ABOVE EXCEPTED PROPERTY WAS DEEDED TO THE STATE OF INDIANA BY WARRANTY DEED DATED MARCH 16, 1992 AND RECORDED MAY 11, 1993, AS DOCUMENT NO. 93030254 AND RELEASED FROM THE INSURED MORTGAGE BY PARTIAL RELEASE RECORDED MAY 11, 1993, AS DOCUMENT NO. 93030253.

Property Address: 641 Joliet Street
Dyer, Indiana 46311

Tax Nos.: 14-200-1 Tax Unit No. 12
14-200-2