



EIGHTH MODIFICATION AGREEMENT

THIS EIGHTH MODIFICATION AGREEMENT (this "Agreement"), dated as of June 15, 1999, is by and among LaSalle National Bank, a national banking association, not personally but solely as Trustee under a Trust Agreement dated May 17, 1988 and known as Trust No. 113252 (the "Trustee"), M. P. Associates Limited Partnership, an Illinois limited partnership (the "Borrower"), James M. Arnold and Michael S. Schwendener (the "Individual Guarantors"), and The Northern Trust Company, an Illinois banking corporation (the "Bank");

WITNESSETH: ^X LaSalle Bank National Association formerly known as

WHEREAS, certain of the Trustee, the Borrower, the Individual Guarantors and the Bank heretofore entered into the following documents:

- (i) Construction Loan Agreement dated as of July 1, 1988, by and among the Trustee, the Borrower and the Bank (as amended and in effect on the date hereof, the "Construction Loan Agreement");
- (ii) Construction Loan Mortgage Note dated July 1, 1988, from the Trustee to the Bank, which note was Amended and Restated as of April 1, 1994 (as so amended and restated, the "Note");
- (iii) Construction Loan Mortgage and Security Agreement dated as of July 1, 1988, from the Trustee to the Bank, recorded in the Office of the Recorder of Deeds of Cook County, Illinois (the "Office of the Recorder") on August 16, 1988 as Document No. 88371058;
- (iv) Construction Loan Assignment of Rents and Leases dated as of July 1, 1988, from the Trustee and the Borrower to the Bank, recorded in the Office of the Recorder on August 16, 1988 as Document No. 88371059;
- (v) Construction Loan Security Agreement dated as of July 1, 1988, from the Borrower to the Bank;
- (vi) Construction Loan Collateral Assignment of Beneficial Interest dated as of July 1, 1988, from the Borrower to the Bank; and
- (vii) Construction Loan Guaranty of Payment and Performance dated as of July 1, 1988, from the Borrower and the Individual Guarantors in favor of the Bank;

(sometimes referred to herein collectively as the "Original Documents"; terms used herein but not otherwise defined herein or amended hereby shall have the meanings assigned such terms in the Construction Loan Agreement); and

WHEREAS, certain of the Original Documents were previously modified and amended pursuant to the First Modification Agreement, dated as of December 1, 1989 and recorded in the Office of the Recorder on January 31, 1990 as Document No. 90054300, the Second Modification Agreement, dated as of June 1, 1990 and recorded in the Office of the Recorder on November 1, 1990 as Document No. 90534865, the Third Modification, dated as of December 1, 1990 and recorded in the Office of the Recorder on March 18, 1991 as Document No. 91121173, the Fourth Modification Agreement, dated as of April 1, 1991 and recorded in the Office of the Recorder on July 11, 1991 as Document No. 91345999, the Fifth Modification Agreement, dated as of July 1, 1992 and recorded in the Office of the Recorder on November 19, 1992 as Document No. 92871481, the Sixth Modification Agreement, dated as of April 1, 1994 and recorded in the Office of the Recorder on May 24, 1994 as Document No. 94462876, and the Seventh Modification Agreement, dated as of June 17, 1996 and recorded in the Office of Recorder on June 20, 1996 as Document No. 96473607 (sometimes referred to herein collectively as the "Previous Modifications"; the Original Documents as modified and amended by the Previous Modifications, together with the other Loan Documents, each as previously modified and amended and in effect on the date hereof, sometimes referred to herein collectively as the "Documents").

WHEREAS, the Documents encumber the real estate described in Exhibit A attached hereto and the personal property located thereon (the "Premises"); and

WHEREAS, the parties desire to make certain modifications and amendments to the Documents, as more fully provided herein,

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

Section 1. Recitals Part of Agreement. The foregoing recitals are hereby incorporated into and made a part hereof, and each of the parties hereto confirms that such recitals are complete and correct in their entirety.

Section 2. Extension of Maturity. The stated maturity date of the Loan which is evidenced and secured by the Documents is further extended to June 15, 2000, and all of the Documents are hereby modified and amended accordingly. Without limiting the generality of the foregoing, the term "Stated Maturity Date" each time it appears in the Documents shall mean June 15, 2000.

Section 3. Reduction of Loan Amount. As of June 15, 1999, the outstanding principal balance of the Loan was \$2,804,803.00. The Borrower having made a principal reduction in the amount of the Loan of \$300,000, after such payment, the principal amount of the Loan was \$2,504,803.00.

Section 4. Release of James M. Arnold as Guarantor. Upon the satisfaction of the conditions set forth in Section 8 below, the Bank shall release James M. Arnold as an individual guarantor by returning the original of his guaranty stamped "cancelled" or with some other similar legend, with such cancellation to be effective as of the Effective Date (as such term is defined below).

Section 5. Definitions. Any reference in any of the Documents to any of the following terms shall be deemed a reference to such terms as defined below, and all of the Documents are hereby modified and amended accordingly:

(a) The term "Individual Guarantors" shall be deleted each time it appears in a Document, the term "Individual Guarantor" shall be substituted therefor, and "Individual Guarantor" means Michael S. Schwendener.

(b) "Leases" means the lease or leases described in Exhibit B attached hereto.

Section 6. Reference to Documents. Any reference in any Document to any other Document shall be deemed to mean such Document as previously modified and amended by the Previous Modifications and as further modified and amended by this Agreement.

Section 7. Real Estate Taxes. All real estate taxes that are due and payable shall be paid in full, and evidence satisfactory to the Bank of such payment in full shall be provided to the Bank, within 15 days of the Effective Date (as such term is defined below).

Section 8. Effectiveness. This Agreement shall become effective on the date (the "Effective Date") that each of the following conditions precedent hereto shall have been satisfied:

(a) the Bank shall have received each of the following:

- (1) counterparts hereof executed by each of the parties hereto;
- (2) counterparts of a Reaffirmation of Guaranty substantially in the form of Exhibit C hereto, dated on or prior to the date hereof, duly executed by each of the Borrower and Michael S. Schwendener as Individual Guarantor;
- (3) current financial statements of each of the Borrower and Michael S. Schwendener as Individual Guarantors in form and substance, and demonstrating a net worth for each such entity, acceptable to the Bank and duly certified by the relevant entity;
- (4) counterparts of the Reaffirmation of the Subordination Agreement substantially in the form of Exhibit D hereto, duly executed by each of the parties thereto;

(5) counterparts of the closing certificate in form and substance acceptable to the Bank, duly executed by the Borrower and the Individual Guarantor;

(6) a date down endorsement of the Title Policy or a new title policy in form and substance acceptable to the Bank;

(7) a copy of the Trust Agreement, together with all amendments and assignments as of the date hereof, certified by the Trustee;

(8) a copy of the Letter of Direction to the Trustee executed by Borrower as beneficiary under the Trust, certified by the Trustee;

(9) a certificate, dated on the date hereof, of the Secretary or Assistant Secretary of the general partner of the Borrower, for itself and on behalf of the Borrower as to (i) the limited partnership agreement of the Borrower then in full force and effect (or a certificate of no change thereto), (ii) the articles of incorporation and bylaws of the general partner of the Borrower then in full force and effect (or a certificate of no change thereto), (iii) resolutions of the Board of Directors then in full force and effect authorizing the execution and delivery by the Borrower of this Agreement, the Restatement and Reaffirmation of Guaranty and each other document required to be executed by the Borrower, (iv) a statement that the general partner of the Borrower is the sole general partner of the Borrower, and (v) the incumbency and signatures of those officers authorized to execute and act with respect to such documents;

(10) a current certificate of limited partnership of the Borrower and a current certificate of good standing of the general partner of the Borrower from the Secretary of State of Illinois;

(11) all information, approvals, opinions, documents or other instruments as the Bank or its counsel may reasonably request, including an opinion of counsel to the Borrower, the general partner of the Borrower and the Individual Guarantor in form and substance acceptable to the Bank as to the corporate authority to execute and deliver, and the validity of, the documents to be delivered hereby or pursuant hereto;

(12) the Bank shall have received all fees and other amounts due pursuant to Section 17;

(b) the Bank shall have notified the Borrower of such Effective Date.

Section 9. Certifications; Representations and Warranties. In order to induce the Bank to enter into this Agreement, the Trustee hereby certifies and represents, and the Borrower

and the Individual Guarantor hereby certify, represent and warrant, to the Bank that all certifications, representations and warranties contained in the Documents and in all certificates heretofore delivered to the Bank are true and correct as of the date hereof, and each such certification, representation and warranty is hereby remade and made to speak as of the date of this Agreement.

Section 10. Certain Additional Representations and Warranties. The Trustee represents, and each of the other parties hereto represents and warrants, that it has had the opportunity to obtain advice of counsel of its own choosing in the negotiations for and preparation of this Agreement, that it has read this Agreement, that it has had this Agreement fully explained to it by such counsel and that it is fully aware of its contents and legal effect. Each party hereto (other than the Trustee) hereby represents and warrants that it possesses full power and authority to execute and deliver this Agreement and each other document required to be executed and/or delivered hereby. The Trustee hereby represents, and the Borrower hereby represents and warrants, that the Trustee possesses full power and authority to execute and deliver this Agreement and each other document required to be executed and/or delivered hereby.

Section 11. Attachment to Note. The Bank may, and prior to any transfer by it of the Note shall, attach an executed copy of this Agreement to the Note and place an endorsement on the Note making reference to the fact that such attachment has been made.

Section 12. Documents to Remain in Effect; Confirmation of Obligations. The Documents shall remain in full force and effect as originally executed and delivered by the parties, except as previously modified and amended by the Previous Modifications (including, without limitation, as to interest rate and regular payment terms) and as expressly modified and amended herein. Each of the Trustee, the Borrower and the Individual Guarantor hereby confirms and reaffirms all of its obligations under the Documents as so modified and amended. Without limiting the generality of the foregoing, each of the Trustee, the Borrower and the Individual Guarantor hereby confirms and reaffirms its and his obligations to reimburse the Bank for any expenses incurred with respect to the Loan as more particularly described in Section 6.1(i) of the Construction Loan Agreement, Section 4.3 of the Construction Loan Mortgage and Security Agreement and Section 3 of the Construction Loan Guaranty of Payment and Performance, among other references.

Section 13. Other Payments to Bank by Borrower. Prior to the Effective Date, the Borrower shall make the following additional payments:

- (a) ~~\$25,048.03~~ loan fee to the Bank; and
\$12,524.01
- (b) payment of all third party fees and expenses associated with this Agreement including, without limitation, all charges for the endorsement of the Title Policy as provided in Section 8(a)(6) above and the fees and expenses of the Bank's outside counsel.

No estimation or approximation of any amount in this Section 13 shall constitute in any manner a limitation on the Borrower's obligation to pay the entire actual amount pursuant to the Documents. If and to the extent the estimations and approximations in this Section 13 are greater than the actual amount incurred, the Bank shall reimburse the Borrower for such amount. If and to the extent any estimation or approximation in this Section 13 is less than the actual amount incurred, the Borrower shall reimburse the Bank for such amount in accordance with the Documents.

Section 14. Entire Agreement. This Agreement sets forth all of the covenants, provisions, agreements, conditions and understandings of the parties relating to the subject matter of this Agreement, and there are no covenants, promises, agreements, conditions or understandings, either oral or written, between them other than as are herein set forth.

Section 15. Successors. This Agreement shall inure to the benefit of and shall be binding upon the parties and their respective successors, assigns and legal representatives.

Section 16. Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Section 17. Amendments, Changes and Modifications. This Agreement may be amended, changed, modified, altered or terminated only by a written instrument executed by the parties hereto.

Section 18. Construction.

(a) The words "hereof", "herein", and "hereunder", and other words of a similar import refer to this Agreement as a whole and not to the individual Sections in which such terms are used.

(b) References to Sections and other subdivisions of this Agreement are to the designated Sections and other subdivisions of this Agreement as originally executed.

(c) The headings of this Agreement are for convenience only and shall not define or limit the provisions hereof.

(d) Where the context so requires, words used in singular shall include the plural and vice versa, and words of one gender shall include all other genders.

(e) In the event that any date specified herein is a Saturday, Sunday or federal holiday, such date shall be deemed to occur on the first business day thereafter.

(f) Unless the context otherwise specifically requires, each reference to the word "including" shall mean "including without limitation".

Section 19. Execution of Counterparts; By Facsimile. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument. This Agreement may be executed by facsimile, and each such executed facsimile transmission shall be deemed an original.

Section 20. Governing Law. This Agreement is prepared and entered into with the intention that the law of the State of Illinois (except the choice of law rules thereof) shall govern its construction, validity and enforcement in all respects.

Section 21. Execution by Trustee. It is expressly understood and agreed by and between the parties hereto, anything herein to the contrary notwithstanding, that each and all of the representations, covenants, undertakings and agreements herein, made on the part of the Trustee, while in form purporting to be the representations, covenants, undertakings and agreements of the Trustee are nevertheless each and every one of them, made and intended not as personal representations, covenants, undertakings and agreements by LaSalle National Bank in its own right, but solely in the exercise of the powers conferred upon it as such trustee; and that no personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against LaSalle National Bank on account of this Agreement or on account of any representation, covenant, undertaking or agreement in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

IN WITNESS WHEREOF, the parties have executed this instrument as of the date first above written.

LaSalle Bank National Association formerly known as LASALLE NATIONAL BANK, not personally but solely as Trustee under a Trust Agreement dated May 17, 1988 and known as Trust No. 113252 had not personally

By [Signature]
Its: ASSISTANT VICE PRESIDENT

(SEAL)

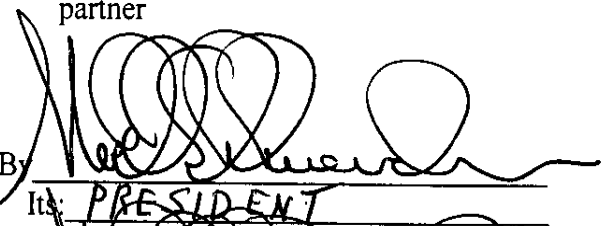
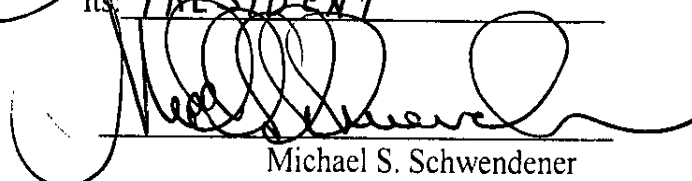
Attest:

[Signature: Nancy A. Carlin]
Title: ASSISTANT SECRETARY

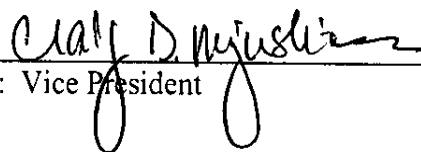
[signatures continued on following page]

M. P. ASSOCIATES LIMITED
PARTNERSHIP

By: S. A. Associates, Inc., its general
partner

By: 
It's: PRESIDENT

Michael S. Schwendener

THE NORTHERN TRUST COMPANY

By: 
Its: Vice President

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY THAT Deborah Berg, ~~Senior~~/Assistant Vice President and Nancy A. Carlin, Assistant Secretary of LaSalle Bank National Association, personally known to me to be the same persons whose name are subscribed to the foregoing instrument as such Senior/Assistant Vice President and Assistant Secretary respectively, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their free and voluntary act and as the free and voluntary act of said bank, for the uses and purposes therein set forth therein; and said Assistant Secretary did also then and there acknowledge that he/she as custodian of the Corporate Seal of said Bank to said instrument as his/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 name and notarial seal this 22nd day of DECEMBER, 1999

Marcia E. Torres
NOTARY PUBLIC



Clerk of Cook County Clerk's Office

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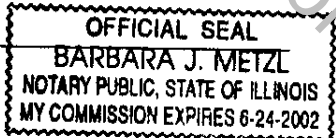
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT MICHAEL S. SCHWENDENER, personally known to me to be the PRESIDENT of S. A. Associates, Inc., an Illinois corporation, and 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 as such he signed and delivered the said instrument pursuant to authority, as his 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 19 day of ^{Nov.}~~October~~, 1999.

Barbara J. Metz
Notary Public

My Commission expires.



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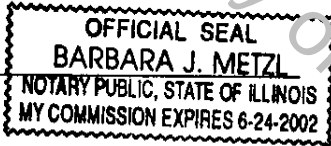
STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a notary public in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT **Michael S. Schwendener**, 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 as such he signed and delivered the said instrument pursuant to authority, as his 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 19 day of ~~October~~ ^{NOV.} 1999.

Barbara J. Metz
Notary Public

My Commission expires:



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 CPAL D. KRUSIANA, personally known to me to be the Vice President of **The Northern Trust Company**, an Illinois banking corporation, and 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 as such he signed and delivered the said instrument pursuant to authority, as his 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 19 day of ~~October~~ ^{Jan. 2000} 1999.

Kelly L. Potts
Notary Public

My Commission expires:

5-16-2000



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EXHIBIT A
Eighth Modification Agreement

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LEGAL DESCRIPTION OF THE PREMISES

The East 297.46 feet of Lot 3 of the subdivision of the Southwest 1/4 of the Southeast 1/4 of Section 34, Township 40 North, Range 12 East of the Third Principal Meridian (except that part thereof lying North of a line 469.13 feet North of and parallel to the South line of said Section 34), and (except that part thereof taken for widening of North Avenue) and (except the East 25 feet falling in 15th Avenue) in Cook County, Illinois.

Permanent Tax Number:
Common Street Address:

17-34-403-013, Volume 71
1515 West North Avenue
Village of Melrose Park, Illinois

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EXHIBIT B Eighth Modification Agreement

LEASES

		Lease Expires	Annual Base Rent
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.	Great Dragon	08/31/01	\$22,320
9.	Dr. Bobbe	01/31/04	\$16,167
There is also a lease to Fretter, formerly Silo, but these premises are vacant.			

EXHIBIT C
Eighth Modification Agreement

FORM OF REAFFIRMATION OF GUARANTY

This Reaffirmation of Guaranty (this "Reaffirmation"), dated as of October __, 1999, is by and among M. P. Associates Limited Partnership, an Illinois limited partnership (the "Beneficiary"), and Michael S. Schwendener (the "Individual Guarantor", the Beneficiary and the Individual Guarantor being sometimes referred to herein collectively as the "Guarantors") in favor of The Northern Trust Company, an Illinois banking corporation (the "Bank"), is made pursuant to that certain Seventh Modification Agreement (the "Eighth Modification Agreement"), dated of even date herewith, by and among LaSalle National Bank, not personally but solely as Trustee (the "Mortgagor") under the Trust Agreement dated May 17, 1988 and known as Trust No. 13252 (the "Trust Agreement"), the Beneficiary, the Individual Guarantor, and James M. Arnold ("Arnold"), Jamie P. Childs, Peter T. Childs and Stuart B. Lenhoff (the "Former Guarantors"). All terms used herein but not otherwise defined herein shall have the meanings assigned them in the Eighth Modification Agreement.

WITNESSETH:

WHEREAS, the Beneficiary is the sole beneficiary under the Trust Agreement;

WHEREAS, the Individual Guarantor are limited partners of the Beneficiary;

WHEREAS, the Guarantors requested, and the Bank agreed, to execute the Eighth Modification Agreement, which modifies and amends, among other things, that certain Construction Loan Agreement, dated July 1, 1988, by and among the Mortgagor, the Beneficiary and the Bank and that certain Construction Loan Mortgage Note, dated as of July 1, 1988, executed and delivered by the Trustee for the benefit of the Beneficiary and payable to the order of the Bank, each of which, among other documents, was modified and amended by the First Modification Agreement, dated as of December 1, 1989, the Second Modification Agreement, dated as of June 1, 1990, the Third Modification, dated as of December 1, 1990, the Fourth Modification Agreement, dated as of April 1, 1991, the Fifth Modification Agreement, dated as of July 1, 1992, the Sixth Modification Agreement, dated as of April 1, 1994 (which included an Amended and Restated Construction Loan Mortgage Note dated as of April 1, 1994), the Seventh Modification Agreement, dated as of June 17, 1996 (together with the Eighth Modification Agreement, collectively, the "Modifications"), evidencing a construction loan being made by the Bank to the Mortgagor for the benefit of the Beneficiary for the purpose of financing the payoff of existing indebtedness on and development of a 45,344 square foot retail shopping center on the real estate commonly known as 1515 West North Avenue, in the Village of Melrose Park, Illinois (the "Premises");

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WHEREAS, the Construction Loan Mortgage Note, as modified and amended, is secured by, among other things, that certain Construction Loan Guaranty of Payment and Performance, dated as of July 1, 1988, from the Borrower, the Individual Guarantor and the Former Guarantors, in favor of the Bank (as modified and amended by the Modifications, the "Guaranty");

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WHEREAS, in connection with the Eighth Modification Agreement, the Guarantors requested, and the Bank agreed, that the Bank would enter into a modification of the guaranteed indebtedness, and would release Arnold as an individual guarantor under the Guaranty and would release the obligations of Arnold as guarantor thereunder;

WHEREAS, as a condition to the execution of the Eighth Modification Agreement and the release of Arnold an individual guarantor under the Guaranty and the release of the obligations of Arnold as guarantor thereunder, the Bank has required that the Mortgagor furnish, among other things, this Reaffirmation by the Guarantors; and

WHEREAS, each of the undersigned acknowledges a substantial continuing interest in the Premises and a substantial economic benefit therefrom and from the Eighth Modification Agreement, and further acknowledges that the Bank is releasing Arnold as an individual guarantor under the Guaranty and releasing the obligations of Arnold as guarantor thereunder in reliance upon the undersigned's joint and several restatement and reaffirmation of their respective obligations under the Guaranty,

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, each Guarantor hereby states as follows:

1. The foregoing recitals are hereby incorporated into and made a part of this Reaffirmation, and each of the undersigned confirms that such recitals are complete and correct.
2. Each Guarantor hereby acknowledges and consents to the execution of the Eighth Modification Agreement.
3. Each Guarantor hereby acknowledges and consents to the release by the Bank of each of the Former Guarantors as an individual guarantor under the Guaranty and to the release of the obligations of such parties as guarantors thereunder.
4. Each Guarantor hereby jointly and severally reaffirms, ratifies and confirms in all respects the Guaranty, and each such Guarantor hereby acknowledges and agrees that the Guaranty is and remains in full force and effect in accordance with its terms, notwithstanding, without limitation, the Bank's release of Arnold and the Former Guarantors from their obligations as guarantors under the Guaranty; and that none of the terms contained in the Eighth Modification Agreement or in the release of Arnold and the Former Guarantors will limit, impair or otherwise adversely affect any of the agreements, undertakings or other obligations of such

Guarantor under the Guaranty, and that such Guarantor is and remains jointly and severally bound thereby and has no offsets or defenses thereto.

5. Each Guarantor hereby jointly and severally acknowledges that the Bank, in agreeing so to release Arnold and the Former Guarantors, in no manner releases, modifies or otherwise limits its claims, rights, powers or remedies against any such Guarantor or all of them, and that the Bank expressly reserves all such claims, rights, powers and remedies against any or all of them.

6. Each Guarantor hereby further acknowledges that this Reaffirmation will not require any similar or dissimilar restatement or reaffirmation for any future amendment, supplement or other modification of any Loan Document.

7. This Reaffirmation shall be deemed to be a contract made under and governed by the internal laws of the State of Illinois without regard to principles of conflicts of law and shall be construed in accordance with the terms of the Guaranty.


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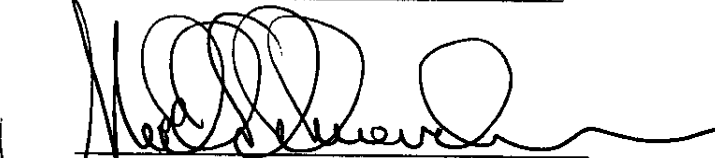
IN WITNESS WHEREOF, each of the parties hereto has caused this Reaffirmation to be executed by its officer thereunto duly authorized as of the day and year first written above.

M. P. ASSOCIATES LIMITED PARTNERSHIP, an Illinois limited partnership

By:  S. A. Associates, Inc., its general partner

By: 

Title: PRESIDENT


Michael S. Schwendener

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EXHIBIT D Eighth Modification Agreement

FORM OF REAFFIRMATION OF SUBORDINATION AGREEMENT

This Subordination Agreement (this "Agreement"), dated as of October __, 1999, is among The Northern Trust Company, an Illinois banking corporation (the "First Secured Party"), and Paul H. Schwendener, Inc. (the "Second Secured Party"; the First Secured Party and the Second Secured Party being collectively called the "Secured Parties").

WITNESSETH:

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WHEREAS, LaSalle National Bank, a national banking association, not personally but solely as Trustee under a Trust Agreement (the "Trust") dated May 17, 1988 and known as Trust No. 113252, M. P. Associates Limited Partnership, an Illinois limited partnership (the "Borrower"), as sole beneficiary under the Trust, and the First Secured Party have entered into certain documents, including, without limitation, the Construction Loan Agreement dated as of July 1, 1988, as modified and amended and as it hereafter may be further modified and amended, including as modified and amended by the Eighth Modification Agreement among the Borrower and the First Secured Party, among others, of even date herewith, pursuant to which, among other things, the First Secured Party has extended credit to the Borrower (together with all extensions, renewals and refinancings thereof, the "First Party Indebtedness");

WHEREAS, in order to secure the First Party Indebtedness, the Borrower has executed and delivered to the First Secured Party certain mortgages and other security documents in favor of the First Secured Party granting a lien on and security interest in certain property described therein, which has been or hereafter may be amended from time to time (the "Collateral");

WHEREAS, the Second Secured Party has a mechanic's lien on a portion of the Collateral in the aggregate amount of approximately \$268,428 (the "Second Party Indebtedness"); and

WHEREAS, the parties desire to enter into this Agreement to establish priorities among the liens on and security interests in the Collateral granted to the Secured Parties.

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

SECTION 1. Status of Security Interests

SECTION 1.1 Seniority. The Second Secured party hereby agrees that (a) of the First Secured Party's security interests, liens, and other collateral interests in the Collateral and all of

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the First Secured Party's rights and remedies, whether at law, in equity, by agreement or otherwise, exercisable with respect thereto (all of which interests and rights are herein called the "First Rights") shall be senior and superior to (b) all of the Second Secured Party's security interests, liens and other collateral interests in the Collateral and all of the Second Secured Party's rights and remedies, whether at law, in equity, by agreement or otherwise, exercisable with respect thereto (all of which interests and rights are herein called the "Second Rights").

SECTION 1.2 Definition of Senior and Superior. As used in Section 1.1, the phrase "senior and superior" shall mean that the First Secured Party shall possess the right, in its absolute discretion,

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(i) to make all decisions on the disposition of any Collateral (including, without limitation, foreclosing on such Collateral or refraining from foreclosing), notwithstanding that any or all of the Borrower's obligations to the Second Secured Party (howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due and herein called the "Second Liabilities") may be due and owing or that the Borrower may be in default in any other manner with regard to the Second Liabilities;

(ii) to exercise or not exercise all rights granted to the First Secured Party with regard to all or any of such Collateral, whether or not pursuant to any of the security agreements of the First or Second Secured Parties (herein collectively called the "Collateral Agreements");

(iii) to act as agent on behalf of the Second Secured Party, not, however, at the direction of such Second Secured Party, but with full right and authority to make the judgments and to take the actions such agent would be permitted to accomplish in its own right with regard to its own Collateral pursuant to clauses (i) and (ii) of this Section 1.2; and

(iv) to apply all proceeds obtained from the Collateral on account of the First or Second Rights, as the case may be, in such order as the First Secured Party shall determine, to the Borrower's obligations to the First Secured Party in connection with the First Party Indebtedness, howsoever created, arising or evidenced, whether direct or indirect, absolute or contingent, or now or hereafter existing, or due or to become due (the "First Liabilities").

The First Secured Party shall have the power to hold all Collateral which either of the Secured Parties is entitled to hold, including, without limitation, insurance policies and proceeds obtained from the sale of Collateral. The First Secured Party may choose (in the form of a prior written consent) to let the Second Secured Party foreclose on all or any Collateral or to exercise all or any of the Second Rights with respect to such Collateral, but the Second Secured Party may not so foreclose or exercise any of such rights without such prior written consent of the First Secured Party.

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SECTION 2. Standards for Decisions

The Second Secured Party acknowledges that it may disagree over the proper course of action to pursue in particular situations that arise pursuant to the transactions contemplated by Section 1 hereof and agrees that the First Secured Party may, in the First Secured Party's absolute discretion, make decisions and pursue actions or refrain from action from time to time solely on the basis of the First Secured Party's own evaluations of its own best interests, whether or not the First Secured Party is acting on behalf of itself alone or on behalf of both Secured Parties, and the Second Secured Party hereby consents to the taking or not taking of any action by the First Secured Party on such a basis; provided, however, that this Section 2 shall be subject to the provisions of the following Section 3. The First Secured Party may confer with the Second Secured Party prior to making any decision provided for in this Section 2 so that the First Secured Party may evaluate the Second Secured Party's estimation of its own best interests before making any decision; provided, however, that such option to confer with the Second Secured Party shall not impose an obligation to confer and shall not restrict the standards for the making of any such decision by the First Secured Party.

SECTION 3 Standards for Actions by the First Secured Party

In the event of a foreclosure by the First Secured Party, the First Secured Party shall have no obligation to the Second Secured Party, provided that in no event shall the First Secured Party or any of its directors, officers, employees or agents be liable to the Second Secured Party for any action or failure to act in connection with any such foreclosure or proposed foreclosure other than on account of its gross negligence or willful misconduct; provided that the First Secured Party's acting in accordance with its own estimation of its own best interests shall not be deemed to constitute gross negligence or willful misconduct.

SECTION 4 Continuing Obligations and Rights

The First Secured Party may from time to time, whether before or after discontinuance of this Agreement, at its sole discretion and without notice to the Second Secured Party, take any or all actions it deems necessary without affecting any of the First Secured Party's rights hereunder (including, without limitation, the First Rights), including, without limitation, the following: (a) retain or obtain a security interest in any property to secure any of the First Liabilities; (b) retain or obtain the primary or secondary obligations of any other obligor or obligors with respect to any of the First Liabilities; (c) extend or renew for one or more periods (whether or not longer than the original period), alter or exchange any of the First Liabilities, or release or compromise any obligations of any nature of any obligor with respect to any of the First Liabilities; (d) release its security interest in, or surrender, release or permit any substitution or exchange for, all or any part of any property securing any of the First Liabilities, or extend or renew for one or more periods (whether or not longer than the original period) or release, compromise, alter or exchange any obligations of any nature of any obligor with respect to any such property; and (e) assign or transfer any or all of the First Liabilities or any interest therein. The First Secured Party shall not be prejudiced in its rights under this Agreement or under any of its Collateral

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Agreements by any act or failure to act of the Borrower or the Second Secured Party or any non-compliance of the Borrower or the Second Secured Party with any agreement or obligation, regardless of any knowledge thereof which the First Secured Party may have or with which the First Secured Party may be charged; and no action of the First Secured Party permitted hereunder shall in any way affect or impair the rights of the First Secured Party and the obligations of the Second Secured Party under this Agreement or under any of its Collateral Agreements.

SECTION 5 Miscellaneous

SECTION 5.1 Waiver. No delay on the part of the First Secured Party in the exercise of any right, power or remedy shall operate as a waiver thereof, nor shall any single or partial exercise by the First Secured Party of any right, power or remedy preclude other or further exercise thereof, or the exercise of any other right, power or remedy.

SECTION 5.2 Notices. Any notice hereunder shall be in writing and, if by telegram, telecopy or telex, shall be deemed to have been given when sent and, if mailed, shall be deemed to have been given three days after the date when sent by registered or certified mail, postage prepaid, and addressed to the applicable party at its address shown below its signature hereto, or at such other address as it may, by written notice received by the other party to this Agreement, have designated as its address for such purpose.

SECTION 5.3 Controlling Contract. In the case of any conflict between this Agreement and any Collateral Agreement, this Agreement shall control.

SECTION 5.4 Transfer of Indebtedness. Each transferee of any debt owed to any party which constitutes First Liabilities or Second Liabilities shall take such debt subject to the provisions of this Agreement and to any request made, waiver or consent given or other action taken hereunder, prior to the receipt by the other party hereto of written notice of such transfer, by each previous holder of such debt.

SECTION 5.5 Governing Law. This Agreement shall be a contract made under and governed by the internal laws of the State of Illinois without regard to principles of conflicts of law.

SECTION 5.6 Successors and Assigns. This Agreement shall be binding upon each party and their respective successors and assigns, and shall inure to the benefit of each party and their respective successors and assigns.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement or caused this Agreement to be executed by their duly authorized respective officers thereunto the day and year first above written.

COMPANY

THE NORTHERN TRUST

By: Clay D. Mizushima
Name: Clay D. Mizushima
Title: Vice President

50 South LaSalle Street
Chicago, Illinois 60675
Attention: David A. Gozdecki
Telephone: 312/444-5829
Facsimile: 312/630-6105

PAUL H. SCHWENDENER, INC.

By: [Signature]
Name: Michael S. Schwendener
Title: President

Attention: Michael S. Schwendener
Telephone: 630-971-3303
Facsimile: 630-810-1921

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ACKNOWLEDGEMENT AND AGREEMENT

The Borrower acknowledges receipt of a copy of the foregoing Subordination Agreement, waives notice of acceptance thereof by the First Secured Party or any holder of any of the First Party Indebtedness, and agrees to be bound by the terms and provisions thereof, to make no payments or distributions contrary to the terms and provisions thereof and to do every other act and thing necessary or appropriate to carry out such terms and provisions. The Borrower acknowledges that (i) such Subordination Agreement is solely for the benefit of the First Secured Party and the other holders of the First Party Indebtedness from time to time, and that the Borrower requires no rights by virtue thereof, and (ii) the terms of the Subordination Agreement may be amended from time to time to alter the relative rights or obligations of the First Secured Party and the other holders of the First Party Indebtedness and the holders of the Second Party Indebtedness without the consent of a notice to the Borrower.

IN WITNESS WHEREOF, this Acknowledgment and Agreement has been made and delivered as of the date and year first written above.

M.P. ASSOCIATES LIMITED
PARTNERSHIP

By: S. A. Associates, Inc., its general partner

By: 

Name: Michael S. Schwarzbart

Title: PRESIDENT

Clerk's Office 0930393