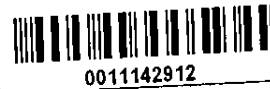


THIS DOCUMENT PREPARED BY  
AND AFTER RECORDING RETURN TO:

Cohen, Salk & Huvard, P.C.  
630 Dundee Road, Suite 120  
Northbrook, Illinois 60062  
Attn: Bruce A. Salk, Esq.



*This space reserved for Recorder's use only*

**MODIFICATION OF LOAN DOCUMENTS**

**THIS MODIFICATION OF LOAN DOCUMENTS** (this "Agreement") is made as of the 1<sup>st</sup> day of November, 2001, by and among **LASALLE BANK NATIONAL ASSOCIATION**, formerly known as LaSalle National Bank N.A. is Trustee under Trust Agreement dated September 27, 1995, and known as Trust No. 119820 ("Borrower"), **OTILIO ARZOLA** and **SHAUN L. GAYLE** (collectively, the "Guarantor"), **OT. NUAHS, INC.**, an Illinois corporation (the "Beneficiary") and **LASALLE BANK NATIONAL ASSOCIATION**, a national banking association, its successors and assigns ("Lender").

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**RECITALS:**

A. Lender has heretofore made a loan ("Loan") to Borrower in the principal amount of Nine Hundred Thousand and 00/100 Dollars (\$900,000.00) as evidenced by an Installment Note dated September 28, 1995, in the principal amount of the Loan made payable by Borrower to the order of Lender ("Note").

B. The Note is secured by, among other things, (i) that certain Mortgage, Security Agreement and Financing Agreement dated September 28, 1995, from Borrower to Lender recorded with the Recorder of Deeds in Cook, County, Illinois (the "Recorder's Office") on October 5, 1995, as Document No. 95-677822 ("Mortgage"), which Mortgage encumbers the real property and all improvements thereon legally described on Exhibit A hereto ("Property"), (ii) that certain Assignment of Rents and Leases dated September 28, 1995, from Borrower to Lender and recorded in the Recorder's Office on October 5, 1995, as Document No. 95-677823 (the "Assignment of Leases"); (iii) that certain Collateral Assignment and Security Agreement Interest in Trust dated September 28, 1995 from Beneficiary to Lender (the "ABI"); and (iv) certain other loan documents (the Note, the Mortgage, the Assignment of Leases, the ABI, the other documents evidencing, securing and guarantying the Loan, in their original form and as amended, are sometimes collectively referred to herein as the "Loan Documents").

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mortgage dated as of May 28, 1997 and recorded as Document No. 9744960, (ii) business loan agreement dated as of May 28, 1997 between Borrower and Lender, (iii) a commercial guaranty from each of Otilio Arzola and Shaun L. Gayle, and (iv) a hazardous substances certificate and indemnity from Guarantors in favor of Lender (the foregoing documents, as amended, are included as Loan Documents).

D. On or about October 1, 1999, Lender combined and increased the Note and \$100,000.00 Note to Borrower, as evidenced by a promissory note (the "\$1,315,000 Note") dated as of October 1, 1999 in the principal amount of \$1,315,000.00 made by Borrower in favor of Lender. The \$1,315,000 Note is secured by, among other things, (i) a modification of mortgage dated as of October 1, 1999 and recorded as Document No. 99940284 (ii) business loan agreement dated as of October 1, 1999 between Borrower and Lender, (iii) a commercial guaranty from each of Otilio Arzola, Shaun L. Gayle and Beneficiary (collectively, the "Guaranty"), and (iv) a hazardous substances certificate and indemnity from Guarantors in favor of Lender (the foregoing documents, as amended, are included as Loan Documents).

D. Borrower desires to amend the Loan Documents in order to: (i) increase the Loan amount to \$1,490,000.00, and (ii) amend and restate the terms and provisions of the \$1,315,000 Note.

## AGREEMENTS:

**NOW, THEREFORE**, in consideration of (i) the facts set forth hereinabove (which are hereby incorporated into and made a part of this Agreement), (ii) the agreements by Lender to modify the Loan Documents, as provided herein, (iii) the covenants and agreements contained herein, and (iv) for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Amended and Restated Note.** Concurrent with the execution of this Agreement, Borrower shall execute and deliver to Lender an Amended and Restated Promissory Note (the "Amended Note") in the original principal amount of \$1,490,000.00, dated as of the date hereof, which shall amend and restate the \$1,315,000 Note. All references in the Loan Documents to the Note shall hereafter be deemed to be a reference to the Amended Note. All references in the Loan Documents to the amount of \$1,315,000.00 shall hereafter be deemed to be a reference to \$1,490,000.00.

2. **Mortgage Modifications.** The Mortgage is amended by adding the following new paragraph as paragraph 37 to the Mortgage:

### "37. Debt Service Ratio.

a. During any calendar quarter ending on March 31, June 30, September 30 or December 31 (a "Quarter"), Mortgagor shall not permit the ratio of Operating Cash Flow (as defined below) during such Quarter to Debt Service (as defined below) during such Quarter to be less than 1.20 to 1.00 ("Debt Service Ratio").

As used herein, "Operating Cash Flow" shall mean for any period all rental income (including minimum rent, additional rent, escalation and pass through payments) actually received by Mortgagor during such period arising from the ownership and operation of the

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Premises (excluding tenant security deposits, and rent paid during such period by any tenant for more than three months of rental obligations) less the sum of all costs, taxes, expenses and disbursements of every kind, nature or description actually paid or due and payable during such period in connection with the leasing, management, operation, maintenance and repair of the Premises and of the personal property, fixtures, machinery, equipment, systems and apparatus located therein or used in connection therewith, but excluding (i) non-cash expenses, such as depreciation and amortization costs, (ii) state and federal income taxes, (iii) the non-current portion of capital expenditures determined in accordance with generally accepted accounting principles, (iv) debt service payable on the Loan, and (v) principal and interest payments on other loans expressly permitted by Mortgagee. In determining Operating Cash Flow, (a) extraordinary items of income, such as those resulting from casualty or condemnation or lease termination payments of tenants, shall be deducted from income and (b) real estate taxes and insurance premiums shall be treated as expenses to the extent of an annualized amount based upon the amount of the most recent bill for real estate taxes and insurance premiums (regardless of whether the same shall have been paid or have become due and payable during such Quarter) multiplied by one-quarter (1/4).

b. As used herein, "Debt Service" for any Quarter shall equal the sum of all principal and interest payments on the Loan and any other indebtedness of Mortgagor that is due and payable during such Quarter.

c. Operating Cash Flow and Debt Service shall be calculated by Mortgagee based on the financial information provided to Mortgagee by Mortgagor and independently verified by Mortgagee and the calculations so verified shall be final and binding upon Mortgagor and Mortgagee.

d. If at any time during any Quarter Mortgagee reasonably believes that an event has occurred which will cause a decrease in the Operating Cash Flow during such Quarter (including, without limitation, an increase in the real estate taxes due to an increase in the assessed valuation of the Premises, the applicable tax rate or otherwise) and, as a result thereof, the ratio of Operating Cash Flow to Debt Service during such Quarter (or any Quarter thereafter) shall be less than 1.20 to 1.00, then an Event of Default shall be deemed to exist as of the last day of such Quarter unless Mortgagor, on or before the last day of such Quarter, has delivered to Mortgagee evidence reasonably satisfactory to Mortgagee that the ratio of Operating Cash Flow to Debt Service as of such day is or shall be at least 1.20 to 1.00."

3. **Representations and Warranties of Borrower and Beneficiary.** Borrower and Beneficiary hereby represent, covenants and warrant to Lender as follows:

(a) The representations and warranties in the Mortgage and the other Loan Documents are true and correct as of the date hereof.

(b) There is currently no Event of Default (as defined in the Mortgage) under the Note, the Mortgage or the other Loan Documents and Borrower does not know of any event or circumstance which with the giving of notice or passing of time, or both, would constitute an Event of Default under the Note, the Amended Note, the Mortgage or the other Loan Documents.

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(c) The Loan Documents are in full force and effect and, following the execution and delivery of this Agreement, they continue to be the legal, valid and binding obligations of Borrower enforceable in accordance with their respective terms, subject to limitations imposed by general principles of equity.

(d) There has been no material adverse change in the financial condition of Borrower, Guarantor or any other party whose financial statement has been delivered to Lender in connection with the Loan from the date of the most recent financial statement received by Lender.

(e) As of the date hereof, Borrower has no claims, counterclaims, defenses, or set-offs with respect to the Loan or the Loan Documents as modified herein.

(f) Borrower is validly existing under the laws of the State of its formation or organization and has the requisite power and authority to execute and deliver this Agreement and to perform the Loan Documents as modified herein. The execution and delivery of this Agreement and the performance of the Loan Documents as modified herein have been duly authorized by all requisite action by or on behalf of Borrower. This Agreement has been duly executed and delivered on behalf of Borrower.

4. **Title Policy.** As a condition precedent to the agreements contained herein, Borrower shall, at its sole cost and expense, cause Chicago Title Insurance Company to issue an endorsement to Lender's title insurance policy No. 7575101 (the "Title Policy"), as of the date this Agreement is recorded, increasing the amount of title insurance to \$1,490,000.00, reflecting the recording of this Agreement and insuring the first priority of the lien of the Mortgage, subject only to the exceptions set forth in the Title Policy as of its date of issuance and any other encumbrances expressly agreed to by Lender.

5. **Reaffirmation of Guaranty.** Guarantor ratifies and affirms the Guaranty and agrees that the Guaranty is in full force and effect following the execution and delivery of this Agreement and the Amended Note. The representations and warranties of Guarantor in the Guaranty are, as of the date hereof, true and correct and Guarantor does not know of any default thereunder. The Guaranty continues to be the valid and binding obligation of Guarantor, enforceable in accordance with its terms and Guarantor has no claims or defenses to the enforcement of the rights and remedies of Lender thereunder, except as provided in the Guaranty. Each Guaranty guarantees all obligations and liabilities of Borrower under the Amended Note and Loan Documents.

6. **Expenses.** As a condition precedent to the agreements contained herein, Borrower shall pay all out-of-pocket costs and expenses incurred by Lender in connection with this Agreement, including, without limitation, title charges, recording fees, appraisal fees and attorneys' fees and expenses.

7. **Miscellaneous.**

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

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(b) This Agreement shall not be construed more strictly against Lender than against Borrower or Guarantor merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that Borrower, Guarantor and Lender have contributed substantially and materially to the preparation of this Agreement, and Borrower, Guarantor and Lender each acknowledges and waives any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Agreement. Each of the parties to this Agreement represents that it has been advised by its respective counsel of the legal and practical effect of this Agreement, and recognizes that it is executing and delivering this Agreement, intending thereby to be legally bound by the terms and provisions thereof, of its own free will, without promises or threats or the exertion of duress upon it. The signatories hereto state that they have read and understand this Agreement, that they intend to be legally bound by it and that they expressly warrant and represent that they are duly authorized and empowered to execute it.

(c) Notwithstanding the execution of this Agreement by Lender, the same shall not be deemed to constitute Lender a venturer or partner of or in any way associated with Borrower or Guarantor nor shall privity of contract be presumed to have been established with any third party.

(d) Borrower, Guarantor and Lender each acknowledges that there are no other understandings, agreements or representations, either oral or written, express or implied, that are not embodied in the Loan Documents and this Agreement, which collectively represent a complete integration of all prior and contemporaneous agreements and understandings of Borrower, Guarantor and Lender; and that all such prior understandings, agreements and representations are hereby modified as set forth in this Agreement. Except as expressly modified hereby, the terms of the Loan Documents are and remain unmodified and in full force and effect.

(e) This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(f) Any references to the "Note", the "Mortgage" or the "Loan Documents" contained in any of the Loan Documents shall be deemed to refer to the Amended Note, the Mortgage and the other Loan Documents as amended hereby. The paragraph and section headings used herein are for convenience only and shall not limit the substantive provisions hereof. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders. Any word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

(g) This Agreement may be executed in one or more counterparts, all of which, when taken together, shall constitute one original Agreement.

(h) Time is of the essence of each of Borrower's obligations under this Agreement.

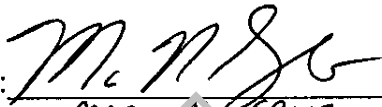
This Modification Agreement is executed by **LASALLE BANK NATIONAL ASSOCIATION**, not personally, but solely as Trustee as aforesaid, in the exercise of the power and authority conferred upon and vested in said Trustee, and it is expressly understood and agreed that nothing in this Modification Agreement shall be construed as creating any personal liability on said Trustee.

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IN WITNESS WHEREOF, the parties hereto have executed this Agreement dated as of the day and year first above written.

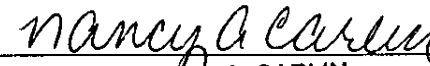
**LENDER:**

LASALLE BANK NATIONAL  
ASSOCIATION

By:   
Name: MARC N. GRYZLO  
Title: Loan Associate

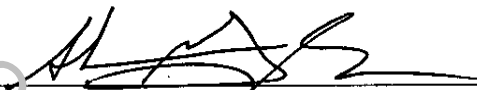
**BORROWER:**

LASALLE BANK NATIONAL  
ASSOCIATION, f/k/a LaSalle National  
Bank N.A. as trustee as aforesaid  
and not personally

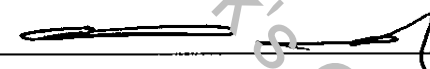
By:   
Name: NANCY A. CARLIN  
Title: Assistant Vice President

**GUARANTOR:**

  
OTILIO ARZOLA

  
SHAUN L. GAYLE

**OT. NUAHS, INC.**

Otilio Arzola  
By:   
Its: SECRETARY

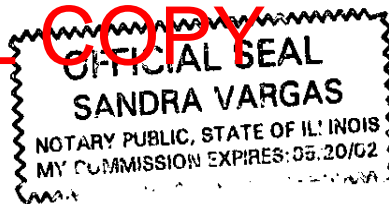
**ATTEST:**

By: \_\_\_\_\_

Its: \_\_\_\_\_

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STATE OF ILLINOIS )  
 ) .SS  
COUNTY OF COOK )



I Sandra Vargas, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Marc Gryzlo, Loan Associate of LaSalle Bank National Association, is 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 and delivered 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 1<sup>st</sup> day of November, 2001.

Sandra Vargas  
Notary Public

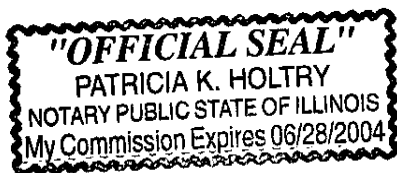
My Commission Expires: 5/30/02

STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

PATRICIA K. HOLTRY

I, \_\_\_\_\_, a Notary Public in and for the said County, in the State aforesaid, DO CERTIFY NANCY A. CARLIN Assistant Vice President of LASALLE BANK NATIONAL ASSOCIATION f/k/a LaSalle National Bank ~~NA~~, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such officer, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act and as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 7<sup>th</sup> day of November, 2001.



Patricia K. Holtry  
Notary Public

My Commission Expires: \_\_\_\_\_

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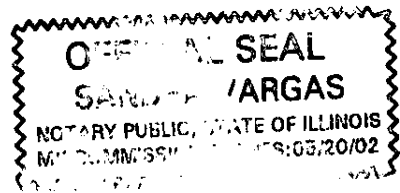
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that OTILIA ARZOLA personally appeared before me this day and subscribed his name to the foregoing instrument for the uses and purposes therein stated.

Given under my hand and notarial seal this 1 day of November, 2001.

Sandra Vargas  
Notary Public

My Commission Expires: 5/20/02



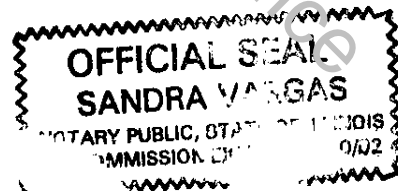
STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that SHAUN L. GAYLE personally appeared before me this day and subscribed his name to the foregoing instrument for the uses and purposes therein stated.

Given under my hand and notarial seal this 1<sup>st</sup> day of November, 2001.

Sandra Vargas  
Notary Public

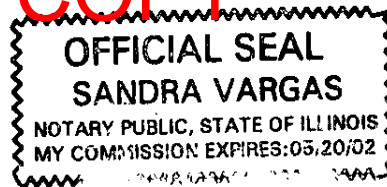
My Commission Expires: 5/20/02



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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )



I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that Otilio Arzola and \_\_\_\_\_, the Secretary and \_\_\_\_\_, respectively, of OT. NUAHS, INC., an Illinois corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person and acknowledged that they signed, sealed 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 1 day of November, 2001.

Sandra Vargas  
Notary Public

My Commission Expires: 5/20/02

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## EXHIBIT A

### THE PROPERTY

PIN: 14-17-102-023-0000  
14-17-102-024-0000

ADDRESS: 4716-24 North Beacon, Chicago, Illinois

#### PARCEL 1:

LOTS 224 AND 225 IN SHERIDAN DRIVE SUBDIVISION OF NORTH 3/4 OF EAST 1/2 OF NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THAT PART OF WEST 1/2 OF SAID NORTHWEST 1/4 OF SAID SECTION 17 WHICH LIES NORTH OF SOUTH 800 FEET THEREOF AND EAST OF GREEN BAY ROAD, IN COOK COUNTY, ILLINOIS.

#### PARCEL 2:

LOT 226 IN SHERIDAN DRIVE SUBDIVISION BEING A SUBDIVISION OF THE NORTH 3/4 OF THE EAST 1/2 OF THE NORTHWEST 1/4 OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, TOGETHER WITH THAT PART OF THE WEST 1/2 OF THE NORTHWEST 1/4 WHICH LIES NORTH OF THE SOUTH 800 FEET AND EAST OF GREEN BAY ROAD, IN COOK COUNTY, ILLINOIS.

11142912