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THIS INSTRUMENT PREPARED BY/ RETURN TO:

GINA DIAZ  
FIRST BANK AND TRUST COMPANY  
300 E. Northwest Highway  
Palatine, IL 60067

00129021

1554/0037 05 001 Page 1 of 3  
2000-02-22 10:56:33  
Cook County Recorder 25.00

*all  
000185-4137*

SECOND MODIFICATION AGREEMENT

THIS AGREEMENT, dated this 31ST day of DECEMBER, 1999, by and between, 1601 NORTH PAULINA, L.L.C., AN ILLINOIS LIMITED LIABILITY COMPANY, MICHAEL N. SCHWARTZ, AN INDIVIDUAL, AND SCOTT Y. SCHILLER AN INDIVIDUAL, jointly and severally (collectively referred to herein as "BORROWER" whether singular or plural), and FIRST BANK AND TRUST COMPANY OF ILLINOIS, (hereinafter referred to as the "BANK").

*3  
BANK*

WITNESSETH:

WHEREAS, BORROWER executed and delivered to the BANK, a Mortgage Note (hereinafter referred to as "NOTE") dated APRIL 14, 1998 in the amount of \$2,220,000.00 with a maturity date of JUNE 30, 1999.

WHEREAS, BORROWER executed and delivered to the BANK a FIRST MORTGAGE (hereinafter referred to as "MORTGAGE") dated APRIL 14, 1998 securing the NOTE and conveying and mortgaging real estate located in COOK County, State of ILLINOIS, legally described as follows:

LOTS 15, 16, AND 17 IN FITCH'S SUBDIVISION OF THE SOUTHWEST 1/4 OF BLOCK 25 IN SHEFFIELD'S ADDITION TO CHICAGO IN SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

COMMONLY KNOWN AS: 1652-56 WEST NORTH AVENUE, CHICAGO AND 1611 NORTH PAULINA, CHICAGO, ILLINOIS  
P.I.N. 14-31-430-036, 14-36-430-037, 14-31-430-044 AND 14-31-430-045

said MORTGAGE being recorded in the Recorder's/Registrar's Office of COOK County, Illinois, on MAY 1, 1998 as Document Number 98358017.

WHEREAS, BORROWER extended and delivered to BANK an ASSIGNMENT OF RENTS dated MAY 1, 1998 and recorded in the COOK County Recorder's Office as Document Number 98358018 as additional collateral for the loan.

WHEREAS, the MORTGAGE represents a FIRST MORTGAGE upon the real estate located at 1652-56 WEST NORTH AVENUE, CHICAGO AND 1611 NORTH PAULINA, CHICAGO, ILLINOIS.

WHEREAS, BORROWER executed and delivered to BANK a standard FIRST SECURED DEMAND NOTE MODIFICATION AGREEMENT (herein referred to as "MODIFICATION") dated MAY 31, 1999 extending the maturity date of the NOTE to DECEMBER 31, 1999 and increasing the principal loan amount from One Million Seven Hundred and Twenty Thousand (\$1,720,000) to Two Million Two Hundred and Twenty Thousand (\$2,220,000)

WHEREAS, the BORROWER certifies that it is the owner of the said real estate and that there are no liens or encumbrances (except for real estate taxes not due), or other mortgages on the real estate and improvements, except in favor of the Bank.

WHEREAS, the BANK represents that it is the owner and holder of the NOTE.

WHEREAS, the parties hereto wish to extend the maturity date of the NOTE.

WHEREAS, the parties hereto agree to increase the existing floor of the NOTE.

Borrower wishes, and Lender is willing, to modify the terms of the Loan Documents, subject to the terms and conditions set forth below.

NOW THEREFORE, for valuable consideration of the mutual benefits of the parties hereto, the receipt of which is hereby mutually acknowledged, the parties hereto agree as follows:

1. That the maturity date described in said NOTE be changed from "On demand, but if no demand is made, then on DECEMBER 31, 1999" to "On demand, but if no demand is made, then on APRIL 30, 2000".

*Ma+31, 2000*

**BOX 333-CTT**

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MODIFICATION AGREEMENT

2. That the floor described in said NOTE be changed from "During the term of this loan, the applicable annual interest rate will not be less than 8.00%." to "During the term of this loan, the applicable annual interest rate will not be less than 9.5%."

3. BORROWER agrees to pay BANK a \$10,000.00 loan fee and all trust and/or other fees due to BANK incurred in connection with this Modification Agreement and authorizes Bank to increase the principal balance of the Note by said amount in payment of said fees.

4. BORROWER agrees to provide Bank its currently dated financial statement on each anniversary date of this Note as well as upon request by Bank. Each financial statement provided by BORROWER shall be signed and currently dated by BORROWER and certified by BORROWER to Bank to be a true and correct financial statement. BORROWER further acknowledges that its failure to timely deliver its financial statement shall constitute a default pursuant to the terms of the Note and other loan documents which shall cause interest to accrue at the default rate from the due date of the financial statement through the date said financial statement is delivered to and received by Bank. BORROWER authorizes Bank to order any credit reports and other information that Bank deems necessary to perform its periodic credit reviews. BORROWER agrees to pay Bank an annual fee of \$250, plus costs, including the cost of credit reports and other information, for and in connection with its periodic credit reviews and further authorizes Bank to add said fee and costs to its loan.

5. Whenever the context of this SECOND MODIFICATION AGREEMENT or any of the other loan documents including, but not limited to, the NOTE, MORTGAGE, ASSIGNMENT OF RENTS, and MODIFICATION so requires, the singular number shall include the plural number and vice versa, and any gender shall be deemed to include the feminine, masculine or neutral gender.

6. In the event any Liabilities are not paid to BANK when due, all Liabilities outstanding will accrue interest, from such due date until such overdue amount is paid, at the rate of twenty-four (24%) annum, calculated on the basis of a 360-day year and actual days elapsed. All payments hereunder shall be made to BANK at its place of business, 300 E. Northwest Highway, Palatine, Illinois. Any payments received will be applied first to any costs and expenses due hereunder, second to any interest then due, third to any principal then due, fourth to any interest accrued but not then due and the remainder to any principal outstanding.

7. That the BANK agrees on behalf of itself and of any subsequent holder to mark the NOTE so as to reflect the terms of this Agreement before transferring or negotiating the same.

8. That the BORROWER hereby agrees that the lien of the said MORTGAGE, ASSIGNMENT OF RENTS and SECOND MORTGAGE shall secure the NOTE as hereby amended to the same extent as if the NOTE as amended were set forth and described in said MORTGAGE and ASSIGNMENT OF RENTS.

9. That both parties hereto further mutually agree that all of the terms, provisions, stipulations, powers, and covenants in the said NOTE, MORTGAGE, ASSIGNMENT OF RENTS, and MODIFICATION shall stand and remain unchanged and in full force and effect and shall be binding upon them except as changed or modified in express terms by this Agreement.


10. That this Agreement shall extend to and be binding upon the parties hereto, their heirs, personal representatives, successors, and assigns.


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


FIRST BANK AND TRUST COMPANY  
OF ILLINOIS

By:   
MICHAEL C. WINTER, PRESIDENT

BORROWER:  
1601 NORTH PAULINA, L.L.C., an Illinois  
limited liability company

By:   
SCOTT Y. SCHILLER, MANAGER

By:   
MICHAEL N. SCHWARTZ, MANAGER

By:   
SCOTT Y. SCHILLER, INDIVIDUALLY

By:   
MICHAEL N. SCHWARTZ, INDIVIDUALLY

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MODIFICATION AGREEMENT

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STATE OF ILLINOIS  
COUNTY OF COOK

I, Dee Rickhoff, a Notary Public, in and for said County, in the State aforesaid, DO HEREBY CERTIFY THAT MICHAEL N. SCHWARTZ and SCOTT Y. SCHILLER personally known to be the same persons whose name are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged they signed, sealed and delivered the said instrument as their free and voluntary act for the uses and purposes therein set forth, including the release and waiver of the right of homestead.

Given under my hand and Notarial Seal this 11<sup>th</sup> day of November, 1999.



STATE OF ILLINOIS  
COUNTY OF COOK

I, Gina Diaz, a Notary Public, in and for said County, does hereby certify that MICHAEL C. WINTER, PRESIDENT of First Bank and Trust Company of Illinois of said Bank, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such PRESIDENT, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act of said Bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 31<sup>st</sup> day of December, 1999.

Gina Diaz  
NOTARY PUBLIC



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Produced by  
Cook County Clerk's Office