

**SECOND MODIFICATION
AGREEMENT**



0020178549

THIS SECOND MODIFICATION AGREEMENT (this "Agreement") is dated as of the 16 day of August, 2001, but is effective as of July 10, 2001, by and between SANGAMON, L.L.C., an Illinois limited liability company ("Mortgagor"), whose address is c/o The Piedmont Group, 1127 Florence Avenue, Evanston, Illinois 60202, and LASALLE BANK NATIONAL ASSOCIATION, a national banking association ("Mortgagee"), whose address is 135 South LaSalle Street, Chicago, Illinois 60603.

WITNESSTH:

WHEREAS, on or about January 10, 2001, Mortgagee made a \$1,755,000.00 Loan (the "Loan") to Mortgagor evidenced by a Promissory Note (the "Note") payable to Mortgagee dated January 10, 2001 in the original principal amount of \$1,755,000.00;

WHEREAS, the Note is secured by a certain Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing (the "Mortgage") dated January 10, 2001 executed by Mortgagor in favor of Mortgagee, and recorded with the Cook County Recorder of Deeds (the "Recorder") on January 22, 2001 as Document No. 0010054269, which Mortgage encumbers certain real estate located in Chicago, Cook County, Illinois, and legally described on Exhibit "A" attached hereto (the "Mortgaged Premises");

WHEREAS, the Note is further secured by an Assignment of Rents and Leases (the "Assignment") dated January 10, 2001 from Mortgagor to Mortgagee, and recorded with the Recorder on January 22, 2001 as Document No. 0010054270, and certain other documents and instruments (all of the above documents and any and all extensions and renewals thereof, amendments thereof and substitutes or replacements therefor are herein collectively referred to as the "Loan Documents");

This instrument prepared by and after recording return to:

Permanent Index Nos.

Sharon Z. Letchinger
Schwartz, Cooper, Greenberger
& Krauss, Chartered
180 N. LaSalle Street
Suite 2700
Chicago, Illinois 60601

17-17-226-003
17-17-226-004
17-17-226-005
17-17-226-006

Address of Premises:

321-325 South Sangamon Street
Chicago, Illinois

WHEREAS, pursuant to the terms of a First Modification Agreement dated as of April 16, 2001 between Mortgagor and Mortgagee, which was recorded with the Recorder on April 16, 2001 as Document No. 0010306835 (the "First Amendment"), Mortgagee agreed to increase the principal amount of the Loan from \$1,755,000.00 to \$2,455,000.00;

WHEREAS, as of July 10, 2001, \$2,444,566.89 of the Loan has been disbursed and \$10,433.11 remains unfunded; and

WHEREAS, Mortgagor has requested that Mortgagee agree to (i) increase the amount of the Loan from \$2,455,000.00 to \$2,494,000.00, and (ii) extend the maturity date of the Note from July 10, 2001 to January 10, 2002, and in consideration of the execution of this Agreement and the execution of that certain Second Reaffirmation of Guaranty of even date herewith by the guarantors of the Loan (the "Guarantors"), Mortgagee is willing to do so.

NOW, THEREFORE, in consideration of the premises and the mutual promises of the parties, and for other good and valuable consideration in hand paid, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. The foregoing recitals are hereby incorporated by this reference into this Agreement. All defined terms used herein and not otherwise defined herein shall have the meanings ascribed to them in the Loan Documents.

2. The stated principal amount of the Note is hereby increased by \$39,000.00 (the "Additional Loan Proceeds") from \$2,455,000.00 to \$2,494,000.00. All references in the Note, the Mortgage, the Assignment and the other Loan Documents to the principal amount of the Loan shall be deemed to refer to \$2,494,000.00.

3. The maturity date of the Note is hereby extended from July 10, 2001 to January 10, 2002. All references in the Note, the Mortgage, the Assignment and the other Loan Documents to the maturity date of the Note shall be deemed to refer to January 10, 2002.

4. At such times as the "Interest Reserve" (as defined in the Letter Agreement dated as of January 10, 2001 between Mortgagor and Mortgagee) has been fully advanced, Mortgagee shall notify Mortgagor of that fact and the amount of interest reasonably anticipated to become due during the remainder of the Loan term and Mortgagor shall deposit with Mortgagee cash or cash equivalent thereof within ten (10) days following notification from Mortgagee. Mortgagor's failure to timely deposit the funds as aforesaid shall constitute an Event of Default under the Loan Documents.

5. The modifications provided for in this Agreement shall be effective only if the following conditions are satisfied:

a. The Note is in good standing, free from any default, and there is no Event of Default under the Mortgage, Assignment, and other Loan Documents as of the date hereof;

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- b. Mortgagor has delivered to Mortgagee a Second Reaffirmation of Guaranty;
 - c. Mortgagor has delivered to Mortgagee an endorsement to ALTA Loan Policy No. 4250676 issued by First American Title Insurance Company increasing the face amount of the policy to \$2,494,000.00, and insuring that as of the date of recording of this Agreement, the Mortgage (as modified hereby) is a valid first lien upon the Mortgaged Premises subject only to exceptions to title satisfactory to Mortgagee;
 - d. Mortgagor has delivered to Mortgagee resolutions adopted by the directors of the Manager of Borrower authorizing Mortgagor's borrowing of the Additional Loan Proceeds; and
 - e. Mortgagor has delivered to Mortgagee such other documents and instruments as Mortgagee may reasonably require.
6. Concurrently herewith, Mortgagee shall pay a loan extension fee in the amount of \$5,000.00, together with all reasonable closing costs and expenses, including legal fees, incurred by Mortgagee incident to the transactions contemplated herein.
7. Nothing herein contained shall impair the Note, Mortgage, Assignment, or other Loan Documents in any way, nor alter, waive, amend, vary, nor affect any provision or condition therein contained except as expressly herein provided, nor affect or impair any right, power or remedy of Mortgagee. It is the intention of the parties hereto that the terms and provision of the Note, Mortgage, Assignment and other Loan Documents shall continue in full force and effect except as expressly modified in connection herewith.
8. Mortgagor hereby acknowledges that (i) as of the date hereof, Mortgagor has no defense, offset or counterclaim with respect to the payment of any sum owed to Mortgagee, or with respect to any covenant in the Loan Documents; (ii) Mortgagor hereby remakes and ratifies all representations, warranties and agreements made by it in and upon the execution and delivery of the Note, Mortgage, Assignment and other Loan Documents; (iii) Mortgagee, on and as of the date hereof, has fully performed all obligations to Mortgagor which it may have had or has on and as of the date hereof; and (iv) by entering into this Agreement, Mortgagee does not waive any condition or obligation in the Note, Mortgage, Assignment or other Loan Documents.
9. This Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto.
10. No extension, change, modification or amendment of any kind or nature whatsoever, to or of this Agreement shall be made or claimed by Mortgagor, and no notice of any extension, change, modification or amendment, made or claimed by Mortgagor shall have any force or effect whatsoever unless the same shall be reduced to writing and signed by the parties.

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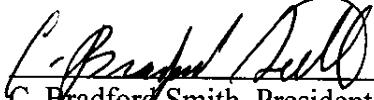
11. This Agreement shall be governed and construed in accordance with the laws of the State of Illinois.

12. This Agreement may be signed in one of more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

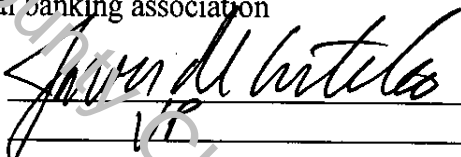
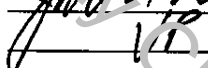
IN WITNESS WHEREOF, the undersigned have caused these presents to be signed as of the day and year first above written.

SANGAMON, L.L.C., an Illinois limited liability company

By: The Piedmont Group, Inc., an Illinois corporation, its Manager

By: 
C. Bradford Smith, President

LASALLE BANK NATIONAL ASSOCIATION, a national banking association

By: 
Its: 

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

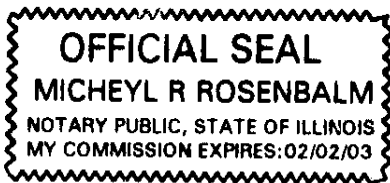
I HEREBY CERTIFY that on this 24th day of September, 2001, before me personally appeared C. Bradford Smith, President of The Piedmont Group, Inc., an Illinois corporation, Manager of Sangamon, L.L.C., an Illinois limited liability company, to me known to be the same person who signed the foregoing instrument as his free act and deed as such President for the use and purpose therein mentioned, and that the said instrument is the act and deed of said limited liability company.

WITNESS my signature and official seal at Chicago in the County of Cook and State of Illinois the day and year last aforesaid.

(NOTARY SEAL)

Michael Rosenbalm
Notary Public

My Commission Expires: 2-2-03



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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I HEREBY CERTIFY that on this 27th day of September 2001, before me personally appeared JASON M. COSTELLO, the VICE PRESIDENT of LASALLE BANK NATIONAL ASSOCIATION, a national banking association, to me known to be the same person who signed the foregoing instrument as his/her free act and deed as such officer for the use and purpose therein mentioned, and that the said instrument is the act and deed of said bank.

WITNESS my signature and official seal at Chicago in the County of Cook and the State of Illinois, the date and year last aforesaid.

(NOTARY SEAL)



Rae Rivero
Notary Public

My Commission Expires: 6/05/04

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EXHIBIT "A"

LEGAL DESCRIPTION OF THE MORTGAGED PREMISES

THE NORTH 44 FEET AND 8 INCHES OF LOT 10 AND ALL OF LOTS 11 AND 12 IN BLOCK 18 IN DUNCANS ADDITION TO CHICAGO IN SECTION 17, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

PINs: 17-17-226-003
17-17-226-004
17-17-226-005
17-17-226-006

Address: 321-325 South Sangamon
Chicago, Illinois

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