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MODIFICATION OF LOAN DOCUMENTS

THIS MODIFICATION OF LOAN DOCUMENTS ("**Modification**") is made and entered into this 24th day of September, 2002 ("**Effective Date**"), by and among **RICHARD CARLSON** and **PHYLLIS CARLSON**, as Co-Trustees of the CARLSON FAMILY TRUST Under Trust Agreement dated December 18, 1992 ("**Borrower**"); **FRANK O. CARLSON & CO., INC.**, an Illinois corporation ("**Carlson, Inc.**"); **DAVID A. CARLSON** ("**D. Carlson**"); and **MB FINANCIAL BANK, N.A.**, formerly known as Manufacturers Bank ("**Lender**").

RECITALS:

A. As of the Effective Date, Borrower and Carlson, Inc. are indebted to Lender in the aggregate principal sum of ONE MILLION THREE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS ($1,390,000.00), which indebtedness ("**Loans**") are evidenced by: (i) that certain Mortgage Note 1 ("**Note 1**") dated as of July 18, 2000 executed by Borrower in the original principal amount of SIX HUNDRED THOUSAND AND NO/100 DOLLARS ($600,000.00); (ii) that certain Promissory Note ("**Note 2**") dated as of July 18, 2002 executed by Carlson, Inc. in the original principal amount of FOUR HUNDRED THOUSAND AND NO/100 DOLLARS ($400,000.00), and (iii) that certain Promissory Note ("**Note 3**") dated October 18, 2001 executed by Carlson, Inc. in the original principal amount of FOUR HUNDRED THOUSAND AND NO/100 DOLLARS ($400,000.00) (collectively, the "**Notes**").

B. The Loans are guaranteed by D. Carlson pursuant to: (i) a Guaranty of Note 1 dated July 18, 2000; and (ii) a Commercial Guaranty dated June 14, 2000 (collectively, the "**D. Carlson Guaranties**").

C. The Loan evidenced by Note 1 is secured by the following:

(i) Mortgage, Assignment of Leases and Security Agreement 1 dated July 18, 2000 executed by Borrower in favor of Lender and recorded on July 31, 2000 in the

BOX 333-CTI

Recorder's Office of Cook County, Illinois as Document No. 00575289 ("**Mortgage 1**"); and

(ii) Assignment of Leases, Rents and Profits dated July 18, 2000 executed by Borrower in favor of Lender and recorded July 31, 2000 in the Recorder's office of Cook County, Illinois as Document No. 00575290 ("**Assignment 1**").

D. The Loan evidenced by Note 2 is secured by the following:

(i) Second Mortgage dated July 18, 2000 executed by Borrower in favor of Lender and recorded on July 31, 2000 in the Recorder's Office of Cook county as Document No. 00575291 ("**Mortgage 2**"); and

(ii) Assignment of Rents dated July 18, 2000 executed by Borrower in favor of Lender and recorded on July 31, 2000 in the Recorder's Office of Cook county as Document No. 00575292 ("**Assignment 2**")

E. Mortgage 1 and Mortgage 2 constitute valid first and second liens on the real property located at 1001 East 99th Street, Chicago, Illinois 60606, which property is legally described on **Exhibit A** attached hereto ("**Property**").

F. The Loans are further evidenced and secured by the other documents described on **Exhibit B** attached to the Modification of Loan Documents hereinafter described (said documents on said **Exhibit B**, together with the Notes, D. Carlson Guaranties, Mortgage 1, Mortgage 2, Assignment 1 and Assignment 2, being collectively, the "**Original Loan Documents**").

G. The current maturity date of Note 1 is August 1, 2005, the current maturity date of Note 2 is July 18, 2005, and Note 3 has matured and is due.

H. The outstanding principal balances of the Notes as of the date hereof are as follows:

(i) Note 1 – $574,163.84;

(ii) Note 2 – $378,163.58; and

(iii) Note 3 – $398,944.73.

I. Lender, on the one hand, and Borrower, Carlson, Inc. and D. Carlson, on the other hand (collectively, the "**Obligors**"), desire to: (i) consolidate the Loans into a single loan of ONE MILLION THREE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS ($1,390,000.00) (the "**Loan**"); (ii) extend the term of the Loan, change the interest rate due on the Loan, and provide for level monthly payments under the Loan; (iii) provide for Borrower to be the sole borrower under

the new Loan, and provide for Carlson, Inc. to be an additional guarantor under the new Loan; and (iv) modify the other Original Loan Documents to conform to the foregoing.

J. By Consolidated, Amended and Restated Promissory Note dated of even date herewith ("**Consolidated Note**") executed by Borrower in favor of Lender, the Notes were consolidated into one (1) single instrument and amended in their entirety to, among other things: (i) reflect the sum of ONE MILLION THREE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS ($1,390,000.00) as the amount of the Loan; (ii) extend the maturity of the Loan to October 1, 2007; and (iii) change the interest rate and monthly payments on the Loan.

K. Lender is willing to accept the Consolidated Note provided that: (i) the Original Loan Documents and any and all modifications thereof and the liens of any of the foregoing, as amended hereby (the "**Loan Documents**"), shall have the same validity, priority and effect against all of the real and personal property to which they apply that said liens had immediately prior to the execution and delivery of this Modification and the Consolidated Note; (ii) no such amendment or modification shall constitute a waiver by Lender of any default by Borrower under any of the Original Loan Documents; (iii) Borrower pays to Lender the amount by which the outstanding balance of principal and accrued interest on the Notes exceeds the face amount of the Consolidated Note; and (iv) the Obligors comply with and fulfill all of the obligations and requirements set forth herein and in a certain Agreement to Modify Loans dated of even date herewith between Lender and Obligors ("**Agreement to Modify**").

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements hereinafter set forth, and of other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Obligors and Lender hereby mutually agree as follows:

1. **Incorporation by Reference**. The foregoing Recitals are hereby incorporated herein by reference as if set forth in full in the body of this Modification.

2. **Consolidated Note**. The parties acknowledge that the Consolidated Note consolidates, replaces and supersedes the Notes, and that the principal balance of ONE MILLION THREE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS ($1,390,000.00) as reflected therein is the principal balance of the Loan due and outstanding as of the Effective Date.

3. **Modification of Other Loan Documents**. The Loan Documents other than the Consolidated Note ("**Other Loan Documents**") are hereby amended as follows, effective as of the Effective Date:

(a) All modifications to the Loan reflected in the Consolidated Note are hereby incorporated by reference into the Other Loan Documents, and to the extent the provisions of the Consolidated Note conflict or are inconsistent with those of the Other Loan

Documents, the provisions of the Consolidated Note shall be controlling and shall be deemed to supersede such provisions in the Other Loan Documents;

(b) Except as expressly provided in the Agreement to Modify, Lender shall have no obligation whatsoever to make any further disbursements of the Loan in excess of ONE MILLION THREE HUNDRED NINETY THOUSAND AND NO/100 DOLLARS ($1,390,000.00);

(c) The Consolidated Note shall be secured by the Mortgage and the Other Loan Documents as modified by this Modification;

(d) All references in the Other Loan Documents (i) to the Notes or either of them shall be deemed to refer to the Consolidated Note, and (ii) to the maturity of the Loans, the interest rate on the Loans and the other terms of the Loans shall be deemed to refer to the Maturity Date, the Loan Rate and other terms set forth in the Consolidated Note; and

(e) All references in the Other Loan Documents to any Original Loan Document shall be deemed to refer to such Original Loan Document as modified by this Modification.

4. **Consent of Guarantors**.

(a) Carlson, Inc. hereby assumes all obligations as a guarantor under the D. Carlson Guaranties, as if it had executed same as a guarantor, such that Carlson, Inc. and D. Carlson shall be jointly and severally liable as guarantors ("**Guarantors**") under the D. Carlson Guaranties (as amended hereby, the "**Guaranties**").

(b) Guarantors (i) have received and reviewed this Modification and all documents and instruments in connection herewith, (ii) hereby consent to the execution and delivery hereof, and (iii) agree that their duties, liabilities and obligations under the Guaranties shall not in any manner be impaired, discharged or released by the execution and delivery of this Modification and all documents or instruments in connection herewith.

5. **Reaffirmation of Obligations**.

(a) The Obligors hereby acknowledge and reaffirm their obligations under the Other Loan Documents and the indebtedness evidenced thereby, and acknowledge and agree that such indebtedness is owing to Lender and is enforceable against the Obligors in accordance with the terms of the Other Loan Documents as modified, amended and extended by this Modification, subject to no defenses, counterclaims, deductions or set-offs whatsoever.

(b) Nothing contained in this Modification, or the transactions contemplated hereby, shall be deemed or construed to be a consent to or a waiver of any breach or default

in the performance by the Obligors of their respective obligations to Lender, whether evidenced by the Other Loan Documents or otherwise, nor shall Lender be impaired or limited in its ability to fully and completely enforce any and all the rights and remedies presently available to Lender under the Loan Documents for a breach of any Obligor's obligations as required by the Loan Documents as may exist at the Effective Date.

(c) Carlson, Inc. hereby acknowledges that the collateral granted by it to Lender with respect to the Loans when Carlson, Inc. was a borrower and not a Guarantor shall continue to be collateral for the Loan as well as for Carlson, Inc.'s obligations under the Guaranties as a Guarantor.

(d) Borrower hereby acknowledges that the collateral granted by it to Lender with respect to the Loans shall continue to be collateral for the Loan. Borrower hereby further acknowledges that it will be hereafter personally liable to Lender for the entire indebtedness evidenced by the Note, and not liable only for Note 1 as originally provided.

6. **Reaffirmation of Representations and Warranties**. The Obligors hereby acknowledge and reaffirm that all the representations and warranties of the Obligors as stated in the Original Loan Documents are true and correct in all material respects as of the Execution Date.

7. **Offsets and Defenses**. The Obligors hereby acknowledge and agree that: (a) as of the date of this Modification, there are no offsets, defenses or counterclaims against Lender arising out of or in any way relating to the Original Loan Documents, (b) they release and forever discharge, and indemnify and hold harmless Lender, its agents, servants, employees, directors, officers, attorneys, branches, affiliates, subsidiaries, successors and assigns and all persons, firms, corporations and organizations acting or who have acted in its behalf of and from all damage, loss, claims, demands, liabilities, obligations, actions and causes of action whatsoever which they or any of them may now have or claim to have against Lender or any of the other persons or entities described in this clause (b) as of the date of this 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 Original Loan Documents, and (c) Lender is not in default under the Original Loan Documents and has fulfilled any and all of Lender's obligations under the Original Loan Documents to date.

8. **Intent of Parties**. The parties expressly agree that the liens evidenced and granted by the Original Loan Documents shall be in no way deemed to have been subordinated, released, modified, terminated, or otherwise affected by this Modification, it being understood by the parties hereto that the liens of said documents shall continue in full force and effect, and are to have the same validity, priority and effect that they had immediately prior to the execution of this Modification and the documents and instruments executed and delivered pursuant to this Modification, and shall survive and not be merged into the execution and delivery of this Modification or any of the documents and instruments to be executed pursuant to this Modification, without interruption.

9. **Guarantors Not Insolvent**. Guarantors hereby represent and warrant to Lender that Guarantors are currently solvent and generally paying their debts as they become due and payable. Guarantors further represent and warrant that they own property which, at fair valuation, is greater than the sum of their debts.

10. **No Third Party Beneficiaries**. This Modification is made and entered into for the sole protection and benefit of the Lender, Borrower and Guarantors, and no other person, entity or entities shall have the right of action hereon, right to claim any right or benefit from the terms contained herein or be deemed a third party beneficiary hereunder.

11. **Conflicts**. The provisions of this Modification shall govern and control in the event of any conflict between this Modification and the provisions of any of the Original Loan Documents.

12. **Entire Agreement**. Except as expressly set forth herein, this Modification, the Consolidated Note, the Agreement to Modify Loans, and the Original Loan Documents constitute the entire agreement of the parties hereto with respect to the matters addressed herein, and supersede all prior or contemporaneous contracts, representations, statements and warranties, whether oral or written, with respect to such matters.

13. **Successors and Assigns; Assignability**. This Modification shall be binding upon and inure to the benefit of the parties hereto, their respective successors, legal representatives and assigns; provided, however, that no Obligor may assign its rights under the Original Loan Documents or this Modification.

14. **Effect of Modification**. Except as specifically amended or modified by the terms of this Modification, all terms and provisions of each of the Original Loan Documents shall remain in full force and effect. Lender's agreement to modify the Loans and the Original Loan Documents as set forth herein shall not be interpreted or construed as obligating Lender to make any future modifications to or extensions of the Loan.

15. **Governing Law**. This Modification shall be governed by and be construed in accordance with the internal laws of the State of Illinois.

16. **Captions**. The title of this Modification and the headings of the various paragraphs of this Modification have been inserted only for the purposes of convenience and are not part of this Modification and should not be deemed in any manner to modify, explain, expand or restrict any of the provisions of this Modification.

17. **Attorneys' Fees, Costs and Expenses**. In any action or proceeding arising out of this Modification, Lender shall be entitled to recover from the Obligors the reasonable attorneys' fees, court costs, filing fees, publication costs and other expenses incurred by Lender in connection therewith.

18. **Further Assurances**. The parties hereto and each of them agree to execute from time to time any and all documents reasonably requested by the others to carry out the intent of this Modification.

19. **Counterparts and Execution**. This Modification may be executed in several counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. However, this Modification shall not be binding on any party until all the parties hereto have executed this document, either all on one document or in counterparts, it being intended that if such execution by all the parties shall not occur or be satisfied, as applicable, then no party shall be bound by this Modification.

IN WITNESS WHEREOF, the parties hereto have executed this Modification on the day first above written.

BORROWER:

RICHARD CARLSON

PHYLLIS CARLSON

Not personally, but as Co-Trustees of the Carlson Family Trust as aforesaid

LENDER:

MB FINANCIAL BANK, N.A.

By:
Name: James Mann
Title: Sr. V.P.

CARLSON, INC.:

FRANK O. CARLSON & CO., INC.,
an Illinois corporation

By:
Name: DAVID A. CARLSON
Title: PRESIDENT

D. CARLSON:

DAVID A. CARLSON

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, Lawrence M. Gritton, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that James Nass, as Sr VP of MB FINANCIAL BANK, N.A., a national banking association, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Sr VP of said Bank, 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, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 30th day of September, 2002.

"OFFICIAL SEAL"
LAWRENCE M GRITTON
Notary Public, State of Illinois
My Commission Exp. 08/29/2004

Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Rhonda Leslie Snaer, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that RICHARD CARLSON, as Co-Trustee as aforesaid, appeared before me this day in person and acknowledged that he signed and sealed the said instrument as his own free and voluntary act as such Co-Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 26th day of September, 2002.

Rhonda Leslie Snaer
Notary Public

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Rhonda Leslie Smart, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that PHYLLIS CARLSON, as Co-Trustee as aforesaid appeared before me this day in person and acknowledged that she signed and sealed the said instrument as her own free and voluntary act as such Co-Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 26th day of September, 2002.

Rhonda Leslie Smart
Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Lawrence M. Gritton, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that David A. Carlson, as Pres. of FRANK O. CARLSON & CO., INC., an Illinois corporation, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Pres. of said Corporation, 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 Corporation, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 3rd day of September, 2002.

Notary Public

"OFFICIAL SEAL"
LAWRENCE M GRITTON
Notary Public, State of Illinois
My Commission Exp. 08/29/2004

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Lawrence M. Gritton, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that DAVID A. CARLSON 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 3rd day of September, 2002.

Notary Public

"OFFICIAL SEAL"
LAWRENCE M GRITTON
Notary Public, State of Illinois
My Commission Exp. 08/29/2004

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EXHIBIT "A"

LEGAL DESCRIPTION

PARCEL 1:

THE SOUTH 314.83 FEET OF THE NORTH 324.83 FEET OF THE WEST 560.00 FEET OF THAT PART OF THE SOUTH 1/2 OF SECTION 11, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EAST OF A LINE DRAWN PERPENDICULARLY TO THE NORTH LINE OF SAID SOUTH 1/2 THROUGH A POINT WHICH IS 980.00 FEET EAST OF THE EASTERLY LINE OF SOUTH COTTAGE GROVE AVENUE (980.00 FEET WIDE) AS MEASURED ALONG A LINE 60.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTH EAST 1/4 OF SECTION 10 AND ALONG A LINE 60.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SECTION 11, ALL IN TOWNSHIP AND RANGE AFORESAID, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE NORTH 10.00 FET OF THE WEST 560.00 FEET OF THAT PART OF THE SOUTH 1/2 OF SECTION 11, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EAST OF A LINE DRAWN PERPENDICULARLY TO THE NORTH LINE OF SAID SOUTH 1/2 THROUGH A POINT WHICH IS 980.00 FEET EAST OF THE EASTERLY LINE OF SOUTH COTTAGE GROVE AVENUE (80.00 FEET WIDE) AS MEASURED ALONG A LINE 60.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTH EAST 1/4 OF SECTION 10 AND ALONG A LINE 60.00 FEET SOUTH OF AND PARALLEL WITH THE NORTH LINE OF THE SOUTH 1/2 OF SECTION 11, ALL IN TOWNSHIP AND RANGE AFORESAID, IN COOK COUNTY, ILLINOIS.

PIN: 25-11-300-027-0000

STREET ADDRESS: 1001 East 99th Street, Chicago, Illinois 60628

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