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**FIRST AMENDMENT TO GRANT DOCUMENTS**

This First Amendment to Grant Documents (this "Amendment") is made in Chicago, Illinois as of November 1, 2002 (the "Closing Date"), by and among the City of Chicago, an Illinois municipal corporation (the "City"), by and through its Department of Housing ("DOH"); The Lorali Building, L.L.C., an Illinois limited liability company (the "Company"), John Klise, a manager of the Company ("Klise"), James Stoller, a manager of the Company ("Stoller"); and Roberta Dorothy Lieberman, not personally, but as trustee of The Samuel W. Brody Testamentary Trust (the "Testamentary Trust"). The Company, Klise and Stoller are sometimes referred to herein as the "Developer." The City, the Developer and the Testamentary Trust are sometimes referred to herein as the "Parties."

(11)

**RECITALS**

A. La Salle Bank National Association, a national banking association (the "Trustee"), not personally but solely as successor trustee to American National Bank and Trust Company of Chicago, a national banking association, under that certain Trust Agreement dated February 19, 1999 and known as Trust No. 124876-09 (the "Trust"), owned title to real estate located at 1039 West Lawrence Avenue in Chicago, Illinois, legally described in Exhibit A hereto (the "Property") until July 29, 2002, when title to the Property was conveyed by the Trustee to the Company. Prior to July 29, 2002, Stoller, Klise and the Testamentary Trust, owned respectively 38.33 percent, 41.67 percent and 20 percent of the beneficial interest of the Trust.

B. The City Council of the City, pursuant to: (i) an ordinance adopted on May 18, 1994 and published in the Journal of the Proceedings of the City Council (the "Journal of Proceedings") for said date at pages 50811-50814; and (ii) an ordinance adopted on May 12, 1999 and published in the Journal of Proceedings for said date at pages 1828-1830, has authorized DOH to enter into grant agreements with owners of Single Room Occupancy buildings for the payment of up to \$500 per unit for the installation of fire safety devices under the SRO Fire Safety Financing Program (the "Program").

C. On May 24, 2001, the City made a grant under the Program in an amount not to exceed \$70,000 (the "Grant") to the Developer, the Trustee and the Testamentary Trust. The Grant is evidenced,

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among other things, by: (i) that certain Grant Agreement between the City, the Developer, the Trustee and the Testamentary Trust, dated as of May 24, 2001; and (ii) that certain Mortgage Assignment of Rents, Security Agreement and Financing Statement made by the Developer, the Trustee and the Testamentary Trust in favor of the City (the "City Mortgage"), dated as of May 24, 2001 and recorded in the Office of the Cook County Recorder of Deeds on the same date as Document No. 10440288. The City Mortgage, the Grant Agreement and any other documents executed in connection with the Grant are collectively referred to herein as the "Grant Documents."

D. The City Mortgage is subordinate to: (i) that certain Mortgage, Security Agreement and Assignment of Leases dated March 1, 1999 granted by the Trustee and the Company to The First National Bank of Chicago, a national banking association ("First Bank"), and recorded in the Office of the Cook County Recorder of Deeds on March 11, 1999 as Document No. 99235809 securing a note of even date therewith in the principal amount of \$2,400,000 in favor of First Bank, as amended by that certain Assumption and Modification Agreement between the Developer, First Bank and Bank One, NA, a national banking association (the "Bank"), dated as of September 1, 2000 and recorded in the Office of the Cook County Recorder of Deeds on September 5, 2000 as Document No. 00683758; and (ii) that certain Second Mortgage, Assignment of Leases, Rents and Contracts, Security Agreement and Financing Statement dated September 1, 2000 granted by the Trustee and the Company in favor of the Bank and recorded on September 5, 2000 as Document No. 00683757 in the Office of the Cook County Recorder of Deeds, securing a note of even date therewith in the principal amount of \$500,000 in favor of the Bank. The two mortgages described in this paragraph are collectively referred to herein as the "Senior Mortgage." The loans described in this paragraph secured by the Senior Mortgage in the total amount of \$2,900,000 are collectively referred to herein as the "Senior Loan."

E. The City Mortgage is senior to that certain Grant Agreement and Mortgage (the "CIC Mortgage") dated as of May 8, 2001 made by the Trustee and the Company in favor of Community Investment Corporation, an Illinois not-for-profit corporation, evidencing a grant in the amount of \$100,000, and recorded in the Office of the Cook County Recorder of Deeds on August 30, 2001 as Document No. 10804457.

F. As of the Closing Date, the Company procured a loan from the Bank in the amount of \$3,200,000 (the "Refinancing Loan"), to retire the Senior Loan. The Company has agreed to mortgage the Property to secure the Refinancing Loan (the "Refinancing Mortgage").

G. The Bank has agreed to release the Senior Mortgage on or before the Closing Date upon receipt of \$2,238,528.25 and \$680,465.23 by the Company stipulated by the Bank and the Company to be in full satisfaction of the Senior Loan pursuant to two separate Payoff Statements issued by the Bank on July 23, 2002.

H. DOH has approved the transfer of title to the Property from the Trustee to the Company and the subordination of the City Mortgage to the Refinancing Mortgage .

NOW THEREFORE, in consideration of the mutual covenants and agreements hereinafter contained, the Recitals which are made a contractual part of this Amendment and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

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## AGREEMENTS

Section 1. The City consents to the transfer of title to the Property from the Trustee to the Company.

1.1. The Company hereby assumes, ratifies and confirms all duties, representations and warranties contained in the Grant Documents.

Section 2. The City, the Developer and the Testamentary Trust agree that the Grant Documents are modified as follows:

2.1. This Amendment shall be included in the definition of the term "Grant Documents" as set forth in the Grant Agreement.

2.2. Commencing on the date hereof, the term "Mortgagor" shall mean: "The Lorali Building, L.L.C., an Illinois limited liability company."

2.3. Commencing on the date hereof, the term "Recipient" shall mean: "The Lorali Building, L.L.C., an Illinois limited liability company (the "Company"), John Klise, an individual and manager of the Company ("Klise"), and James Stoller, an individual and manager of the Company ("Stoller")."

2.4. Commencing on the date hereof, the term "Beneficiary" shall be replaced by the term "Recipient" as defined in Section 2.3 hereof.

Section 3. Except as specifically modified by this Amendment, the Company, Klise and Stoller each hereby represents, warrants and confirms to the City that:

3.1. All the Grant Documents and the obligations of the Company, Klise and Stoller thereunder remain in full force and effect, are hereby ratified and confirmed, and may be enforced against the Company, Klise and Stoller in accordance with their terms by the City against the Company, Klise, Stoller and the Property;

3.2. All representations, warranties, certifications, statements, affidavits and other items heretofore made or furnished to the City by or on behalf of the Company, Klise and Stoller in connection with the Grant Documents were true, accurate and complete as of the date made or furnished to the City, and, except as modified herein, continue to be true, accurate and complete as if furnished or made by or with respect to the Company, Klise and Stoller as of the date hereof;

3.3. The Company, Klise and Stoller acknowledge and warrant to the City that they claim no defense, right of offset or counterclaim against enforcement of the Grant Documents (as modified by this Amendment) and have no other claim against the City;

3.4. The Company is validly existing under the laws of the State of Illinois and has the requisite power and authority to execute this Amendment and to perform under the Grant Documents as modified herein; the execution and delivery of this Amendment and the performance under the Grant Documents as modified herein have been duly authorized by all requisite action by or on behalf of the Company and this Amendment has been duly executed and delivered on behalf of the Company; and

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3.5. The execution, delivery and performance of this Amendment and the consummation of the transactions hereby contemplated will not conflict with any law, statute or regulation to which the Company, Klise, Stoller or the Property is subject.

Section 4. The Parties acknowledge and agree that this Amendment does not constitute a novation of the Grant, but is intended to be an amendment and modification of the Grant Documents. Except as amended hereby, the provisions of the Grant Documents remain in full force and effect and are hereby ratified and confirmed. The Mortgage shall continue to secure repayment of any amounts which may become due under the Grant Documents as modified by this Amendment without loss of priority. The City Mortgage, the Grant Documents and any and all renewals, modifications, extensions or advances thereunder or secured thereby (including interest thereon), unconditionally do and will remain at all times a lien, claim or charge on the Property prior and superior to the CIC Mortgage.

Section 5. The Company, Klise and Stoller: (i) are each represented by independent legal counsel of their respective choice in the transactions contemplated by this Amendment; (ii) are fully aware and clearly understand all the terms contained in this Amendment; (iii) have voluntarily, with full knowledge and without coercion or duress of any kind, entered into this Amendment; (iv) are not relying on any representation, either written or oral, express or implied, made by the City other than as set forth in this Amendment; (v) on their own initiative have made proposals to the City, the terms of which are reflected by this Amendment; and (vi) have received actual and adequate consideration to enter into this Amendment.

Section 6. In the event of a conflict or inconsistency between the provisions of any of the Grant Documents and the provisions of this Amendment, the provisions of this Amendment shall govern and control.

Section 7. This Amendment shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and assigns; provided, however, that the Developer may not assign this Amendment or its rights and obligations under the Grant Documents without the prior written consent of the City.

Section 8. This Amendment may be executed in counterparts, each of which shall be deemed an original, and all of which, when taken together, shall constitute a single agreement.

Section 9. This Amendment shall be governed by and construed in accordance with the internal laws of the State of Illinois without regard to its conflict of laws principles.

Section 10. If any provision of this Amendment is determined by a court having jurisdiction to be illegal, invalid or unenforceable under any present or future law, the remainder of this Amendment will not be affected thereby. It is the intention of the Parties that if any provision is so held to be illegal, invalid or unenforceable, there will be added in lieu thereof a provision as similar in terms to such provision as is possible that is legal, valid and enforceable.

Section 11. Neither this Amendment nor any of the provisions hereof can be changed, waived, discharged or terminated, except by an instrument in writing signed by all Parties to this Amendment.

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Section 12. No waiver of any action or default will be implied from the failure or delay by the City to take any action in respect of such action or default. No express waiver of any condition precedent or default will affect any other default or extend any period of time for performance other than as specified in such express waiver. One or more waivers of any default in the performance of any provision of this Amendment or of the Grant Documents will not be deemed a waiver of any subsequent default in the performance of the same provision or any other provision. The consent to or approval of any act or request by any Party will not be deemed to waive or render unnecessary the consent to or approval of any subsequent similar act or request.

Section 13. The Developer expressly agrees that no member, official, employee or agent of the City shall be individually or personally liable to the Developer or any of its successors or assigns, in the event of any default or breach by the City under this Amendment.

Section 14. This Amendment shall be recorded against the Property in the Office of the Cook County Recorder of Deeds at the expense of the Developer.

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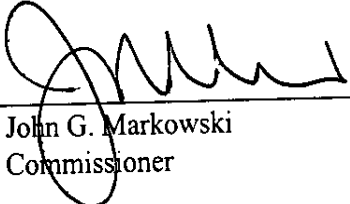
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IN WITNESS WHEREOF, the undersigned have executed this First Amendment to Grant Documents as of the date first written above.

CITY OF CHICAGO, ILLINOIS, acting by and through its Department of Housing

By:   
\_\_\_\_\_  
John G. Markowski  
Commissioner

THE LORALI BUILDING, L.L.C.,  
an Illinois limited liability company

By: \_\_\_\_\_  
John Klise                      James Stoller  
Manager                      Manager

JAMES STOLLER, an Individual

\_\_\_\_\_

JOHN KLISE, an Individual

\_\_\_\_\_

THE SAMUEL W. BRODY TESTAMENTARY TRUST

By: ROBERTA DOROTHY LIEBERMAN, not personally  
but solely as Trustee of the Samuel W. Brody  
Testamentary Trust

\_\_\_\_\_  
Roberta Dorothy Lieberman  
Trustee

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IN WITNESS WHEREOF, the undersigned have executed this First Amendment to Grant Documents as of the date first written above.

CITY OF CHICAGO, ILLINOIS, acting by and through its Department of Housing

By: \_\_\_\_\_  
John G. Markowski  
Commissioner

THE LORALI BUILDING, L.L.C.,  
an Illinois limited liability company

By: \_\_\_\_\_  
John Klise                      James Stoller  
Manager                              Manager

JAMES STOLLER, an individual

\_\_\_\_\_  
*James Stoller*

JOHN KLISE, an individual

\_\_\_\_\_  
*John Klise*

THE SAMUEL W. BRODY TESTAMENTARY TRUST

By: ROBERTA DOROTHY LIEBERMAN, not personally but solely as Trustee of the Samuel W. Brody Testamentary Trust

\_\_\_\_\_  
Roberta Dorothy Lieberman  
Trustee

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11/11/2020

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Community Investment Corporation hereby consents to the execution, delivery and performance by the Company and of this Amendment to Loan Documents.

COMMUNITY INVESTMENT CORPORATION,  
an Illinois not-for-profit corporation

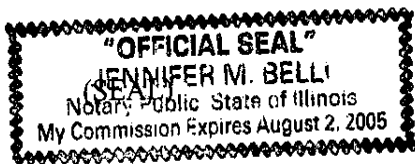
By:   
Name: John Pritscher  
Title: President

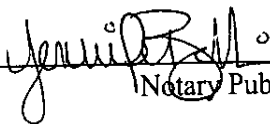
Dated: November 6, 2002

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 John Pritscher personally known to me to be the President of the Community Investment Corporation ("CIC") 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 President, (s)he signed and delivered the said instrument pursuant to authority granted by the Board of Directors of CIC and as his/her free and voluntary act, and as the free and voluntary act and deed of CIC, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 6 day of November, 2002



  
Notary Public

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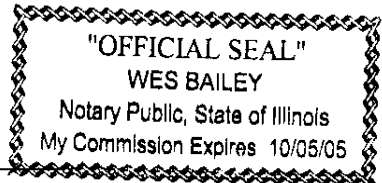


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STATE OF ILLINOIS )  
                                  ) SS.  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that John Klise, 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 the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal on 10-22, 2002.



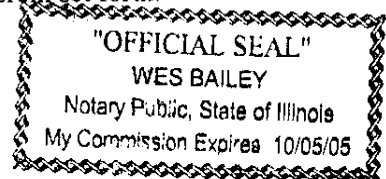
Wes Bailey  
Notary Public

(SEAL)

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 James Stoller, 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 the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal on 10-27, 2002.



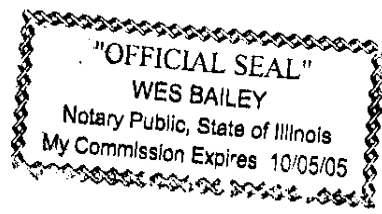
Wes Bailey  
Notary Public

(SEAL)

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 John Klise, personally known to me to be the manager of The Lorali Building, L.L.C., 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 he signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act of The Lorali Building, L.L.C. for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal on 10-22, 2002.



Wes Bailey  
Notary Public

(SEAL)

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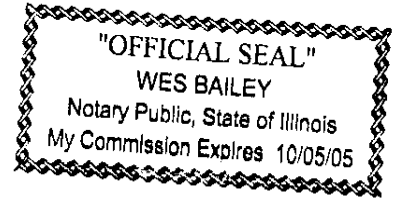
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STATE OF ILLINOIS )  
 ) SS.  
COUNTY OF COOK )

I, the undersigned, a Notary Public in and for the county and State aforesaid, do hereby certify that James Stoller, personally known to me to be the manager of The Lorali Building, L.L.C., 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 he signed and delivered the said instrument as his free and voluntary act, and as the free and voluntary act of The Lorali Building, L.L.C. for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal on 10-22, 2002.



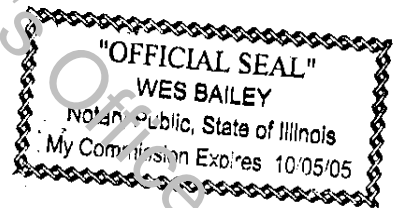
(SEAL)

Wes  
Notary Public

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 Roberta Dorothy Lieberman, personally known to me to be the trustee of The Samuel W. Brody Testamentary Trust (the "Testamentary Trust"), not personally but solely as trustee, 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, she signed and delivered the said instrument, as the free and voluntary act and deed of the Testamentary Trust for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal on 10-22, 2002.



(SEAL)

Wes  
Notary Public

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## EXHIBIT A

### Legal Description:

LOTS 101 AND 102 IN WILLIAM DEERING SURRENDEN SUBDIVISION IN THE WEST  
½ OF THE NORTHEAST ¼ OF SECTION 17, TOWNSHIP 40 NORTH, RANGE 14 EAST  
OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address Commonly Known as: 1039 West Lawrence Avenue, Chicago, Illinois 60640.

Permanent Index No.: 14-17-202-010-0000  
14-17-202-011-0000

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