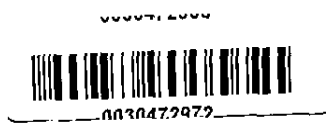


*This Document Prepared By And
When Recorded Return To:*
Richard C. Jones, Jr., Esq.
Tina M. Jacobs, Esq.
Tonya M. Parravano, Esq.
JONES & JACOBS
77 West Washington Street
Suite 1615
Chicago, Illinois 60602
(312) 419-0700



For Recorder's Use Only

MODIFICATION AND EXTENSION AGREEMENT

THIS MODIFICATION AND EXTENSION AGREEMENT is made as of the 14th day of March 2003, by and between PRAIRIE BANK AND TRUST COMPANY, not personally, but as Trustee under Trust Agreement dated March 1, 2002, and known as Trust No. 02-029 ("**Borrower**"), SCHILLER DEVELOPMENT, INC., an Illinois corporation ("**Schiller**") and PRAIRIE BANK AND TRUST COMPANY, an Illinois banking association ("**Lender**").

WITNESSETH:

WHEREAS, on or about March 14, 2002, Lender made a loan ("**Loan**") to Borrower in the amount of ONE MILLION SEVEN HUNDRED FIFTEEN THOUSAND AND NO/100 DOLLARS (\$1,715,000.00) to finance the construction and development of a 7-unit mixed use condominium building consisting of six (6) residential condominium units and one (1) commercial condominium unit, upon the real estate commonly known as 2101-03 West Division, Chicago, Illinois ("**Project**"), as legally described in Exhibit "A" attached hereto ("**Land**");

WHEREAS, the Loan is evidenced and secured by the following instruments, each dated as of March 14, 2002 unless otherwise noted ("**Loan Instruments**");

1. Construction Loan Agreement between Borrower, the beneficiary of Borrower and Lender ("**Loan Agreement**");
2. Construction Note made by Borrower and the beneficiary of Borrower payable to Lender in the amount of ONE MILLION SEVEN HUNDRED FIFTEEN THOUSAND AND NO/100 DOLLARS (\$1,715,000.00) ("**Note**");
3. Construction Mortgage from Borrower to Lender covering the Land, and recorded in the Cook County Recorder's Office, Cook County, Illinois on March 22, 2002 as Document No. 0020328352 ("**Mortgage**");
4. Assignment of Rents and Leases from Borrower to Lender, recorded in the Cook County Recorder's Office, Cook County, Illinois on March 22, 2002 as Document No. 0020328353 ("**Assignment of Rents**");

5. Security Agreement (Assignment of Beneficial Interest) executed by the beneficiary of Borrower to Lender, collaterally assigning one hundred percent (100%) of the beneficial interest in the Trust to Lender;
6. Hypothecation Agreement by Jaroslaw Pietrzyk (“**Pietrzyk**”) to Lender, pledging the three parcels of real property commonly known as 934 Honore Street, Chicago, Illinois (“**934 Honore Property**”), 936 Honore Street, Chicago, Illinois (“**936 Honore Property**”) and 1018 North Wolcott Street, Chicago, Illinois (“**Wolcott Property**”) as additional collateral for the Loan;
7. Second Mortgage from Pietrzyk to Lender covering the 934 Honore Property, and recorded in the Cook County Recorder’s Office, Cook County, Illinois on March 22, 2002 as Document No. 0020328355 (“**934 Honore Mortgage**”);
8. Second Mortgage from Pietrzyk to Lender covering the 936 Honore Property, and recorded in the Cook County Recorder’s Office, Cook County, Illinois on March 22, 2002 as Document No. 0020328354 (“**936 Honore Mortgage**”);
9. Second Mortgage from Pietrzyk to Lender covering the Wolcott Property, and recorded in the Cook County Recorder’s Office, Cook County, Illinois on March 22, 2002 as Document No. 0020328356 (“**Wolcott Mortgage**”); and
10. any and all other documents and instruments evidencing and securing the Loan.

WHEREAS, Lender has previously released the 934 Honore Mortgage and the 936 Honore Mortgage upon the sale of the properties;

WHEREAS, Lender has agreed to release the Wolcott Mortgage upon the refinance of the Wolcott Property;

WHEREAS, Schiller is the owner of the real property commonly known as 1707 North Hoyne, Chicago, Illinois, as legally described in Exhibit “B” attached hereto (the “**Hoyne Property**”), and has agreed to pledge the Hoyne Property as additional collateral for the Loan;

WHEREAS, as of the date hereof, there is a principal balance on the Loan in the amount of ONE MILLION SIX HUNDRED FIFTY-NINE THOUSAND EIGHT HUNDRED EIGHTY AND NO/100 DOLLARS (\$1,659,880.00); and

WHEREAS, Lender and Borrower have agreed to modify the Loan Documents as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. **Modification of Loan Instruments**. Subject to the terms and provisions herein contained, the terms and provisions of the Loan Agreement, and the corresponding provisions of the

other Loan Instruments, are hereby modified and amended, effective as of the date hereof, so as to provide as follows:

(a) Maturity Date. The Maturity Date of the Loan is hereby extended to September 14, 2003.

(b) Definitions. The following definitions in Section 1.1 of the Loan Agreement are hereby modified and amended as follows:

Completion Date: September 14, 2003.

Interest Rate: The Prairie Bank Base Rate plus One Percent (1.0%), floating; provided, however, that at no time shall the Interest Rate be less than Six and One-Quarter Percent (6.25%) per annum.

Maturity Date: September 14, 2003.

Prairie Bank Base Rate: The term "Prairie Bank Base Rate" at any time shall mean the rate of interest then most recently announced at Lender's corporate office as the Prairie Bank Base Rate; provided, however, that if Lender ceases to use the term "Prairie Bank Base Rate" in setting a base rate of interest for commercial loans, then the Interest Rate herein shall be determined by reference to such base rate as designated in writing by Lender to Borrower. Lender makes no representation or warranty that the Prairie Bank Base Rate is the lowest or best rate offered by Lender to commercial or other borrowers.

Prime Rate: The term "Prime Rate" shall be deleted and replaced in its entirety with the term "Prairie Bank Base Rate," as such term is defined herein."

(c) Additional Collateral. Borrower and Schiller agree to add the Hoyne Property as additional security for the Loan. Schiller further agrees to execute and deliver to Lender, simultaneously with the execution and delivery of this Agreement, a Second Mortgage granting Lender a second priority security interest in the Hoyne Property, together with any and all other additional documents and instruments required in connection therewith.

2. Reaffirmation of Loan Instruments. Except as expressly herein provided, Lender and Borrower hereby reaffirm and incorporate herein by reference each and every term, provision, representation and warranty contained in the Loan Instruments, and Borrower agrees that said terms, provisions, representations and warranties shall remain in full force and effect.

3. Attorneys' Fees and Costs. Borrower shall pay any and all attorneys' fees and costs incurred by Lender in connection with the preparation, negotiation and perfection of this Agreement, including recording and title charges.

4. Trustee's Exculpation. This instrument is executed by Prairie Bank and Trust Company, not personally, but as Trustee as aforesaid in the exercise of the power and authority

conferred upon and vested in it as such Trustee (and said Prairie Bank and Trust Company hereby warrants that it possesses full power and authority to execute this instrument), and it is expressly understood and agreed that nothing herein contained shall be construed as creating any liability on said Prairie Bank and Trust Company personally to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by Trustee and by every such person now or hereafter claiming any right or security hereunder.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed and acknowledged as of the day and year first above written.

EXCULATORY CLAUSE

It is expressly understood and agreed by and between the parties hereto anything herein to the contrary notwithstanding, that each and all of the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee while in form purporting to be the warranties, indemnities, representations, covenants, undertakings and agreements of said Trustee are nevertheless each and every one of them, made and intended not as personal warranties, indemnities, representations, covenants, undertakings and agreements by the Trustee or for the purpose or with the intention of binding said Trustee personally but are made and intended for the purpose of binding only that the portion of the trust property specifically described herein, and this instrument is executed and delivered by said Trustee not in its own right, but solely in the exercise of the powers conferred upon it as such trustee; and that no personal liability or personal responsibility is assumed by nor shall at any time be assumed or enforceable against PRAIRIE BANK AND TRUST COMPANY under said Trust Agreement, or account of this instrument or on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the said Trustee in this instrument contained, either expressed or implied, all such personal liability, if any, being expressly waived and released.

PRAIRIE BANK AND TRUST COMPANY

PRAIRIE BANK AND TRUST COMPANY, not personally but as Trustee as aforesaid

By: [Signature]
Its Trust Officer

ATTEST:

By: [Signature]
Its Assistant Trust Officer

SCHILLER DEVELOPMENT, INC., an Illinois corporation

By: [Signature]
Jaroslaw Pietrzyk
President

IN WITNESS WHEREOF, Lender has caused these presents to be executed the day and year first above written.

PRAIRIE BANK AND TRUST COMPANY, an Illinois banking association

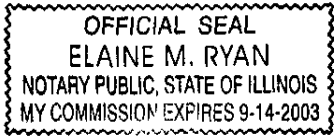
By: [Signature]
June A. Novotny
Vice President

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 DAVID M. FINN, as Asst. Trust Officer, and Mark Nusiewski, as Asst. Trust Officer of PRAIRIE BANK AND TRUST COMPANY, an Illinois banking association, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Asst. Trust Officer and Asst. Trust Officer, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Trustee as aforesaid, for the uses and purposes therein set forth; and the said Asst. Trust Officer then and there acknowledged that the Asst. Trust Officer, as custodian of the corporate seal of said Trustee, did affix the seal of said Trustee to said instrument as the free and voluntary act of said Asst. Trust Officer and as the free and voluntary act of said Trustee as aforesaid, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 28th day of March, 2003.

Elaine M. Ryan
NOTARY PUBLIC



My Commission Expires:
9-14-03

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 JAROSLAW PIETRZYK, personally known to me to be the President of SCHILLER DEVELOPMENT, INC., an Illinois corporation, and the same person whose name is subscribed to the foregoing instrument as such President, appeared before me this day and acknowledged that he signed and delivered the said instrument as his own free and voluntary act and the free and voluntary act of said Corporation for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 28th day of March, 2003.

Constance M. Kearney
NOTARY PUBLIC

My Commission Expires:



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 JUNE A. NOVOTNY, personally known to me to be the Vice President of PRAIRIE BANK AND TRUST COMPANY, an Illinois banking association personally appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his 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 20th day of March, 2003.

Constance M. Kearney
NOTARY PUBLIC

My Commission Expires:

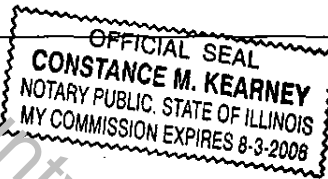


EXHIBIT A

THE LAND

LOTS 1 AND 2 IN THE SUBDIVISION OF THE NORTH PART OF BLOCK 2 IN SUFFERN'S SUBDIVISION OF THE SOUTHWEST ¼ OF SECTION 6, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2101-03 West Division
Chicago, Illinois

Permanent Index Nos: 17-06-302-017
17-06-302-018

Property of Cook County Clerk's Office

EXHIBIT B

ADDITIONAL COLLATERAL - HOYNE PROPERTY

LOT 7 IN BLOCK 1 IN BRADWELL'S ADDITION TO CHICAGO, BEING IN THE SOUTHWEST 1/4 OF SECTION 31, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED MAY 6, 1856 IN BOOK 98 OF MAPS, PAGE 65, IN COOK COUNTY, ILLINOIS.

Common Address: 1707 North Hoyne
Chicago, Illinois

Permanent Index No: 14-31-325-007-0000

Property of Cook County Clerk's Office