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NO ABSTRACT

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MODIFICATION OF LOAN DOCUMENTS AND PARTIAL RELEASE

THIS MODIFICATION OF LOAN DOCUMENTS AND PARTIAL RELEASE (this "Modification") is made and entered into on the 29th day of June, 2004, by **BAUM BROTHERS, L.L.C.**, an Illinois limited liability company ("Baum"), **CORNERSTONE PROPERTIES CHICAGO PARTNERS**, an Illinois general partnership ("Cornerstone"), **1200 NORTH WELLS, LLC**, an Illinois limited liability company ("Wells"), and **BOISE LAND COMPANY, L.L.C.**, an Idaho limited liability company ("Boise", together with Cornerstone, Wells and Baum, "Borrowers"), **DAVID L. BAUM** and **DOUGLAS P. BAUM** ("Guarantors"), and **ASSOCIATED BANK, N.A.**, a national banking association, its successors and assigns ("Lender").

RECITALS:

A. Lender has heretofore made a revolving credit loan (the "Loan") to Borrowers in the original principal amount of One Million Eight Hundred Thousand and No/100 Dollars (\$1,800,000.00), the terms and conditions of which are set forth in a certain Loan Agreement dated as of November 1, 2002, between Borrowers and Lender (the "Loan Agreement"). Initially capitalized terms used but not defined herein shall have the meanings ascribed to such terms in the Loan Agreement.

B. The Loan is also evidenced by a Revolving Credit Promissory Note in said principal amount dated November 1, 2002, made by Borrowers and payable to Lender (the "Note").

C. The Note is secured by, among other things, the following mortgages (the "Mortgages"), each dated November 1, 2002, in favor or for the benefit of Lender:

- (i) a first mortgage on the land and improvements thereon located at 1111-13 West Chicago Avenue, Chicago, Illinois, and legally described in **Exhibit A-1**

Box 333

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attached hereto and incorporated herein ("**Cornerstone Property**"), recorded as Document No. 0021254986 with the Cook County, Illinois Recorder of Deeds;

- (ii) a first mortgage on the land and improvements thereon located at 1200 North Wells Street, Chicago, Illinois, and legally described in **Exhibit A-2** attached hereto and incorporated herein ("**Wells Property**"), recorded as Document No. 0021254990 with the Cook County, Illinois Recorder of Deeds; and
- (iii) a first deed of trust on the improved land located in Boise, Idaho, and legally described in **Exhibit A-3** attached hereto and incorporated herein ("**Boise Property**"), recorded as Document No. 102156754 with the Ada County, Idaho Recorder of Deeds.

D. The Loan is further evidenced and secured by certain other documents, including but not limited to those described in **Exhibit B** attached hereto and by this reference incorporated herein (collectively with the Mortgages, the "**Security Documents**").

E. In connection with the Loan, Guarantors executed that certain Guaranty of Payment dated November 1, 2002 to and for the benefit of Lender (the "**Guaranty**").

F. Borrowers have asked Lender to (i) release the Mortgage on the Cornerstone Property ("**Cornerstone Mortgage**") upon payment of \$937,500.00, and (ii) reduce the principal amount of the Loan to \$864,000.00, and Lender has agreed to same subject to the terms and conditions herein set forth.

G. The parties desire to modify and amend the Loan Agreement, the Note, the Security Documents and the Guaranty (collectively, the "**Loan Documents**") as provided herein.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements contained herein, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. **Incorporation of Recitals.** The aforesaid Recitals are hereby incorporated into this Modification as if fully set forth in this Section 1.

2. **Amendments to Loan Documents.**

(A) In consideration of the payment by Borrowers to Lender of the sum of \$937,500.00, the receipt of which is hereby acknowledged, Lender does hereby remise, convey, release and quit claim unto Cornerstone all of Lender's right, title, interest, claim or demand it may have acquired in, through or by the Cornerstone Mortgage and the other Loan Documents solely as the same are applicable to the Cornerstone Property and not to any of the other Properties.

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(B) The principal amount of the Loan is hereby decreased to \$864,000.00, to be disbursed by Lender in accordance with the provisions of the Loan Documents.

(C) All references in the Loan Documents to the principal amount of the Loan shall be deemed to refer to \$864,000.00.

(D) All references in the Loan Documents to the Properties shall be deemed to refer only to the Wells Property and the Boise Property.

(E) All references in a Loan Document to any other Loan Document shall be deemed to refer to such Loan Document as modified by this Modification.

3. **Consent of Guarantors.** Guarantors have received and reviewed this Modification and all documents and instruments in connection herewith and hereby consent to the execution and delivery hereof, agree to pay the fees hereinafter described, and agree that their duties, liabilities and obligations under Guaranty, as modified hereby, 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 therewith.

4. **Reaffirmation of Liability.** Notwithstanding the execution of this Modification, Guarantors hereby reaffirm and acknowledge their liability and obligations to Lender under the Guaranty, as modified hereby.

5. **Reaffirmation of Representations and Warranties.** Borrowers and Guarantors (collectively, the "Obligors") hereby reaffirm as true and correct in all respects, as of the date hereof, any representations and warranties made by such parties as contained in the Loan Documents.

6. **Reaffirmation of Covenants.** The Obligors do hereby reaffirm and agree to perform each and every covenant, condition, obligation and provision of such party set forth in the Loan Documents, as herein modified.

7. **No Vitiation of Liability.** Nothing contained herein shall vitiates or discharge any party's liability under the Loan Documents, as herein modified.

8. **Offsets and Defenses.** The Obligors hereby acknowledge and agree that: (A) as of the date of this Modification, there are no, and the Obligors hereby waive, all offsets, defenses or counterclaims against Lender arising out of or in any way relating to the Loan Documents, including without limitation any covenant of good faith and fair dealing; (B) they release and forever discharge 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

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or in any way touching, concerning, arising out of or founded upon the Loan Documents; and (C) Lender is not in default under the Loan Documents.

9. **Entire Agreement.** The Obligors acknowledge that: (A) there are no other agreements or representations, either oral or written, express or implied, relating to the amendments to the Loan Documents set forth herein and other provisions hereof that are not embodied in this Modification; (B) this Modification represents a complete integration of all prior and contemporaneous agreements and understandings of Lender and the Obligors relating to the matters set forth herein; and (C) all such agreements, understandings, and documents, except for the Loan Documents, are hereby superseded by this Modification.

10. **Full Force and Effect; Inconsistency.** Except as herein modified, the terms, conditions and covenants of the Loan Documents shall remain unchanged and otherwise in full force and effect. In the event of an inconsistency between this Modification and the Loan Documents, the terms herein shall control.

11. **Laws of Illinois.** This Modification shall be governed and construed under the laws of the State of Illinois.

12. **Counterparts.** This Modification may be executed in counterparts, all of which, when taken together, shall constitute a single instrument.

13. **Liens.** The Obligors acknowledge and agree that Lender's mortgage lien and other liens on the Property and any other collateral for the Loan continue to be valid, binding and enforceable liens which secure the obligations under the Loan Documents.

14. **Construction.** The words "**hereof**", "**herein**", and "**hereunder**", and other words of a similar import refer to this Modification as a whole and not to the individual Sections in which such terms are used. References to Sections and other subdivisions of this Modification are to the designated Sections and other subdivisions of this Modification as originally executed. The headings of this Modification are for convenience only and shall not define or limit the provisions hereof. Where the context so requires, words used in singular shall include the plural and vice versa, and words of one gender shall include all other genders.

15. **No Third Party Beneficiaries.** This Modification shall inure to the sole benefit of the Obligors and Lender. Nothing contained herein shall create, or be construed to create, any right in any person not a party to this Modification.

16. **Fees.** The Obligors shall pay Lender's reasonable legal fees and costs for this Modification.

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IN WITNESS WHEREOF, the parties have caused this Modification to be executed pursuant to authority duly granted as of the date and year first written above.

BORROWERS:

BAUM BROTHERS, L.L.C., an Illinois limited liability company

By: _____

Name: Douglas P. Baum
Title: Member

1200 NORTH WELLS, LLC, an Illinois limited liability company

By: _____

Name: Douglas P. Baum
Title: Manager

By: _____

Name: David L. Baum
Title: Manager

CORNERSTONE PROPERTIES CHICAGO PARTNERS, an Illinois general partnership

By: _____

Name: Douglas P. Baum
Title: Partner

By: _____

Name: David L. Baum
Title: Partner

BOISE LAND COMPANY, L.L.C., an Idaho limited liability company

By: _____

Name: Douglas P. Baum
Title: Manager

By: _____

Name: David L. Baum
Title: Manager

GUARANTORS:

DOUGLAS P. BAUM

DAVID L. BAUM

LENDER:

ASSOCIATED BANK, N.A., a national banking association

By: _____

Name: Gregory T. Warsek
Title: Senior Vice President

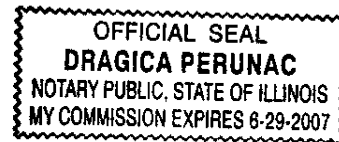
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, DRAGICA PERUNAC, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **DOUGLAS P. BAUM** and **DAVID L. BAUM**, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as Managers of **BOISE LAND COMPANY, L.L.C.**, an Illinois limited liability company, 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 Company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 29th day of ~~April~~ ^{JUNE}, 2004.

Dragica Perunac
Notary Public



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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, DRAGICA PERUNAC, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **DOUGLAS P. BAUM** and **DAVID L. BAUM**, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as Partners of **CORNERSTONE PROPERTIES CHICAGO PARTNERS**, an Illinois general partnership, 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 Partnership, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 29th day of ~~April~~ ^{JUNE}, 2004.

Dragica Perunac
Notary Public



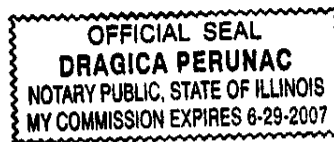
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, DRAGICA PERUNAC, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **DOUGLAS P. BAUM** and **DAVID L. BAUM**, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as Managers of **1200 NORTH WELLS, LLC**, an Illinois limited liability company, 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 Company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 29th day of ~~April~~ ^{JUNE}, 2004.

Dragica Perunac
Notary Public



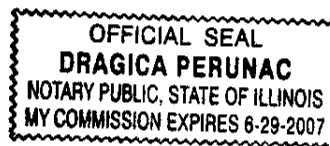
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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, DRAGICA PERUNAC, a Notary Public in and for said County, in the State aforesaid, do hereby certify that _____ as the Manager of **BAUM BROTHERS, L.L.C.**, an Illinois limited liability company, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Manager, 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 Company, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 29th day of ~~April~~ ^{June}, 2004.

Dragica Perunac
Notary Public



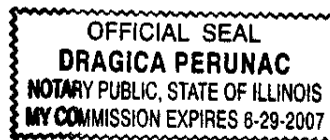
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, DRAGICA PERUNAC, a Notary Public in and for said County, in the State aforesaid, do hereby certify that **DOUGLAS P. BAUM** and **DAVID L. BAUM**, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as Guarantors, 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 Guarantors, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 27th day of ~~April~~^{JUNE}, 2004.

Dragica Perunac
Notary Public



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EXHIBIT A-1

LEGAL DESCRIPTION OF CORNERSTONE PROPERTY

LOT 19 AND THE WEST 25 FEET OF LOT 18 IN SUBDIVISION OF PART OF BLOCK 43 IN ODGEN'S ADDITION TO CHICAGO, IN SECTION 8, TOWNSHIP 30 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 17-08-202-001
Address: 1111-13 W. Chicago Avenue
Chicago, Illinois

Property of Cook County Clerk's Office

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EXHIBIT A-2

LEGAL DESCRIPTION OF WELLS PROPERTY

UNIT NO 1 IN THE 1200 NORTH WELLS CONDOMINIUM, AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

THE SOUTH 25 FEET OF THE EAST 66 FEET OF LOT 195 IN BRONSON'S ADDITION TO CHICAGO, BEING A SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN.

WHICH SURVEY IS ATTACHED AS EXHIBIT "A" TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT NUMBER 95370177, TOGETHER WITH THEIR UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, IN COOK COUNTY, ILLINOIS.

PIN: 17-04-220-048-1001

Address: 1200 North Wells
Chicago, Illinois

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EXHIBIT A-3

LEGAL DESCRIPTION OF BOISE PROPERTY

Lots 2 and 3 of Brigadoon Subdivision, according to the official plat thereof, filed in Book 83 of Plats at Pages 9178 and 9188, records of Ada County, Idaho.

PIN(s): 01-34-R1080110020
01-34-R1080110030

Address: 13853 West Clinden Boulevard
Boise, Idaho 83713

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EXHIBIT B

OTHER SECURITY DOCUMENTS

1. Environmental Indemnity Agreement
2. Certificate of Representations, Warranties and Covenants

Cornerstone Property

3. Assignment of Rents and Leases dated November 1, 2002, recorded as Document No. 0021254987
4. UCC Financing Statement

Wells Property

5. Assignment of Rents and Leases dated November 1, 2002, recorded as Document No. 00212981
6. UCC Financing Statement

Boise Property

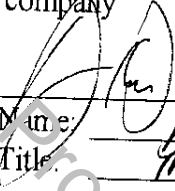
7. UCC Financing Statement

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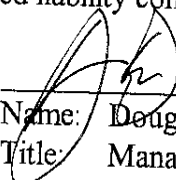
IN WITNESS WHEREOF, the parties have caused this Modification to be executed pursuant to authority duly granted as of the date and year first written above.


BORROWERS:

BAUM BROTHERS, L.L.C., an Illinois limited liability company

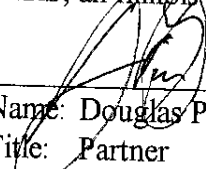
By: 
Name: Douglas P. Baum
Title: Member


1200 NORTH WELLS, LLC, an Illinois limited liability company

By: 
Name: Douglas P. Baum
Title: Manager

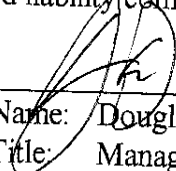
By: 
Name: David L. Baum
Title: Manager


CORNERSTONE PROPERTIES CHICAGO PARTNERS, an Illinois general partnership

By: 
Name: Douglas P. Baum
Title: Partner

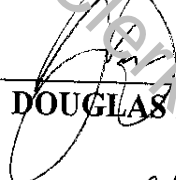

By: 
Name: David L. Baum
Title: Partner

BOISE LAND COMPANY, L.L.C., an Idaho limited liability company

By: 
Name: Douglas P. Baum
Title: Manager

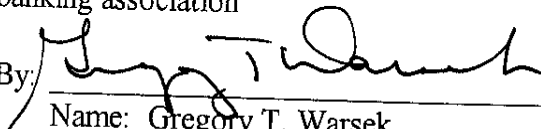
By: 
Name: David L. Baum
Title: Manager

GUARANTORS:


DOUGLAS P. BAUM

DAVID L. BAUM

LENDER:

ASSOCIATED BANK, N.A., a national banking association

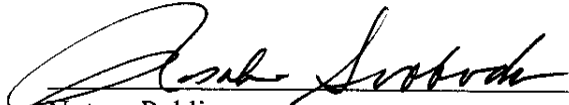
By: 
Name: Gregory T. Warsek
Title: Senior Vice President

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STATE OF ILLINOIS)
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COUNTY OF ~~COOK~~ ^{MCHENRY}) SS
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I, Rosalie SVOBODA, a Notary Public in and for the said County, in the State aforesaid, do hereby certify that **GREGORY T. WARSEK**, Senior Vice President of **ASSOCIATED BANK, N. A.**, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President of said Bank, appeared before me this day in person and acknowledged that they 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 24th day of ~~February~~ ^{June}, 2004.



Notary Public

