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Doc#: 0421735099
Eugene "Gene" Moore Fee: \$82.00
Cook County Recorder of Deeds
Date: 08/04/2004 09:14 AM Pg: 1 of 30

This space reserved for Recorder's use only

SECOND MODIFICATION OF LOAN DOCUMENTS

30
B

THIS SECOND MODIFICATION OF LOAN DOCUMENTS (this "Agreement") is made as of the 27th day of July, 2004, by and among **HH 601 LAKE LLC**, an Illinois limited liability company, **CH 601 LAKE LLC**, an Illinois limited liability company and **PAULINA HOMES, LLC**, an Illinois limited liability company (collectively, "Borrower"), **CHARLES HUZENIS, HARRY HUZENIS, BERNARD LEVITON** and **MICHAEL LERNER** (collectively, "Guarantor"), **LASALLE BANK NATIONAL ASSOCIATION**, a national banking association, not individually, but as trustee under a Trust Agreement dated July 24, 2002 and known as Trust No. 129918 ("Trust"), **HLL CORPORATION**, an Illinois corporation ("Beneficiary") and **LASALLE BANK NATIONAL ASSOCIATION**, a national banking association, its successors and assigns ("Lender").

RECITALS:

A. Lender has heretofore made a loan ("Loan") to Borrower in the principal amount of Six Million Three Hundred Thousand and No/100 Dollars (\$6,300,000.00) as evidenced by a Promissory Note dated August 23, 2002, in the principal amount of the Loan made payable by Borrower to the order of Lender ("Note A"). All capitalized terms not defined herein shall have the meanings ascribed to them in Note A.

This document prepared by and after recording return to:

Heather K. Aeschleman, Esq.
Schwartz, Cooper, Greenberger & Krauss, Chartered
180 North LaSalle Street
Suite 2700
Chicago, Illinois 60601

Permanent Index Numbers:

See Exhibit A attached hereto

Address of Property:

1953 N. Clybourn Avenue
Chicago, Illinois

Box 400-CTCC

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B. The Loan is secured by: (i) a Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated August 23, 2002 from the Trust to Lender recorded with the Recorder of Deeds in Cook, County, Illinois (the "Recorder's Office") on August 30, 2002, as Document No. 0020962219 ("Mortgage"), which Mortgage encumbers the real property and all improvements thereon legally described on Exhibit A hereto ("Property"), (ii) that certain Assignment of Rents and Leases dated August 23, 2002, from Borrower, the Trust and the then beneficiaries of the Trust to Lender and recorded in the Recorder's Office on August 23, 2002, as Document No. 0020962220 (the "Assignment of Leases"); (iii) that certain Environmental Indemnity Agreement dated August 23, 2002 from Borrower and Guarantor to Lender (the "Indemnity Agreement"); and (iv) certain other loan documents (Note A, the Mortgage, the Assignment of Leases, the Indemnity Agreement, the other documents evidencing, securing and guarantying the Loan, in their original form and as amended by the First Modification [as defined below], are sometimes collectively referred to herein as the "Loan Documents").

C. The Loan is further secured by a Guaranty of Payment dated August 23, 2002 from Guarantor to Lender (the "Guaranty").

D. Subsequent to the date the Loan was made to Borrower, Beneficiary acquired the beneficial interest in the Trust.

E. Borrower, Guarantor, Trust, Beneficiary and Lender entered into a certain Modification of Loan Documents dated as of December 20, 2002 and recorded with the Recorder's Office on January 14, 2003 as document number 0030063964 (the "First Modification"), whereby: (i) the Maturity Date of Note A was extended to October 10, 2012, (ii) the Note A interest rate was converted to a fixed rate, and (iii) Lender disbursed a portion of the Loan proceeds being held back by Lender.

F. The parties desire to make modifications to the Loan Documents as set forth below.

AGREEMENTS:

NOW, THEREFORE, in consideration of (i) the facts set forth hereinabove (which are hereby incorporated into and made a part of this Agreement), (ii) the agreement by Lender to modify the Loan Documents, as provided herein, (iii) the covenants and agreements contained herein, and (iv) for other good and valuable consideration, the receipt, adequacy and sufficiency of which are hereby acknowledged, the parties hereby agree as follows:

1. **Amendment of Loan Amount.** The Loan is hereby amended to add a second facility to the Loan in the principal amount of \$850,000.00 ("Facility B"). The Loan, as so amended by Facility B, is hereby referred to as the "Amended Loan." The term "Loan" as defined in the Loan Documents is hereby amended to include Facility B, and the Mortgage shall now secure the amount of \$7,150,000.00.

2. **Note B.** Facility B of the Amended Loan is evidenced by that certain Facility B Promissory Note ("Note B") executed by Borrower concurrently with the execution of this

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Amendment, the terms of which are incorporated herein by reference. A copy of Note B is attached to this Amendment as Exhibit B. Any references in any of the Loan Documents to the Note shall refer to both Note A and Note B. Disbursements made under Note B shall be used to repay outstanding debt.

3. **Guaranty of Payment.** Notwithstanding anything to the contrary in the Guaranty, the obligations of each Guarantor under the Guaranty are hereby increased by the following amounts:

MICHAEL LERNER	\$114,959.00
BERNARD LEVITON	\$68,975.00
HARRY HUZENIS	\$333,033.00
CHARLES HUZENIS	\$333,033.00

Except as expressly modified by this Section 3, Guarantor ratifies and affirms the Guaranty and agrees that the Guaranty is in full force and effect following the execution and delivery of this Agreement. The representations and warranties of Guarantor in the Guaranty are, as of the date hereof, true and correct and Guarantor does not know of any default thereunder. The Guaranty continues to be the valid and binding obligation of Guarantor, enforceable in accordance with its terms and Guarantor has no claims or defenses to the enforcement of the rights and remedies of Lender thereunder, except as provided in the Guaranty.

4. **Reduction of Guaranty.** Upon the property achieving a ratio of Operating Cash Flow (as defined in the Mortgage) during any calendar year to Debt Service Flow (as defined in the Mortgage) during any calendar of not less than 1.25 to 1.00, the obligations of each Guarantor set forth in Section 3 above shall be decreased to the following amounts:

MICHAEL LERNER	\$23,740.00
BERNARD LEVITON	\$17,244.00
HARRY HUZENIS	\$83,258.00
CHARLES HUZENIS	\$83,258.00

5. **Amendment to Debt Service Ratio.** Notwithstanding anything to the contrary in Section 40 of the Mortgage, the ratio of Operating Cash Flow (as defined in the Mortgage) during any calendar year to Debt Service Flow (as defined in the Mortgage) during any calendar year shall not be less than 1.20 to 1.00.

6. **Waiver of Debt Service.** Notwithstanding anything to the contrary in Section 40 of the Mortgage, the requirement that the ratio of Operating Cash Flow (as defined in the Mortgage) during the calendar year 2003 to Debt Service Flow (as defined in the Mortgage) during the calendar year 2003 (the "Debt Service Ratio") be not less than 1.20 to 1.00 is hereby waived by Lender for the calendar year 2003 only. Such waiver shall not be a waiver of the right

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to exercise any other right, power or remedy accruing under the Mortgage or other Loan Documents, including, but not limited to enforcement of such Debt Service Ratio requirement for the calendar year 2004 and each year thereafter, nor shall such waiver be construed to be a waiver of any Event of Default or acquiescence therein.

7. **Loan Resizing.** In the event the Debt Service Ratio falls below 1.20 to 1.00 for any calendar year (other than the calendar year 2003), within ten (10) days of notification by Lender of the actual Debt Service Ratio for any calendar year, Borrower shall either: (i) provide additional collateral to Lender, or (ii) make a principal payment in the amount necessary to increase the Debt Service Ratio to not less than 1.20 to 1.00.

8. **Payment of Amended Loan Fee and Additional Loan Expenses.** Concurrently with the execution and delivery of this Amendment by the Borrower, the Borrower shall pay to Lender a nonrefundable loan fee in the amount of \$6,375.00 (the "Amended Loan Fee"). Furthermore the Borrower hereby agrees to pay all of Lender's reasonable attorneys' fees incurred in connection with the negotiation and documentation of the agreements contained in this Amendment, all recording fees and charges, title insurance charges and premiums, appraisal fees, and all other expenses, charges, costs and fees referred to in, necessitated by or otherwise relating to this Amendment (collectively, the "Additional Loan Expenses"). If the Amended Loan Fee and Additional Loan Expenses are not paid to Lender within five days after written demand therefor by Lender, the Amended Loan Fee and Additional Loan Expenses shall bear interest from the date so incurred until paid at an annual rate equal to the Default Rate (as defined in Note B).

9. **Required Deliveries.** Lender's consent to the terms of this Amendment shall be subject to Lender (or Lender's nominee) having received the following in a form and substance acceptable to Lender on or before July 15, 2004 (the "Amendment Termination Date"):

(a) This Amendment duly executed by the Borrower;

(b) Note B duly executed by the Borrower;

(c) A date down endorsement ("Endorsement") to Lender's title insurance policy (File No. 008025927) issued by Chicago Title Insurance Company (the "Title Policy") as of the date this Amendment is recorded, which Endorsement: (i) reflects the recording of this Amendment, (ii) increases the amount of the Loan by \$850,000.00, and (iii) insures the first priority of the lien of the Mortgage as amended hereby, subject only to the exceptions set forth in the Title Policy as of its date of issuance, and any other encumbrances expressly agreed to by Lender; and

(d) Such other documents as Lender may reasonably require.

The Borrower's failure to deliver the aforementioned documents and items to Lender on or before the Amendment Termination Date shall, at the option of Lender, result in this Amendment (including all agreements and waivers of Lender contained herein) being null and void.

10. **References.** All references to the Mortgage, Assignment of Rents, Environmental Indemnity, Guaranty, and the other Loan Documents contained in any of the

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Loan Documents shall be deemed to refer to each of such documents as amended by this Amendment.

11. **Cross-Default.** Any Event of Default under Note A shall, at Lender's election, be deemed an Event of Default under Note B and the Loan Documents. Any Event of Default under Note B shall, at Lender's election, be deemed an Event of Default under Note A and the Loan Documents. Any Event of Default under Note B shall be an Event of Default under the other Loan Documents.

12. **Representations and Warranties of Borrower.** Borrower and Beneficiary hereby represent, covenant and warrant to Lender as follows:

(a) The representations and warranties in the Mortgage and the other Loan Documents are true and correct as of the date hereof.

(b) There is currently no Event of Default (as defined in the Mortgage) under Note A, Note B, the Mortgage or the other Loan Documents and neither Borrower nor Beneficiary knows of any event or circumstance which with the giving of notice or passing of time, or both, would constitute an Event of Default under the Note, the Mortgage or the other Loan Documents.

(c) The Loan Documents are in full force and effect and, following the execution and delivery of this Agreement, they continue to be the legal, valid and binding obligations of Borrower enforceable in accordance with their respective terms, subject to limitations imposed by general principles of equity.

(d) There has been no material adverse change in the financial condition of Borrower, Guarantor, Beneficiary or any other party whose financial statement has been delivered to Lender in connection with the Loan from the date of the most recent financial statement received by Lender.

(e) As of the date hereof, neither Borrower nor Beneficiary has any claims, counterclaims, defenses, or set-offs with respect to the Loan or the Loan Documents as modified herein.

(f) Borrower and Beneficiary are validly existing under the laws of the State of their formation or organization and have the requisite power and authority to execute and deliver this Agreement and to perform the Loan Documents as modified herein. The execution and delivery of this Agreement and the performance of the Loan Documents as modified herein have been duly authorized by all requisite action by or on behalf of Borrower and Beneficiary. This Agreement has been duly executed and delivered on behalf of Borrower and Beneficiary.

13. **Beneficial Interest.** Beneficiary hereby acknowledges its beneficial interest is subject to the Loan Documents and consents to the modifications made herein.

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14. Miscellaneous.

(a) This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

(b) This Agreement shall not be construed more strictly against Lender than against Borrower, Beneficiary or Guarantor merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that Borrower, Beneficiary, Guarantor and Lender have contributed substantially and materially to the preparation of this Agreement, and Borrower, Beneficiary, Guarantor and Lender each acknowledges and waives any claim contesting the existence and the adequacy of the consideration given by the other in entering into this Agreement. Each of the parties to this Agreement represents that it has been advised by its respective counsel of the legal and practical effect of this Agreement, and recognizes that it is executing and delivering this Agreement, intending thereby to be legally bound by the terms and provisions thereof, of its own free will, without promises or threats or the exertion of duress upon it. The signatories hereto state that they have read and understand this Agreement, that they intend to be legally bound by it and that they expressly warrant and represent that they are duly authorized and empowered to execute it.

(c) Notwithstanding the execution of this Agreement by Lender, the same shall not be deemed to constitute Lender a venturer or partner of or in any way associated with Borrower, Beneficiary or Guarantor nor shall privity of contract be presumed to have been established with any third party.

(d) Borrower, Beneficiary, Guarantor and Lender each acknowledges that there are no other understandings, agreements or representations, either oral or written, express or implied, that are not embodied in the Loan Documents and this Agreement, which collectively represent a complete integration of all prior and contemporaneous agreements and understandings of Borrower, Beneficiary, Guarantor and Lender; and that all such prior understandings, agreements and representations are hereby modified as set forth in this Agreement. Except as expressly modified hereby, the terms of the Loan Documents are and remain unmodified and in full force and effect.

(e) This Agreement shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, successors and assigns.

(f) Any references to the "Note", the "Mortgage" or the "Loan Documents" contained in any of the Loan Documents shall be deemed to refer to the Note, the Mortgage and the other Loan Documents as amended hereby. The paragraph and section headings used herein are for convenience only and shall not limit the substantive provisions hereof. All words herein which are expressed in the neuter gender shall be deemed to include the masculine, feminine and neuter genders. Any word herein which is expressed in the singular or plural shall be deemed, whenever appropriate in the context, to include the plural and the singular.

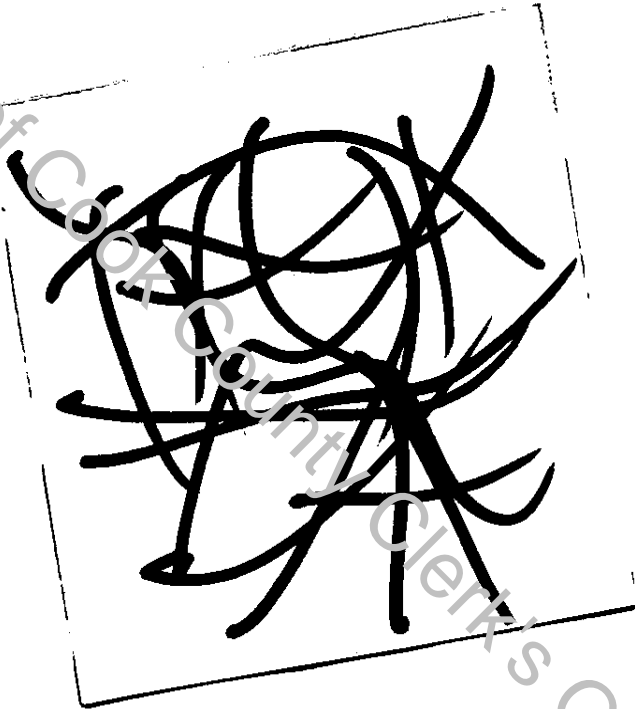
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(g) This Agreement may be executed in one or more counterparts, all of which, when taken together, shall constitute one original Agreement.

(h) Time is of the essence of each of Borrower's obligations under this Agreement.

[signature page follows]

Property of Cook County Clerk's Office

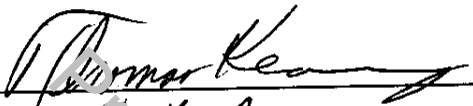


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IN WITNESS WHEREOF, the parties hereto have executed this Agreement dated as of the day and year first above written.

LENDER:

LASALLE BANK NATIONAL ASSOCIATION, a national banking association

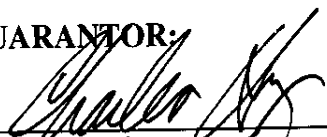
By: 
Its: 1st V.P.

TRUST:
LASALLE BANK NATIONAL ASSOCIATION, a national banking association, not personally, but solely as trustee as aforesaid

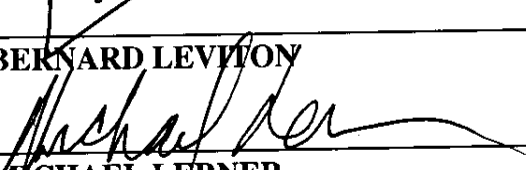
By: 
Its: ASSISTANT Vice President

By: Attestation not required by
Lasalle Bank National Association
Its: Trustee

GUARANTOR:

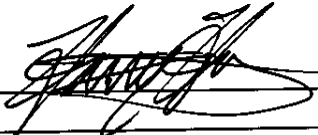

CHARLES HUZENIS


HARRY HUZENIS



BERNARD LEVITON
MICHAEL LERNER

BORROWER:

HH 601 LAKE LLC, an Illinois limited liability company

By: HH 
Its: _____

CH 601 LAKE LLC, an Illinois limited liability company

By: CH 
Its: _____


PAULINA HOMES, LLC, an Illinois limited liability company

By: MCZ Jameson, Inc., an Illinois corporation
Its: Manager

By: HH 
Its: _____

BENEFICIARY:

HLL CORPORATION, an Illinois corporation

By: HLL 
Its: _____

This instrument is executed by the undersigned Land Trustee, not personally but solely as Trustee in the exercise of the power and authority conferred upon and vested in it as such Trustee. It is expressly understood and agreed that all the warranties, indemnities, representations, covenants, undertakings and agreements herein made on the part of the Trustee are undertaken by it solely in its capacity as Trustee are not personally. No personal liability or personal responsibility is assumed by or shall at any time be asserted or enforceable against the Trustee on account of any warranty, indemnity, representation, covenant, undertaking or agreement of the Trustee in this instrument.

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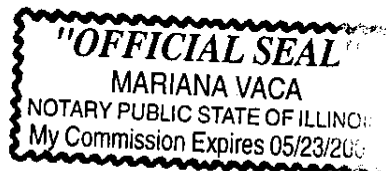
STATE OF ILLINOIS)
) .ss
COUNTY OF COOK)

I the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that NANCY A. CARLIN ~~Assistant Vice President~~ of LaSalle Bank National Association, is 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 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 23rd day of JULY, 2004. not personally, but solely as Trustee u/t/a dated July 24, 2002 and known as Trust No. 129918,

Mariana Vaca
Notary Public

My Commission Expires: 5/23/07



STATE OF ILLINOIS)
) .ss
COUNTY OF Cook)

I Larry D Bell, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Harry Pizanis, Manager of HH 601 Lake LLC, an Illinois limited liability company, is 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 said instrument as his own free and voluntary act of said limited liability company for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21 day of July, 2004.



Larry D Bell
Notary Public

My Commission Expires: _____

UNOFFICIAL COPY

STATE OF ILLINOIS)
) .SS
COUNTY OF Cook)

I Larry D Bell, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Charles Huzaric, Manager of CH 601 Lake LLC, is 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 said instrument as his own free and voluntary act of said limited liability company for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21 day of July, 2004.



[Signature]
Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) .SS
COUNTY OF Cook)

I Larry D Bell, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Charles Huzaric, Manager of MCZ/Jameson, Inc., an Illinois corporation and the Manager of Paulina Homes, LLC, an Illinois limited liability company, is 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 said instrument as his own free and voluntary act of said corporation and limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21 day of July, 2004.



[Signature]
Notary Public

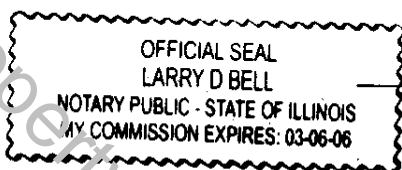
My Commission Expires: _____

UNOFFICIAL COPY

STATE OF ILLINOIS)
).SS
COUNTY OF Cook)

I Larry D Bell, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that CHARLES HUZENIS, is 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 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 21 day of July, 2004.



[Signature]
Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
).SS
COUNTY OF Cook)

I Larry D Bell, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that HARRY HUZENIS, is 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 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 21 day of July, 2004.



[Signature]
Notary Public

My Commission Expires: _____

UNOFFICIAL COPY

STATE OF ILLINOIS)
) .SS
COUNTY OF Cook)

I Larry D Bell, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that BERNARD LEVITON, is 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 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 21 day of July, 2004.



[Signature]
Notary Public

My Commission Expires: _____

STATE OF ILLINOIS)
) .SS
COUNTY OF Cook)

I Larry D Bell, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that MICHAEL LERNER, is 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 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 21 day of July, 2004.



[Signature]
Notary Public

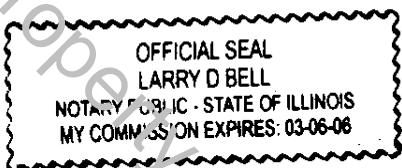
My Commission Expires: _____

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STATE OF ILLINOIS)
)
) .ss
COUNTY OF Cook)

I Larry D Bell, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Bernard Levin, President of HLL CORPORATION, an Illinois corporation, is 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 said instrument as his own free and voluntary act for said corporation the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 21 day of July, 2004.



[Signature]
Notary Public

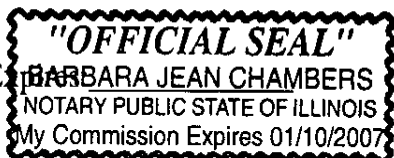
My Commission Expires: _____

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 Thomas Kearney of LaSalle Bank National Association, ~~not personally, but solely as trustee under Trust Agreement dated July 24, 2002 and known as Trust No. 129918,~~ is 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 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 27th day of July, 2004.

[Signature]
Notary Public



My Commission Expires _____

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EXHIBIT A

Legal Description of Property

LOTS 20 TO 41, BOTH INCLUSIVE IN CHARLES W. HAPGOOD'S SUBDIVISION OF LOT 1 AND PART OF LOT 2 IN BLOCK 9 IN SHEFFIELD'S ADDITION TO CHICAGO IN THE WEST ½ OF THE SOUTHEAST ¼ OF SECTION 32, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 14-32-401-005
14-32-401-006
14-32-401-007
14-32-401-008
14-32-401-009
14-32-401-010
14-32-401-011
14-32-401-044
14-32-401-047

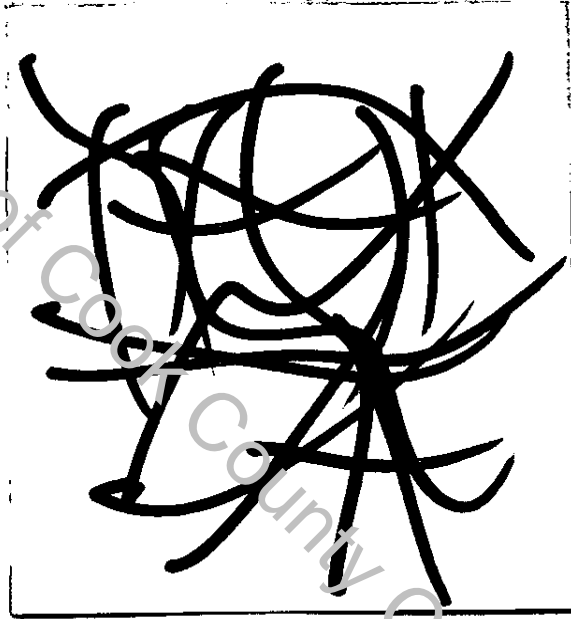
Address: 1953 North Clybourn Avenue
Chicago, Illinois

Property of Cook County Clerk's Office

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EXHIBIT B

FACILITY B PROMISSORY NOTE



Property of Coe County Clerk's Office

UNOFFICIAL COPY**FACILITY B PROMISSORY NOTE**

\$850,000.00

July 23, 2004
Chicago, Illinois

1. **Agreement to Pay.** FOR VALUE RECEIVED, HH 601 LAKE LLC, an Illinois limited liability company ("HH"), CH 601 LAKE LLC, an Illinois limited liability company ("CH"), PAULINA HOMES, LLC, an Illinois limited liability company ("Paulina") (HH, CH, and Paulina are collectively referred to as "Contract Purchasers") and LASALLE BANK NATIONAL ASSOCIATION, a national banking association ("Trustee"), not individually, but as trustee under a Trust Agreement dated July 24, 2002 and known as Trust No. 129918 (the "Trust") (Contract Purchasers and Trustee are collectively referred to herein as "Borrower") hereby promise to pay to the order of LASALLE BANK NATIONAL ASSOCIATION, a national banking association, its successors and assigns ("Lender"), the principal sum of Eight Hundred Fifty Thousand and no/100 Dollars (\$850,000.00) ("Loan"), at the place and in the manner hereinafter provided, together with interest thereon at the rate or rates described below, and any and all other amounts which may be due and payable hereunder from time to time.

2. **Interest Rate.**

2.1 **Interest Prior to Default.**

(a) Unless an optional interest rate is in effect, as described below, interest shall accrue on the outstanding principal balance of this Note from the date hereof through July __, 2008 ("Maturity Date") at an annual rate (the "Loan Rate") equal to the Prime Rate. Changes in the rate of interest to be charged hereunder based on the Prime Rate shall take effect immediately upon the occurrence of any change in the Prime Rate.

"Prime Rate" means the rate of interest most recently announced by Lender at Chicago, Illinois as its prime or base rate. A certificate made by an officer of Lender stating the Prime Rate in effect on any given day, for the purposes hereof, shall be conclusive evidence of the Prime Rate in effect on such day. The "Prime Rate" is a base reference rate of interest adopted by Lender as a general benchmark from which Lender determines the floating interest rates chargeable on various loans to borrowers with varying degrees of creditworthiness and Borrower acknowledges and agrees that Lender has made no representations whatsoever that the "Prime Rate" is the interest rate actually offered by Lender to borrowers of any particular creditworthiness.

(b) **Optional Interest Rates.** Borrower may elect the optional interest rate(s) described below for all or a portion of the Loan during the interest periods described below. Any principal amount bearing interest at an optional rate under this Note is referred to as a "**LIBOR Rate Portion**".

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(c) **LIBOR Rate.** Subject to the terms hereinafter set forth, Borrower may elect to have all or part of the outstanding principal balance of this Note bear interest at an annual rate equal to the LIBOR Rate plus two and one-quarter percent (2.25%) ("**Applicable Margin**"). Designation of a LIBOR Rate Portion is subject to the following requirements:

(i) The interest period during which the LIBOR Rate will be in effect will be one, two or three months, or such other period as may be agreed to by Lender and Borrower. Borrower shall irrevocably request, in writing, a LIBOR Rate Portion no later than 2:00 p.m. Chicago time on the day on which the London Inter-Bank Offered Rate will be set, as specified below. If the first election for a LIBOR Rate Portion is made such that the interest period shall commence on any day other than the first Business Day of a month, then the initial interest period shall end on the last day of the month in which such election is made and the Portion for such partial month shall bear interest at a short term LIBOR Rate, plus the Applicable Margin. In any event the first day of the interest period must be a day on which Lender is open for business in Chicago, Illinois (a "**Business Day**") and banks are open in London, England and dealing in offshore United States dollars. The last day of the interest period and the actual number of days during the interest period will be determined by Lender using the practices of the London inter-bank market.

(ii) Each LIBOR Rate Portion will be for an amount not less than \$500,000 and in increments in excess thereof of \$100,000. No more than 5 separate LIBOR Rate Portions may be outstanding at any time.

(iii) "**LIBOR Rate**" means the interest rate determined by the following formula, rounded upward to the nearest 1/100 of one percent (all amounts in the calculation will be determined by Lender as of the first day of the interest period:

$$\text{LIBOR} = \frac{\text{London Inter-Bank Offered Rate}}{(1.00 - \text{Reserve Percentage})}$$

Where,

(1) "**London Inter-Bank Offered Rate**" means the rate per annum equal to the offered rate for deposits in U.S. dollars for the applicable interest period and for amounts comparable to the LIBOR Rate Portion published by Bloomberg's Financial Markets Commodities News at approximately 8:00 a.m. Chicago time two (2) Business Days before the commencement of the interest period (or if not so published, Lender, in its sole discretion, shall designate another daily financial or governmental publication of national circulation to determine such rate); provided, however, that after the first election of an interest period with respect to any

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Portion, the London Inter-Bank Offered Rate shall be determined at approximately 8:00 a.m. Chicago time on the first Business Day of the month for each interest period thereafter with respect to such Portion.

(2) “**Reserve Percentage**” means the total of the maximum reserve percentages for determining the reserves to be maintained by member banks of the Federal Reserve System for Eurocurrency Liabilities, as defined in Federal Reserve Board Regulation D, rounded upward to the nearest 1/100 of one percent. The percentage will be expressed as a decimal, and will include, but not be limited to, marginal, emergency, supplemental, special, and other reserve percentages.

(iv) Each LIBOR Rate Portion elected by Borrower shall automatically renew for the same interest period at the then current LIBOR Rate plus the Applicable Margin unless Borrower shall otherwise irrevocably request, in writing, a different interest period or conversion of all or a portion of the LIBOR Rate Portion to the Loan Rate, no later than 2:00 p.m. Chicago time on the second (2nd) Business Day before the expiration of the existing interest period. Borrower may not elect a LIBOR Rate and an interest period for a LIBOR Rate Portion shall not automatically renew with respect to any principal amount which is scheduled to be repaid before the last day of the applicable interest period, and any such amounts shall bear interest at the Loan Rate, until repaid.

(v) Lender is not obligated to accept a deposit in the inter-bank market in order to charge interest on a LIBOR Rate Portion at the LIBOR Rate, once Borrower elects such rate.

(vi) Each prepayment of a LIBOR Rate Portion, whether voluntary, involuntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid and the “**Make Whole Costs**”, as described below. A “prepayment” is a payment of an amount on a date earlier than the scheduled payment date for such amount as required by this Note. The “**Make Whole Costs**” shall be equal to all costs, expenses, penalties and charges incurred by Lender as a result of the early termination or breakage of a LIBOR Rate Portion plus any Additional Costs (hereinafter defined) and the amount (if any) by which:

(1) the additional interest which would have been payable during the interest period on the amount prepaid had it not been prepaid, exceeds

(2) the interest which would have been recoverable by Lender by placing the amount prepaid on deposit in the domestic

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certificate of deposit market, the eurodollar deposit market, or other appropriate money market selected by Lender, for a period starting on the date on which it was prepaid and ending on the last day of the interest period for such Portion (or the scheduled payment date for the amount prepaid, if earlier).

(vii) Each prepayment of a LIBOR Rate Portion, whether voluntary, involuntary, by reason of acceleration or otherwise, will be accompanied by the amount of accrued interest on the amount prepaid and any and all costs, expenses, penalties and charges incurred by Lender as a result of the early termination or breakage of a LIBOR Rate Portion.

(viii) Lender will have no obligation to accept an election for a LIBOR Rate Portion if any of the following described events has occurred and is continuing:

(1) Dollar deposits in the principal amount, and for periods equal to the interest period, of a LIBOR Rate Portion are not available in the London inter-bank market; or

(2) maintenance of a LIBOR Rate Portion would violate any applicable law, rule, regulation or directive, whether or not having the force of law; or

(3) the LIBOR Rate does not accurately reflect the cost of a LIBOR Rate Portion; or

(4) an Event of Default has occurred and is continuing or any event or circumstance exists which, with the giving of notice or passage of time, would constitute an Event of Default.

(ix) In addition, Borrower shall be responsible for paying any costs ("Additional Costs") actually incurred by Lender as a direct result of any change in Lender's cost of complying with any law, rule, regulation or other requirement imposed, interpreted or enforced by any federal, state or other governmental or monetary authority which is applicable to assets held by or deposits or accounts with or credits extended by Lender and which causes Lender to incur costs or increases the effective cost to Lender of lending to Borrower at the LIBOR Rate or decreases the effective spread or yield of two and one-quarter percent (2.25%) per annum above the LIBOR Rate which would be made by Lender on a LIBOR Rate Portion.

2.2 Interest After Default. From and after the Maturity Date or upon the occurrence and during the continuance of an Event of Default, interest shall accrue on the balance of principal remaining unpaid during any such period at an annual rate ("Default Rate") equal to four percent (4%) plus the Loan Rate; provided, however, in no event shall the Default Rate exceed the maximum rate permitted by law. The interest accruing

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under this paragraph shall be immediately due and payable by Borrower to the holder of this Note upon demand and shall be additional indebtedness evidenced by this Note.

2.3 Interest After Conversion. If Borrower elects to convert the Loan to a fixed rate, then upon fifteen (15) business days of written notice to Lender, interest shall accrue on the outstanding principal balance of this Note from the date which is fifteen (15) business days after Borrower's notice (the "Conversion Date") through the Maturity Date at the rate (the "Conversion Rate") per annum equal to (i) two and one-quarter percent (2.25%) plus (ii) the yield (converted as necessary to an annual interest rate) on U.S. Treasury Securities having a maturity date closest to the Maturity Date, as published in Bloomberg's Financial Markets Commodities News at approximately 8:00 a.m. Chicago time on the second (2nd) business day preceding the Conversion Date ("Determination Date") (or if not so published, Lender, in its sole discretion, shall designate another daily financial or governmental publication of national circulation to be used to determine such yield), plus the corresponding swap spread as published in Bloomberg's Financial Markets Commodities News as of the Determination Date (or if not so published, Lender, in its sole discretion, shall designate another daily financial or governmental publication of national circulation to be used to determine such spread). "U.S. Treasury Securities" means actively traded U.S. Treasury bonds, bills and notes, and if more than one issue of U.S. Treasury securities is scheduled to mature on or about the Maturity Date then to the extent possible, the U.S. Treasury security maturing most recently prior to the Maturity Date will be chosen as the basis of the yield.

2.4 Interest Calculation. Interest on this Note shall be calculated on the basis of a 360-day year and the actual number of days elapsed in any portion of a month in which interest is due.

3. Payment Terms.

3.1 Principal and Interest. Payments of principal and interest due under this Note, if not sooner declared to be due in accordance with the provisions hereof, shall be made as follows:

(a) Upon the Conversion Date, interest on the principal balance of this Note accruing during the period commencing on the Conversion Date and ending on the last day of the month in which the Conversion Date occurs shall be due and payable.

(b) Commencing on August 1, 2004 and on the first day of each month thereafter through and including the month in which the Maturity Date occurs, interest accrued on the portions of this Note bearing interest at the Loan Rate shall be due and payable. Interest on each LIBOR Rate Portion shall be paid in arrears on the first day of each month. Interest accrued on any LIBOR Rate Portion as of the date of termination, breakage or other disposition shall be due and payable in full on the date of such termination, breakage or disposition.

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(c) Commencing on August 1, 2004 and on the first day of each month thereafter through and including the month in which the Maturity Date occurs, payments of principal in the amount of \$1,610.95 each shall be due and payable.

(d) Commencing on the first day of the first month after the Conversion Date and on the first Business Day of each month thereafter through and including the month in which the Maturity Date occurs, payments of principal and accrued and unpaid interest thereon shall be due and payable in an amount required to fully amortize the outstanding principal balance of the Loan in equal, consecutive monthly installments over twenty-five (25) years less the number of months elapsed since the first disbursement of proceeds hereunder. Lender shall deliver an amortization schedule to Borrower on the Conversion Date indicating the monthly payments due hereunder.

(e) The unpaid principal balance of this Note, if not sooner paid or declared to be due in accordance with the terms hereof, together with all accrued and unpaid interest thereon and any other amounts due and payable hereunder or under any other Loan Document (as hereinafter defined), shall be due and payable in full on the Maturity Date.

3.2 Application of Payments. Prior to the occurrence of an Event of Default (as hereinafter defined), all payments and prepayments on account of the indebtedness evidenced by this Note shall be applied as follows: (a) first, to fees, expenses, costs and other similar amounts then due and payable to Lender, including, without limitation any prepayment premium, exit fee or late charges due hereunder, (b) second, to accrued and unpaid interest on the principal balance of this Note, (c) third, to the payment of principal due in the month in which the payment or prepayment is made, (d) fourth, to any escrows, impounds or other amounts which may then be due and payable under the Loan Documents (as hereinafter defined), (e) fifth, to any other amounts then due Lender hereunder or under any of the Loan Documents, and (f) last, to the unpaid principal balance of this Note in the inverse order of maturity. Any prepayment on account of the indebtedness evidenced by this Note shall not extend or postpone the due date or reduce the amount of any subsequent monthly payment of principal and interest due hereunder. After an Event of Default has occurred and is continuing, payments may be applied by Lender to amounts owed hereunder and under the Loan Documents in such order as Lender shall determine, in its sole discretion.

3.3 Method of Payments. All payments of principal and interest hereunder shall be paid by automatic debit, wire transfer, check or in coin or currency which, at the time or times of payment, is the legal tender for public and private debts in the United States of America and shall be made at such place as Lender or the legal holder or holders of this Note may from time to time appoint in the payment invoice or otherwise in writing, and in the absence of such appointment, then at the offices of Lender at 8303 West Higgins Road, 6th Floor, Chicago, Illinois 60631. Payment made by check shall be deemed paid on the date Lender receives such check; provided, however, that if such check is subsequently returned to Lender unpaid due to insufficient funds or otherwise, the payment shall not be deemed to have been made and shall continue to bear interest

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until collected. Notwithstanding the foregoing, the final payment due under this Note must be made by wire transfer or other final funds.

3.4 Late Charge. If any payment of interest or principal due hereunder is not made within fifteen days after such payment is due in accordance with the terms hereof, then, in addition to the payment of the amount so due, Borrower shall pay to Lender a "late charge" of five cents for each whole dollar so overdue to defray part of the cost of collection and handling such late payment. Borrower agrees that the damages to be sustained by the holder hereof for the detriment caused by any late payment are extremely difficult and impractical to ascertain, and that the amount of five cents for each one dollar due is a reasonable estimate of such damages, does not constitute interest, and is not a penalty.

3.5 Prepayment.

(a) If the Loan accrues interest at the Prime Rate or LIBOR Rate, the Loan may be prepaid, either in whole or in part, without penalty or premium, at any time and from time to time upon fourteen (14) days prior notice to Lender.

Prepayment.

(b) If the Loan accrues interest at the Conversion Rate, and provided that no Event of Default then exists, Borrower may voluntarily prepay the principal balance of this Note, in whole but not in part, at any time on or after the date hereof, subject to the following conditions:

(i) Not less than thirty (30) days prior to the date upon which Borrower desires to make such prepayment, Borrower shall deliver to Lender written notice of its intention to prepay this Note in full, which notice shall be irrevocable and state the prepayment date ("**Prepayment Date**");

(ii) Borrower shall pay to Lender, concurrently with such prepayment, a prepayment premium ("**Prepayment Premium**") equal to the greater of (A) the Yield Amount (as hereinafter defined) or (B) the Fixed Amount (as hereinafter defined); and

(iii) Borrower shall pay to Lender all accrued and unpaid interest through the date of such prepayment on the principal balance being prepaid.

Notwithstanding the foregoing, no Prepayment Premium shall be owing if such prepayment is made on or after the ninetieth (90th) day prior to the Maturity Date.

(c) Borrower acknowledges that the Loan was made on the basis and assumption that Lender would receive the payments of principal and interest set forth herein for the full term hereof. Therefore, if the maturity hereof has been accelerated by reason of the occurrence of an Event of Default the Prepayment

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Premium shall be due, in addition to the outstanding principal balance, accrued interest and other sums due hereunder.

(d) For purposes of this Note, the “**Fixed Amount**” shall mean one percent (1.00%) of the amount prepaid.

For purposes of this Note, the “**Yield Amount**” shall be the amount calculated as follows:

(i) There shall first be determined, as of the Prepayment Date, the amount, if any, by which the Loan Rate exceeds the yield to maturity percentage (“**Current Yield**”) for actively traded U.S. Treasury bonds, bills and notes (“**Treasury Security**”) closest in maturity to the Maturity Date as published in The Wall Street Journal on the fifth business day preceding the Prepayment Date. If publication of (A) The Wall Street Journal or (B) the Current Yield of the Treasury Security in The Wall Street Journal is discontinued, Lender, in its sole discretion, shall designate another daily financial or governmental publication of national circulation to be used to determine the Current Yield;

(ii) The difference calculated pursuant to clause (i) above shall be multiplied by the outstanding principal balance of this Note as of the Prepayment Date;

(iii) The product calculated pursuant to clause (ii) above shall be multiplied by the quotient, rounded to the nearest one-hundredth of one percent, obtained by dividing (A) the number of days from and including the Prepayment Date to and including the Maturity Date, by (B) 365; and

(iv) The product calculated pursuant to clause (iii) above shall be discounted at the annual rate of the Adjusted Current Yield (where the “**Adjusted Current Yield**” means the Current Yield adjusted to reflect the difference in timing of semi-annual payments of interest on the Treasury Security and monthly payments under this Note) to the present value thereof as of the Prepayment Date, on the assumption that said sum would be received in equal monthly installments on each monthly anniversary of the Prepayment Date prior to the Maturity Date, with the final such installment to be deemed received on the Maturity Date;

provided that Borrower shall not be entitled in any event to a credit against, or a reduction of, the indebtedness being prepaid if the Adjusted Current Yield exceeds the Interest Rate or for any other reason.

3.6 **Loan Fees.** In consideration of Lender’s agreement to make the Loan, Borrower shall pay to Lender a non-refundable fee in the amount of Six Thousand Three Hundred Seventy Five Dollars (\$6,375.00), which shall be due and payable in full as a condition precedent to the disbursement of proceeds under this Note.

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4. **Security.** This Note is secured by a Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing ("Mortgage") dated as of August 23, 2002 made by Borrower to Lender creating a first mortgage lien on certain real property ("Premises") legally described in Exhibit A attached to the Mortgage, an Assignment of Rents and Leases ("Assignment") dated as of August 23, 2002 from Borrower to Lender, a Guaranty of Payment ("Guaranty") of dated as of August 23, 2002 Charles Huzenis, Harry Huzenis, Bernard Leviton and Michael Lerner (collectively, "Guarantor") to Lender and an Environmental Indemnity Agreement ("Indemnity Agreement") dated as of August 23, 2002 from Borrower and Guarantor to Lender (the Mortgage, the Modification, the Assignment, the Guaranty, the Indemnity Agreement and any other document now or hereafter given to evidence or secure payment of this Note or delivered to induce Lender to disburse the proceeds of the Loan, as such documents may hereafter be amended by that certain Modification of Loan Documents dated as of December 20, 2002 between FH, CH, Paulina, Trustee, Guarantor and Lender, restated or replaced from time to time, are hereinafter collectively referred to as the "Loan Documents"). Reference is hereby made to the Loan Documents (which are incorporated herein by reference as fully and with the same effect as if set forth herein at length) for a statement of the covenants and agreements contained therein, a statement of the rights, remedies, and security afforded thereby, and all matters therein contained.

5. **Events of Default.** The occurrence of any one or more of the following events shall constitute an "Event of Default" under this Note:

5.1 the failure by Borrower to pay (i) any installment of principal or interest payable pursuant to this Note on the date when due, or (ii) any other amount payable to Lender under this Note, the Mortgage or any of the other Loan Documents within fifteen (15) days after notice from Lender that such payment is due in accordance with the terms hereof or thereof; or

5.2 the occurrence of any "Event of Default" under the Mortgage, the Loan Agreement, or any of the other Loan Documents; or

5.3 the occurrence of the dissolution, insolvency, winding-up, death or legal incompetency, as applicable, of any guarantor of this Note unless within the ninety day period immediately following such death or legal incompetency (i) Borrower provides Lender with a substitute guarantor whose creditworthiness and real estate experience and skills are comparable to those of the original guarantor and who is otherwise acceptable to Lender in Lender's sole discretion, and (ii) such substitute guarantor executes a guaranty in favor of Lender in form and substance substantially similar to the Guaranty.

6. **Remedies.** At the election of the holder hereof, and without notice, the principal balance remaining unpaid under this Note, and all unpaid interest accrued thereon and any other amounts due hereunder, shall be and become immediately due and payable in full upon the occurrence of any Event of Default. Failure to exercise this option shall not constitute a waiver of the right to exercise same in the event of any subsequent Event of Default. No holder hereof shall, by any act of omission or commission, be deemed to waive any of its rights, remedies or powers hereunder or otherwise unless such waiver is in writing and signed by the holder hereof, and then only to the extent specifically set forth therein. The rights, remedies and powers of the

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holder hereof, as provided in this Note, the Mortgage and in all of the other Loan Documents are cumulative and concurrent, and may be pursued singly, successively or together against Borrower, the Guarantors hereof, the Premises and any other security given at any time to secure the repayment hereof, all at the sole discretion of the holder hereof. If any suit or action is instituted or attorneys are employed to collect this Note or any part hereof, Borrower promises and agrees to pay all costs of collection, including reasonable attorneys' fees and court costs.

7. **Covenants and Waivers.** Borrower and all others who now or may at any time become liable for all or any part of the obligations evidenced hereby, expressly agree hereby to be severally bound, and severally: (i) waive and renounce any and all homestead, redemption and exemption rights and the benefit of all valuation and appraisal privileges against the indebtedness evidenced by this Note or by any extension or renewal hereof; (ii) waive presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor, and notice of protest; (iii) except as expressly provided in the Loan Documents, waive any and all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default, or enforcement of the payment hereof or hereunder; (iv) waive any and all lack of diligence and delays in the enforcement of the payment hereof; (v) agree that the liability of each Borrower, guarantor, endorser or obligor shall be unconditional and without regard to the liability of any other person or entity for the payment hereof, and shall not in any manner be affected by any indulgence or forbearance granted or consented to by Lender to any of them with respect hereto; (vi) consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by Lender with respect to the payment or other provisions hereof, and to the release of any security at any time given for the payment hereof, or any part thereof, with or without substitution, and to the release of any person or entity liable for the payment hereof; and (vii) consent to the addition of any and all other makers, endorsers, guarantors, and other obligors for the payment hereof, and to the acceptance of any and all other security for the payment hereof, and agree that the addition of any such makers, endorsers, guarantors or other obligors, or security shall not affect the liability of Borrower, any guarantor and all others now liable for all or any part of the obligations evidenced hereby. This provision is a material inducement for Lender making the Loan to Borrower.

8. **Other General Agreements.**

8.1 Borrower agrees that the Loan evidenced by this Note is an exempted transaction under the Truth In Lending Act, 15 U.S.C., Section 1601, et seq. The proceeds of the Loan will be used for the purposes specified in Section 408.035 of the Revised Statutes of Missouri and the obligations secured hereby constitute both a business loan and a real estate loan which comes within the purview of Section 408.035 of the Revised Statutes of Missouri.

8.2 Time is of the essence hereof.

8.3 This Note is governed and controlled as to validity, enforcement, interpretation, construction, effect and in all other respects by the statutes, laws and decisions of the State of Illinois. This Note may not be changed or amended orally but only by an instrument in writing signed by the party against whom enforcement of the change or amendment is sought.

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8.4 Lender shall not be construed for any purpose to be a partner, joint venturer, agent or associate of Borrower or of any lessee, operator, concessionaire or licensee of Borrower in the conduct of its business, and by the execution of this Note, Borrower agrees to indemnify, defend, and hold Lender harmless from and against any and all damages, costs, expenses and liability that may be incurred by Lender as a result of a claim that Lender is such partner, joint venturer, agent or associate.

8.5 This Note has been made and delivered at Chicago, Illinois and all funds disbursed to or for the benefit of Borrower will be disbursed in Chicago, Illinois.

8.6 If this Note is executed by more than one party, the obligations and liabilities of each Borrower under this Note shall be joint and several and shall be binding upon and enforceable against each Borrower and their respective successors and assigns. This Note shall inure to the benefit of and may be enforced by Lender and its successors and assigns.

8.7 If any provision of this Note is deemed to be invalid by reason of the operation of law, or by reason of the interpretation placed thereon by any administrative agency or any court, Borrower and Lender shall negotiate an equitable adjustment in the provisions of the same in order to effect, to the maximum extent permitted by law, the purpose of this and the validity and enforceability of the remaining provisions, or portions or applications thereof, shall not be affected thereby and shall remain in full force and effect.

8.8 If the interest provisions herein or in any of the Loan Documents shall result, at any time during the Loan, in an effective rate of interest which, for any month, exceeds the limit of usury or other laws applicable to the Loan, all sums in excess of those lawfully collectible as interest of the period in question shall, without further agreement or notice between or by any party hereto, be applied upon principal immediately upon receipt of such monies by Lender, with the same force and effect as though the payer has specifically designated such extra sums to be so applied to principal and Lender had agreed to accept such extra payment(s) as a premium-free prepayment. Notwithstanding the foregoing, however, Lender may at any time and from time to time elect by notice in writing to Borrower to reduce or limit the collection to such sums which, when added to the said first-stated interest, shall not result in any payments toward principal in accordance with the requirements of the preceding sentence. In no event shall any agreed to or actual exaction as consideration for this Loan transcend the limits imposed or provided by the law applicable to this transaction or the makers hereof in the jurisdiction in which the Premises are located for the use or detention of money or for forbearance in seeking its collection.

8.9 Lender may at any time assign its rights in this Note and the Loan Documents, or any part thereof and transfer its rights in any or all of the collateral, and Lender thereafter shall be relieved from all liability with respect to such collateral. In addition, Lender may at any time sell one or more participations in the Note. Borrower may not assign its interest in this Note, or any other agreement with Lender or any

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portion thereof, either voluntarily or by operation of law, without the prior written consent of Lender.

9. **Notices.** All notices required under this Note will be in writing and will be transmitted in the manner and to the addresses or facsimile numbers required by the Loan Agreement, or to such other addresses or facsimile numbers as Lender and Borrower may specify from time to time in writing.

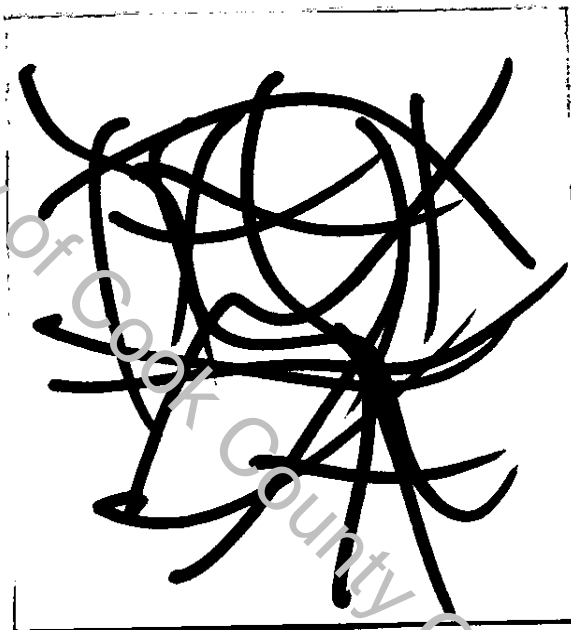
10. **Consent to Jurisdiction.** TO INDUCE LENDER TO ACCEPT THIS NOTE, BORROWER IRREVOCABLY AGREES THAT, SUBJECT TO LENDER'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS NOTE WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. BORROWER HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS, WAIVES PERSONAL SERVICE OF PROCESS UPON BORROWER, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO BORROWER AT THE ADDRESS STATED IN THE MORTGAGE AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

11. **Waiver of Jury Trial.** BORROWER AND LENDER (BY ACCEPTANCE OF THIS NOTE), HAVING BEEN REPRESENTED BY COUNSEL, EACH KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY ACTION OR PROCEEDING TO ENFORCE OR DEFEND ANY RIGHTS (a) UNDER THIS NOTE OR ANY RELATED AGREEMENT OR UNDER ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION WITH THIS NOTE OR (b) ARISING FROM ANY BANKING RELATIONSHIP EXISTING IN CONNECTION WITH THIS NOTE, AND AGREES THAT ANY SUCH ACTION OR PROCEEDING WILL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY. BORROWER AGREES THAT IT WILL NOT ASSERT ANY CLAIM AGAINST LENDER ON ANY THEORY OF LIABILITY FOR SPECIAL, INDIRECT, CONSEQUENTIAL, INCIDENTAL OR PUNITIVE DAMAGES.

12. **Customer Identification - USA Patriot Act Notice; OFAC and Bank Secrecy Act.** Lender hereby notifies Borrower that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56, signed into law October 26, 2001) (the "Act"), and Lender's policies and practices, Lender is required to obtain, verify and record certain information and documentation that identifies Borrower, which information includes the name and address of Borrower and such other information that will allow Lender to identify Borrower in accordance with the Act. In addition, Borrower shall (a) ensure that no person who owns a controlling interest in or otherwise controls Borrower or any subsidiary of Borrower is or shall be listed on the Specially Designated Nationals and Blocked Person List or other similar lists maintained by the Office of Foreign Assets Control ("OFAC"), the Department of the Treasury or included in any Executive Orders, (b) not use or permit the use of the proceeds of the Loan to violate any of the foreign asset control regulations of OFAC or any enabling statute or

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Executive Order relating thereto, and (c) comply, and cause any of its subsidiaries to comply, with all applicable Bank Secrecy Act ("BSA") laws and regulations, as amended.



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IN WITNESS WHEREOF, Borrower has executed and delivered this Note as of the day and year first written above.

LENDER:

LASALLE BANK NATIONAL ASSOCIATION, a national banking association

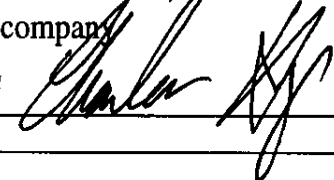
By: _____
Its: _____

BORROWER:

HH 601 LAKE LLC, an Illinois limited liability company

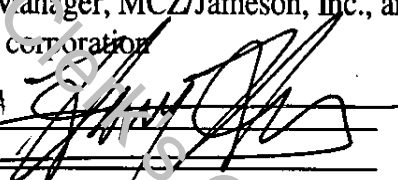
By: ^{HH}  _____
Its: _____

CH 601 LAKE LLC, an Illinois limited liability company

By: ^{CH}  _____
Name: _____
Title: _____

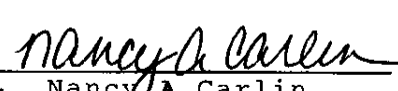
PAULINA HOMES, LLC, an Illinois limited liability company

By its Manager, **MCZ/Jameson, Inc.**, an Illinois corporation

By: ^{HH}  _____
Name: _____
Title: _____

See Attached Rider for Trustee's Exoneration Clause

LASALLE BANK NATIONAL ASSOCIATION, not personally but solely as Trustee as aforesaid

By:  _____
Name: Nancy A Carlin
Title: Asst Vice President

By: ~~Attestation not required by~~ _____
Name: ~~Lasalle Bank National Association~~ _____
Title: ~~Bylaws~~ _____

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LASALLE BANK NATIONAL ASSOCIATION
 LAND TRUST DEPARTMENT
 RIDER - NOTE

RIDER ATTACHED TO AND MADE A PART OF NOTE DATED 7/23/04
UNDER TRUST NUMBER 129918 **AND PAYABLE**
TO LaSalle Bank National Association

This Note is executed by LaSalle Bank National Association, not personally, but as Trustee, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and is payable only out of the property described in the Trust Deed or Mortgage given to secure payment thereof. It is expressly understood and agreed by each original and successive holder of this Note, that no personal liability shall be asserted or be enforceable against the promisor or any person interested beneficially or otherwise in said property, specifically described in said Trust Deed or Mortgage given to secure the payment hereof, or in the property or funds at any time subject to said Trust Agreement, because or in respect of this Note or the making, issue or transfer thereof, all such liability, if any, being expressly waived by each taker and holder hereof, but nothing herein contained shall modify or discharge the personal liability expressly assumed by the guarantor hereof, if any, and each original and successive holder of this Note accepts the same upon the express condition that no duty shall rest upon said LaSalle Bank National Association, either personally or as said Trustee, to sequester the rents, issues and profits arising from the property described in said Trust Deed or Mortgage, or the proceeds arising from the sale or other disposition thereof, but that in case of default in the payment of this Note or of any installment hereof, the sole remedy of the holder shall be by foreclosure of the said Trust Deed or Mortgage given to secure the indebtedness evidenced by this Note, in accordance with the terms and provisions in said Trust Deed or Mortgage set forth or by action to enforce the personal liability of the guarantor if any, of the payment hereof, or both. No personal liability shall be asserted or be enforceable against LaSalle Bank National Association by reason of any of the terms, provisions, stipulations, covenants, indemnifications, warranties and/or statements contained in this instrument. No personal liability shall be asserted or be enforceable against LaSalle Bank National Association by reason of any of the terms, provisions, stipulations, covenants, indemnifications, warranties and/or statements contained in this instrument.