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Prepared By:
ALLEN C. WESOLOWSKI
MARTIN & KARCAZES, LTD.
161 N. Clark - #550
Chicago, Illinois 60601

Mail to:
NORTH COMMUNITY BANK
3639 N. Broadway
Chicago, Illinois 60613



Doc#: 0519514403
Eugene "Gene" Moore Fee: \$32.00
Cook County Recorder of Deeds
Date: 07/14/2005 02:00 PM Pg: 1 of 5

MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT made as of this 8th day of July, 2005, by and between RACINECOM, LLC, an Illinois limited liability company, (hereinafter called "Mortgagor") and NORTH COMMUNITY BANK, an Illinois banking corporation, with an office at 3639 N. Broadway, Chicago, Illinois 60613 (hereinafter called "Lender").

WITNESSETH:

This Agreement is based upon the following recitals:

A. On May 27, 2004, for full value received, 512 W. Barry, LLC, an Illinois limited liability company (hereinafter called the "Borrower") executed and delivered to Lender a Promissory Note in the principal amount of FIVE MILLION NINE HUNDRED FIFTY SEVEN THOUSAND NINETY EIGHT (\$5,957,098.00) DOLLARS (hereinafter called "Note") in accordance with a Construction Loan Agreement dated May 27, 2004, between Borrower and Lender (the "Construction Loan Agreement")

B. GRACE & RACINE LLC, an Illinois limited liability company secured the obligations under the Note by granting to Lender a certain Mortgage (hereinafter called the "Mortgage") dated May 27, 2004, covering certain improved real property at 3757, 3759 and 3761 N. Racine, Chicago, County of Cook, State of Illinois (hereinafter called the "Mortgaged Premises"), legally described as follows:

PARCEL 1: THAT PART OF THE NORTH 99 FEET OF THE WEST 68 FEET OF BLOCK 12 WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +23.98 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +35.48 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID BLOCK 12; THENCE SOUTH 00E 00' 00" WEST ALONG THE WEST LINE OF SAID BLOCK 12, A DISTANCE OF 80.78 FEET TO THE PLACE OF BEGINNING (THE WEST LINE OF SAID BLOCK 12 ALSO BEING THE EAST LINE OF N. RACINE AVENUE); THENCE SOUTH

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89E 56' 30" EAST, 57.90 FEET; THENCE SOUTH 00E 10' 25" WEST, 18.22 FEET; THENCE NORTH 89E 56' 30" WEST, 57.84 FEET TO THE WEST LINE OF SAID BLOCK 12; THENCE NORTH 00E 00' 00" EAST ALONG THE WEST LINE OF SAID BLOCK 12, A DISTANCE OF 18.22 FEET TO THE PLACE OF BEGINNING, IN LAFLIN, SMITH AND DYER=S SUBDIVISION OF THE NORTHEAST 1/4 (EXCEPT THE 1.28 ACRES IN THE NORTHEAST CORNER THEREOF) IN SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2: THAT PART OF THE NORTH 99 FEET OF THE WEST 68 FEET OF BLOCK 12 WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +23.98 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +35.48 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID BLOCK 12; THENCE SOUTH 00E 00' 00" EAST ALONG THE WEST LINE OF SAID BLOCK 12, A DISTANCE OF 63.85 FEET TO THE PLACE OF BEGINNING (THE WEST LINE OF SAID BLOCK 12 ALSO BEING THE EAST LINE OF N. RACINE AVENUE); THENCE SOUTH 89E 56' 30" EAST, 57.95 FEET; THENCE SOUTH 00E 10' 25" WEST, 16.92 FEET; THENCE NORTH 89E 56' 30" WEST, 57.90 FEET TO THE WEST LINE OF SAID BLOCK 12; THENCE NORTH 00E 00' 00" EAST ALONG THE WEST LINE OF SAID BLOCK 12, A DISTANCE OF 16.92 FEET TO THE PLACE OF BEGINNING, IN LAFLIN, SMITH AND DYER=S SUBDIVISION OF THE NORTHEAST 1/4 (EXCEPT THE 1.28 ACRES IN THE NORTHEAST CORNER THEREOF) IN SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3: THAT PART OF THE NORTH 99 FEET OF THE WEST 68 FEET OF BLOCK 12 WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF +23.98 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF +35.48 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE NORTHWEST CORNER OF SAID BLOCK 12; THENCE SOUTH 00E 00' 00" WEST ALONG THE WEST LINE OF SAID BLOCK 12, A DISTANCE OF 46.77 FEET TO THE PLACE OF BEGINNING (THE WEST LINE OF SAID BLOCK 12 ALSO BEING THE EAST LINE OF N. RACINE AVENUE); THENCE SOUTH 89E 56' 30" EAST, 58.00 FEET; THENCE SOUTH 00E 10' 25" WEST, 17.09 FEET; THENCE NORTH 89E 56' 30" WEST, 57.95 FEET TO THE WEST LINE OF SAID BLOCK 12; THENCE NORTH 00E 00' 00" EAST ALONG THE WEST LINE OF SAID BLOCK 12, A DISTANCE OF 17.09 FEET TO THE PLACE OF BEGINNING, IN LAFLIN, SMITH AND DYER=S SUBDIVISION OF THE NORTHEAST 1/4 (EXCEPT THE 1.28 ACRES IN THE NORTHEAST CORNER THEREOF) IN SECTION 20, TOWNSHIP 40 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 14-20-215-001-0000

C. Borrower and Lender agreed to an additional advance of \$1,042,902.00 and to the

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extension of the maturity date of the Note to August 27, 2005, as evidenced by a Modification Agreement dated April 26, 2005 and recorded as Document No. 0513334017.

D. The principal balance of the Note as of July 8, 2005 is \$1,967,424.57, with \$44,788.10 available for disbursement.

E. Lender and Borrower have agreed to an additional advance of \$1,550,000.00 in order to payoff the indebtedness secured by a junior mortgage recorded as Document No. 0505639132.

F. GRACE & RACINE LLC, an Illinois limited liability company, quitclaimed its interest in the Mortgaged Premises to Mortgagor as evidenced by Document No. 0427439012.

F. Borrower and Mortgagor represent to Lender that there is no junior mortgage or other subsequent lien now outstanding against the Mortgaged Premises (except such permitted exceptions noted in the Lender's loan policy of title insurance or unless disclosed to Lender, and such subsequent lienholder has agreed to consent to this Modification Agreement and subordinate its lien to the lien of the Mortgage, as herein modified, which Consent and Subordination is attached hereto as Exhibit "A"), and that the lien of the Mortgage, as herein modified, is a valid first and subsisting lien on said Mortgaged Premises.

NOW THEREFORE, for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto do hereby mutually agree that Note, secured by the Mortgage, is hereby modified as follows:

1. Lender shall make available an additional sum of \$1,550,000.00 (increasing the face amount of the Note to \$8,550,000.00).
2. Borrower agrees to pay to Lender a Loan Fee of \$23,250.00 for the loan modification, to reimburse Lender for its attorney's fees of \$750.00 and to pay title and recording charges in connection with the additional advance.
3. Effective July 8, 2005, the floor on the Regular Rate of interest shall be increased from 6.50% to 7.00%.
4. All other terms and conditions of the Note, Construction Loan Agreement and Mortgage shall remain in full force and effect.

In consideration of the additional advance under the note and Construction Loan Agreement, secured by the Mortgage, as hereinabove set forth, Mortgagor does hereby covenant and agree that the balance of the indebtedness evidenced by the Note is secured by the Mortgage, and to perform the covenants contained in the Mortgage, and Mortgagor represents to Lender that there is no junior mortgage or other subsequent lien now outstanding against the Mortgaged Premises, except such permitted exceptions noted in the Lender's loan policy of title insurance or as otherwise disclosed herein, and that the lien of the Mortgage is a valid first and subsisting lien on the Mortgage

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Premises.

Nothing herein contained shall in any manner whatsoever impair the Note and other loan documents as identified hereby, or the lien created thereby or any other documents executed by Borrower or Mortgagor in connection therewith, or alter, waive, vary or affect any promise, agreement, covenant or condition recited in any of the above-mentioned documents, except as herein expressly modified, nor affect or impair any rights, powers, or remedies of Lender under any of the above-mentioned documents. Except as hereinabove otherwise provided, all terms and provisions of the Note and other instruments and documents executed in connection with the subject loans, shall remain in full force and effect and shall be binding upon the parties hereto, their successors and assigns.

The undersigned hereby authorizes Lender to place a legend on any such instrument giving effect to the aforementioned modification or to attach this agreement or any executed counterpart thereof to said instrument as a part thereof.

IN WITNESS WHEREOF, this instrument has been executed by the parties hereto in manner and form sufficient to bind them, as of the day and year first above written.

NORTH COMMUNITY BANK, Lender:

By: 
Its VICE PRESIDENT

RACINECOM, LLC, an Illinois limited liability company

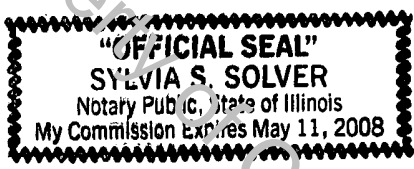
By: 
Kevin G. Krouse, Sole Member

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said County, in the State aforesaid, does hereby certify that on this day personally appeared before me, WILLIAM CHOKOS, personally known to me to be the same person whose name is subscribed to the foregoing instrument and personally known to me to be Vice President, and an authorized agent of, NORTH COMMUNITY BANK and acknowledged that he signed and delivered the said instrument as his free and voluntary act and deed, and as the free and voluntary act of said corporation for the uses and purposes set forth.

Given under my hand and notarial seal this 8th day of July, 2005.

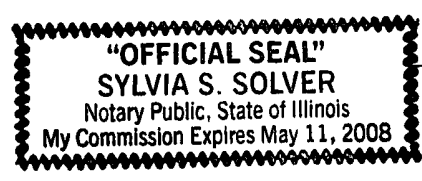


Sylvia S. Solver
Notary Public

STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

The undersigned, a Notary Public in and for said county, in the aforesaid State, do hereby certify that KEVIN G. KROUPA, known to me to be the same person whose name is subscribed to the foregoing instrument as the Sole Member of RacineCom, LLC, 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 limited liability company, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 8th day of July, 2005.



Sylvia S. Solver
Notary Public