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THIS DOCUMENT PREPARED BY
AND AFTER RECORDING RETURN
TO:



Doc#: 0529245080 Fee: \$42.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 10/19/2005 11:27 AM Pg: 1 of 10

Bell, Boyd & Lloyd LLC
70 West Madison
Suite 3100
Chicago, Illinois 60602
Attn: Sandra L. Waldier, Esq.

This space reserved for Recorder's use only

MODIFICATION OF LOAN DOCUMENTS

THIS MODIFICATION OF LOAN DOCUMENTS (this "Agreement") is made as of the 19th day of August, 2005, by and among **PREFERRED-HALSTED LLC**, an Illinois limited liability company ("Borrower"), **PREFERRED-YUMA LLC**, **THOMAS MORABITO** and **EVAN OLIFF** (individually and collectively, "Guarantor") and **LASALLE COMMUNITY DEVELOPMENT CORPORATION**, a Delaware corporation, its successors and assigns ("Lender").

RECITALS:

A. Lender has heretofore made a loan ("Loan") to Borrower in the principal amount of FIVE HUNDRED TWENTY THOUSAND DOLLARS (\$520,000) as evidenced by a Promissory Note dated April 8, 2004, in the principal amount of the Loan made payable by Borrower to the order of Lender ("Note").

B. The Note is secured by, among other things, (i) that certain Second Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated April 8, 2004 from Borrower to Lender recorded with the Cook County Recorder of Deeds (the "Recorder's Office") on April 12, 2004, as Document No. 0410319004 ("Mortgage"), which Mortgage encumbers the real property and all improvements thereon legally described on Exhibit A hereto (the "Original Land"), (ii) that certain Assignment of Rents and Leases dated April 8, 2004 from Borrower to Lender and recorded in the Recorder's Office with the Mortgage (the "Assignment of Leases"); (iii) that certain Environmental Indemnity Agreement dated April 8, 2004 from Borrower and Guarantor to Lender (the "Indemnity Agreement"); (iv) that certain Certificate of Representations, Warranties and Covenants dated April 8, 2004 from Borrower and Guarantor to Lender (the "Certificate"); and (v) certain other loan documents (the Note, the Mortgage, the Assignment of Leases, the Indemnity Agreement, the Certificate, the other documents evidencing, securing and guarantying the Loan, in their original form and as amended, are sometimes collectively referred to herein as the "Loan Documents"). All terms not otherwise defined herein shall have the meanings set forth in the Mortgage or the Certificate

C. The Loan is further secured by a Secured Guaranty of Payment dated April 8, 2004 from Guarantor to Lender (the "Guaranty").

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D. Borrower has acquired, or is about to acquire fee title to additional land (the "Additional Land") contiguous with the Original Land. The Original Land and the Additional Land are described together on Exhibit B attached hereto and made a part hereof ("New Land").

E. Borrower, Lender and Guarantor desire to spread the lien of the Mortgage to encumber the Additional Land, and to make certain other amendments to the Mortgage, the Note, the Assignment of Rents and Leases and certain of the other Loan Documents, on the terms and conditions set forth in this Amendment.

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 agreements 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 Legal Description; Spreading of Lien of Mortgage.** The Additional Land is hereby added to and shall be a part of the Land. The lien of the Mortgage (which constitutes a Financing Statement as to personal property and fixtures on the Land) is hereby spread so as to encumber title to the Additional Land, and as a Financing Statement all items of personal property and fixtures described therein and located on the Additional Land.

2. **Exercise of Extension Option.** Borrower hereby requests and Lender hereby agrees to extend the Maturity Date to April 5, 2005 in accordance with Section 2.3 of the Note. All references in the Note and the other Loan Documents to the Maturity Date shall be deemed references to the Extended Maturity Date.

3. **Amendment to Note.** The Note is hereby amended by inserting the following paragraph as a new Paragraph 12:

"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 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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4. **Amendment to Mortgage.** Exhibit A of the Mortgage is hereby amended by adding thereto the Additional Land, so that all references therein to Land, Real Estate or Property shall be deemed references to the New Land.

5. **Amendment to Assignment of Rents and Leases.** Exhibit A of the Assignment of Rents and Leases is hereby amended by adding thereto the Additional Land, so that all references therein to Land, Real Estate or Property shall be deemed references to the New Land.

6. **Amendment to Indemnity Agreement.** The Indemnity Agreement is hereby amended as follows:

(a) The following paragraph is inserted as a new Section 1(g):

(g) *Certain environmental contamination (the "Contamination") was discovered within the Development as disclosed in the Reports. Borrower shall promptly enter the Development into the Illinois Site Remediation Program (the "SRP") and proceed with and diligently complete any remedial work required as a result of such Contamination and the SRP. Borrower shall deliver to Lender, within two (2) years after the Loan Opening Date, a copy of a No Further Remediation Letter ("NFR Letter") from the Illinois Environmental Protection Agency, in form and substance reasonably acceptable to Lender. Borrower shall provide Lender with copies of any reports and correspondence between Borrower and the IEPA with regard to the Remedial Work and the SRP concurrently with the receipt or delivery by Borrower of same."*

(b) Exhibit A of the Indemnity Agreement is hereby amended by adding thereto the Additional Land, so that all references therein to Land, Real Estate or Property shall be deemed references to the New Land.

7. **Amendment to Other Loan Documents.** The legal description contained in Exhibit A attached to each of the other Loan Documents is hereby deleted and the legal description contained in Exhibit B attached hereto shall be substituted in its place, so that all references therein to Land, Real Estate or Property shall be deemed references to the New Land.

8. **Representations and Warranties of Borrower.** Borrower hereby represents, covenants and warrants to Lender as follows:

(a) The representations and warranties in the Loan Agreement, 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 the Note, the Mortgage or the other Loan Documents and Borrower does not know 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

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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 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, Borrower has no claims, counterclaims, defenses, or set-offs with respect to the Loan or the Loan Documents as modified herein.

(i) Borrower is validly existing under the laws of the State of its formation or organization and has 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. This Agreement has been duly executed and delivered on behalf of Borrower.

9. **Title Policy.** As a condition precedent to the agreements contained herein, Borrower shall, at its sole cost and expense, cause First American Title Insurance Company to issue a date down endorsement to Lender's title insurance policy LP 375796 (the "Title Policy"), as of the date this Agreement is recorded, reflecting the recording of this Agreement and insuring the first priority of the lien of the Mortgage on the New Land, 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.

10. **Reaffirmation of Guaranty.** 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 is, 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.

11. **Expenses.** As a condition precedent to the agreements contained herein, Borrower shall pay all out-of-pocket costs and expenses incurred by Lender in connection with this Agreement, including, without limitation, title charges, recording fees, appraisal fees and attorneys' fees and expenses.

12. **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 or Guarantor merely by virtue of the fact that the same has been prepared by counsel for Lender, it being recognized that Borrower, Guarantor and Lender have contributed substantially and materially to the preparation of this Agreement, and Borrower, Guarantor and

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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 or Guarantor nor shall privity of contract be presumed to have been established with any third party.

(d) Borrower, 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, 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.

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

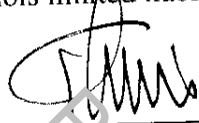
(h) Time is of the essence of each of Borrower's obligations under this Agreement.

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


BORROWER:

PREFERRED-HALSTED LLC, an Illinois limited liability company

By: 
One of its Managers


GUARANTORS:


Thomas Morabito, individually

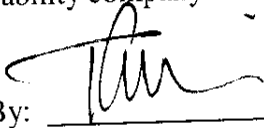

Evan Oliff, individually

LENDER:

LASALLE COMMUNITY DEVELOPMENT CORPORATION, a Delaware corporation

By: 
Name: Pamela Daniels-Valesi
Title: SVP

PREFERRED-YUMA LLC, an Illinois limited liability company

By: 
One of its Managers

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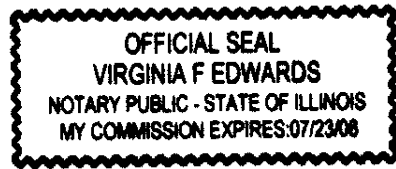
STATE OF ILLINOIS)
) ss.
COUNTY OF COOK)

I Virginia F. Edwards, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Pamela Daniels Halesi SVP of LaSalle Community Development 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 the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 22 day of August, 2005

Virginia F. Edwards
Notary Public

My Commission Expires: _____



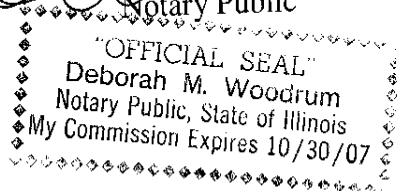
STATE OF ILLINOIS)
) ss.
COUNTY OF Cook)

I Deborah M. Woodrum, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Thomas M. Halesi, attorney of Preferred Halsted 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 for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 18 day of August, 2005.

Deborah M. Woodrum
Notary Public

My Commission Expires: _____



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STATE OF ILLINOIS)
COUNTY OF Cook) ss.

I [Signature], a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Thomas Morabito and Evan Oliff are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 18 day of August, 2005.

My Commission Expires: _____

[Signature]
Notary Public

STATE OF ILLINOIS)
COUNTY OF Cook) ss.

I [Signature], a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Thomas Morabito, a Member of Preferred-Yuma 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 for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 18 day of August, 2005.

My Commission Expires: _____

[Signature]
NOTARIAL SEAL
Deborah M. Woodrum
Notary Public, State of Illinois
My Commission Expires 10/30/05

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EXHIBIT A

ORIGINAL LAND

PARCEL 1:

LOTS 2, 3, 6, 7, 10 AND 11, WHICH INCLUDES VACATED LOTS 8 TO 14 INCLUSIVE, IN HILDRUP'S RESUBDIVISION, ALSO INCLUDING THE VACATED 16 FOOT ALLEY, NORTH OF AND ADJOINING SAID LOT 7 AND THE EAST ½ OF VACATED SOUTH GREEN STREET (PEORIA) STREET, LYING WEST OF AND ADJOINING SAID LOTS, ALL IN BLOCK 1; TOGETHER WITH ALL OF LOTS CONTAINED IN THAT PART OF BLOCK 2, WHICH LIES EASTERLY OF THE EASTERLY LINE OF THE 100 FOOT RIGHT OF WAY OF THE PENNSYLVANIA RAILROAD, (FORMERLY KNOWN AS THE PITTSBURGH, CINCINNATI AND ST. LOUIS RAILROAD COMPANY), WHICH INCLUDES THE VACATED LOTS 15 TO 21 INCLUSIVE, IN HILDRUP'S RESUBDIVISION, ALSO INCLUDING ALL THE VACATED ALLEYS CONTAINED IN AND ADJOINING SAID PART OF BLOCK 2, AND THE WEST ½ OF VACATED SOUTH GREEN STREET (PEORIA STREET), EAST AND ADJOINING SAID BLOCK 2, ALL IN PLACERDALE, BEING A SUBDIVISION BY THOMAS S. DOBBINS OF THE EAST ½ OF THE SOUTH EAST ¼ OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 14, 15, 18, 19, 22 AND 23 IN BLOCK 1 IN PLACERDALE, BEING A SUBDIVISION BY THOMAS S. DOBBINS OF THE EAST ½ OF THE SOUTHEAST ¼ OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 3:

ALL OF THE NORTH-SOUTH VACATED ALLEY IN BLOCK 1 IN PLACERDALE, AFORESAID, LYING NORTH OF THE SOUTH LINE OF LOT 24, AFORESAID, PLACERDALE, EXTENDED WEST TO THE SOUTH LINE OF LOT 23, AFORESAID, AND LYING SOUTH OF THE SOUTH LINE OF THE NORTH 21 FEET OF LOT 13, AFORESAID, PLACERDALE, EXTENDED WEST TO THE EAST LINE OF LOT 14, AFORESAID.

PARCEL 4:

THE EAST HALF OF VACATED GREEN STREET LYING WEST AND ADJOINING LOTS 14, 15, 18, 19, 22 AND 23 IN BLOCK 1 IN PLACERDALE, BEING A SUBDIVISION BY THOMAS S. DOBBINS OF THE EAST ½ OF THE SOUTHEAST ¼ OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PINS: 25-20-404-007; 25-20-404-107; 25-20-404-108; 25-20-404-020; 25-20-404-021;
25-20-404-022; 25-20-404-023; 25-20-404-024; 25-20-404-025

Address: 833-901 West 115th Street, Chicago, Illinois

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EXHIBIT B

NEW LAND

PARCEL 5:

THE NORTH HALF OF LOT 12 (EXCEPT THE EAST 10 FEET THEREOF) IN BLOCK 1 IN PLACERDALE IN THE EAST HALF OF THE SOUTH EAST QUARTER OF SECTION 20, TOWNSHIP 37 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPT THAT PART OF SAID LOT 12 LYING EAST OF A LINE 50 FEET WEST OF AND PARALLEL WITH THE EAST LINE OF SECTION 20 CONVEYED TO CITY OF CHICAGO BY QUITCLAIM DEED DOCUMENT 10356823) IN COOK COUNTY, ILLINOIS.

PIN: 25-20-404-045-0000

Address: 11526 S. Halsted Street, Chicago, Illinois 60628