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Prepared by end
When recorded return to:

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Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
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SECOND AMENDMENT TO MULTIFAMILY MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

(ILLINOIS)

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SECOND AMENDMENT TO MULTIFAMILY MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT

This **SECOND AMENDMENT TO MULTIFAMILY MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT** ("Agreement") is made as of November 11, 2005, by and between **343 SOUTH DEARBORN II, L.L.C.**, an Illinois limited liability company (hereinafter called "**Borrower**"), and **FANNIE MAE**, a corporation organized and existing under the laws of the United States (hereinafter called "**Fannie Mae**" or "**Lender**").

RECITALS:

A. Fannie Mae is the holder of that certain Multifamily Note (the "**Note**"), dated as of December 27, 2001 in the original principal amount of \$19,576,000.00, issued by Borrower to Prudential Multifamily Mortgage, Inc., a Delaware corporation, which Note evidences a loan (the "**Loan**") made by Original Lender to Original Borrower. The Loan is secured by a Multifamily Mortgage, Assignment of Rents and Security Agreement (the "**Security Instrument**"), dated as of December 27, 2001, recorded in the official records of Cook County, Illinois (the "**Public Records**") as Document No.0011244155, which constitutes a first-lien encumbrance on the real property described on Exhibit A attached hereto and the personal property and fixtures described in the Security Instrument or in any uniform commercial code financing statement filed with respect thereto (collectively the "**Property**"). The Note, the Security Instrument and all other documents evidencing and securing the Loan are collectively referred to in this Agreement as the "**Loan Documents**". The Security Instrument was assigned to Fannie Mae by instrument dated December 27, 2001 and recorded in the Public Records as Document No. 0011244158. The Security Instrument was modified by a First Amendment to Multifamily Mortgage, Assignment of Rents and Security Agreement dated January 31, 2003 and recorded in the Public Records as Document No. 0030199824. Each of the other Loan Documents has been duly assigned or endorsed to Lender. The Loan is currently serviced by Prudential Multifamily Mortgage, Inc., a Delaware corporation.

B. Borrower and Lender desire to amend the Security Instrument as set forth below.

In consideration of the foregoing and the mutual covenants and promises set forth in this Agreement and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender hereby agree as follows:

AGREEMENT:

1. Representations and Warranties. To induce Lender to enter into this Agreement, Borrower represents and warrants:

(a) Borrower has full legal power and authority to enter into this Agreement, all necessary consents and approvals for the execution and performance of this Agreement have been obtained, and once signed by each of the parties named above, this Agreement will be the legal, binding and enforceable obligation of Borrower.

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(b) Borrower owns and is vested in title to all of the Property and, except for the lien of real estate taxes and assessments not yet due, and other exceptions to title approved in writing by Lender, there exists no lien, charge or encumbrance against the Property created or arising subsequent to the recording date of the Security Instrument.

(c) Borrower has read this Agreement and is familiar with its terms and conditions, and has had the opportunity for the advice of counsel of its own selection in regard to the terms, meaning and effect of this Agreement. Borrower further acknowledges it has made and entered into this Agreement freely and voluntarily, without duress, and in reliance of no promise or representation of Lender or by which Lender is bound not expressly set forth in this Agreement.

2. Modifications. The Security Instrument is hereby modified as set forth on Exhibit B attached hereto.

3. Conditions. Lender's agreement to modify the Security Instrument as provided in this Agreement is subject to the satisfaction of each of the following conditions. Each condition is for the exclusive benefit of Lender, may be waived by Lender but any waiver must be in writing and signed by Lender in order to be effective.

(a) There is no uncured default under the Loan Documents nor any event or condition which, with notice or the passage of time or both would be an event of default under the Loan Documents.

(b) Lender shall have received a modification endorsement or endorsements, in form satisfactory to Lender, from the title insurance company insuring the priority of the Security Instrument, bringing the effective date of the title policy insuring the Security Instrument (the "**Title Policy**") current to the date of the recording of this Agreement, and insuring that the modifications provided for in this Agreement shall not impair the continued validity, priority and enforceability of the Security Instrument, and confirming the Security Instrument is a first lien on the property subject only to the title exceptions in the Title Policy and title exceptions otherwise acceptable to Lender in its sole discretion.

(c) This Agreement shall have been fully signed, acknowledged and delivered by Borrower. This Agreement shall be recorded in the real property records of Cook County, Illinois.

4. General.

(a) Entire Agreement. This Agreement constitutes the entire Agreement among the parties with respect to the foregoing modification of the Security Instrument and may not be amended except in writing signed by all parties. This Agreement may be executed in multiple counterparts, each of which shall be an original but all of which together shall constitute one and the same agreement.

(b) Ratification. All of the Loan Documents, as modified pursuant to this Agreement are ratified and affirmed and shall be and remain in full force and effect. Borrower shall promptly pay and perform as and when due all Borrower's obligations under the Loan Documents and this Agreement. This Agreement is not intended to and shall not be construed to

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impair the validity, priority or enforceability of the Security Instrument or the other Loan Documents.

(c) Cross Default. Any default by Borrower under this Agreement shall constitute a default under the Loan Documents, and each of them, and any default by Borrower under the Loan Document shall constitute a default under this Agreement.

(d) Lender Expenses. Borrower shall pay all reasonable costs and expenses of Lender incurred in connection with this Agreement, including without limitation any title insurance charges, recording fees, and charges of outside legal counsel.

(e) Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original and all of which taken together shall constitute one and the same document.

(f) Governing Law. This Agreement shall be construed and enforced under the laws of the State of Illinois.

Dated as of the day and year first written above.

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BORROWER:

343 SOUTH DEARBORN II, L.L.C., an Illinois limited liability company

By: 343 South Dearborn I, L.L.C., an Illinois limited liability company, its Managing Member

By: _____
Jonathan Holtzman
Manager

STATE OF Michigan)
CITY/COUNTY OF Oakland) to-wit:

The foregoing instrument was acknowledged before me this 21st day of November, 2005 by Jonathan Holtzman, Manager of 343 South Dearborn I, L.L.C., an Illinois limited liability company, Managing Member of 343 South Dearborn II, L.L.C., an Illinois limited liability company, on behalf of the limited liability company.

(NOTARIAL SEAL)

Cheryl L. Irick
Notary Public

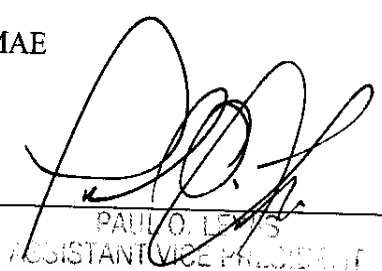
My commission expires: 11/21/06

CHERYL L. IRICK
NOTARY PUBLIC MACOMB CO., MI
MY COMMISSION EXPIRES Nov 21, 2006
ACTING IN OAKLAND COUNTY

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LENDER:

FANNIE MAE

By: 
 Name: PAUL O. LEWIS
 Title: ASSISTANT VICE PRESIDENT

STATE OF California)
 CITY/COUNTY OF Los Angeles) to-wit:

The foregoing instrument was acknowledged before me this 23rd day of November, 2005 by Paul O. Lewis, Assistant Vice President of Fannie Mae, a corporation organized and existing under the laws of the United States, on behalf of such corporation.

(NOTARIAL SEAL)


 Notary Public

My commission expires: November 15, 2008

PROPOSED
 COOK COUNTY Clerk's Office

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EXHIBIT A Description of the Land

LOTS 18, 19 AND 24 (EXCEPT THAT PART OF SAID LOTS TAKEN FOR DEARBORN STREET) IN GEORGE W. SNOW'S SUBDIVISION OF BLOCK 139 IN SCHOOL SECTION ADDITION TO CHICAGO, IN SECTION 16, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Street Address: 343 South Dearborn Street

PIN # 1716234005
1716234006

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EXHIBIT B

MODIFICATIONS TO INSTRUMENT (Tax Credit Properties)

The following modifications are made to the text of the Instrument that precedes this Exhibit:

1. Section 1(x) is hereby modified by deleting the period at the end thereof and adding the following: “, and all rents, revenue and other income derived from any Lease, executed pursuant to the terms of that certain Master Lease Agreement date December 27, 2001, by and between Borrower and 343 South Dearborn I, L.L.C., an Illinois limited liability company for non-residential space on the first floor of the Mortgaged Property,”
2. Section 4(f) is hereby modified by deleting the first sentence in its entirety and substituting the following therefor: “Borrower shall not lease any portion of the Mortgaged Property for non-residential use (except that portion previously designated to Lender in writing as non-residential space), except with the prior written consent of Lender and Lender’s prior written approval of the Lease agreement.”
3. Section 13 is hereby modified by deleting the period at the end thereof and adding the following: “upon prior notice and subject to the rights of tenants and other occupants.”
4. Section 17(a) is hereby modified by deleting the period at the end thereof and adding the following: “, or the improvement of non-residential space by the lessor or tenants pursuant to the terms of the applicable Lease.”
5. Section 21 (b) is hereby modified by adding the following new subsections:
 - “(7) the grant of a leasehold interest for non-residential space for that portion of the Mortgaged Property previously disclosed to Lender in writing as non-residential space;
 - (8) a conveyance by Wachovia Affordable Housing Community Development Corporation, a North Carolina corporation, successor in interest to First Union Development Corporation, a North Carolina corporation (“**Equity Investor**”), of the historical tax credits applicable to the Mortgaged Property;
 - (9) the lien of the Junior Construction Mortgage dated as of June 11, 1999 and executed by Borrower for the benefit of the City of Chicago, Illinois (the “**City**”) and the Redevelopment Agreement dated of even date therewith by and between Borrower and the City (the “**Redevelopment Agreement**”), each recorded prior hereto; and
 - (10) a Transfer of all or any portion of the membership interests held by First Union Development Corporation, a North Carolina to 343 South Dearborn I, L.L.C., an Illinois limited liability company (the “**Managing Member**”) or the principals thereof (with the same percentages of ownership) or an entity which owns or is owned by said entity or principals and has the same constituency of ownership interests; provided, however, that after such Transfer (i) the Key Principals shall maintain the same right and ability to manage and control the Borrower as existed prior to the Transfer; and (ii) Borrower shall provide Lender with written notice within five (5) business days thereof.
6. Section 31 is amended to add the following new Section 31(d):

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"(d) Lender agrees that, so long as Equity Investor or an affiliate of Equity Investor ("**Equity Investor Affiliate**") has a continuing ownership interest in Borrower, effective notice to Borrower under this Instrument and the Loan Documents shall require delivery of a copy of such notice to Equity Investor or Equity Investor Affiliate, as applicable. Such notice shall be given in the manner provided in this Section, at the address set forth below:

Wachovia Affordable Housing
 Community Development Corporation
 c/o Wachovia Securities
 301 South College Street, NC0173
 Charlotte, NC 28288-0173
 Attention: Quince Brinkley"

7. The following new Sections are added to the Instrument after the last numbered Section:

"**53. RECOURSE LIABILITY.** The provisions of Paragraph 9(c) of the Note, as they relate to Events of Default described in Paragraphs 9(c)(1) and 9(c)(2), shall be operative only after the Equity Investor has been given 30 days notice of the applicable Event(s) of Default described in Paragraphs 9(c)(1) and 9(c)(2), together with an opportunity within such 30-day period to remedy the applicable Event(s) of Default. In all events, Lender shall be entitled during such 30-day period to exercise all of its rights and remedies under this Instrument upon the occurrence of such Event of Default other than foreclosure of the Mortgaged Property.

54. CROSS-DEFAULT. The Borrower hereby agrees and consents that should (i) an event of default occur under the Redevelopment Agreement or the documents executed in connection therewith; (ii) an event occurs invoking the indemnification provisions of the Redevelopment Agreement; or (iii) any inaccuracies in the Economic Disclosure Statement executed in connection with the Redevelopment Agreement; the Lender shall have the right, in its sole and absolute discretion, to exercise and perfect any and all rights in and under the Loan Documents and this Instrument, including but not limited to, an acceleration of the Note and the sale of Mortgaged Property in accordance with the terms of this Instrument. No notice, except as may be required by this Instrument, shall be required to be given to the Borrower in connection with the Lender's exercise of any and all of its rights after an Event of Default has occurred."

INITIALS: _____