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THIS INSTRUMENT PREPARED BY:
Bruce A. Salk
Cohen, Salk & Huvard, P.C.
630 Dundee Road, Suite 120
Northbrook, Illinois 60062

AND AFTER RECORDING MAIL TO:
Oxford Bank & Trust
1111 West 22nd Street, Suite 800
Oak Brook, Illinois 60523
Attn: Frank Lakofka
7548 747 300



Doc#: 0705816050 Fee: \$44.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 02/27/2007 09:23 AM Pg: 1 of 11

PROPERTY RECORDS

Doc# NES160028A

MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT (hereinafter referred to as this "Modification Agreement") made as of this 1st day of September, 2006, by and among STREAMWOOD/BARTLETT ONE, LLC, an Illinois limited liability company ("Borrower"), PATRICK TAYLOR ("Taylor"), DH HOMES, INC., an Illinois corporation ("DH Homes") (Taylor and DH Homes are each a "Guarantor" and are collectively, the "Guarantors") (Borrower and Guarantors are hereinafter collectively referred to as the "Obligors"), and OXFORD BANK & TRUST ("Lender").

WITNESSETH:

WHEREAS, Borrower has executed and delivered to Lender the following mortgage notes (each individually referred to as a "Note" and collectively referred to as the "Notes") each dated as of May 24, 2005: (i) mortgage note in the principal amount of Three Million Seven Hundred Fifty Thousand and 00/100 (\$3,750,000.00) Dollars bearing interest at the variable rate specified therein (as modified, restated or replaced from time to time, the "First Note"); and (ii) mortgage note in the principal amount of One Million Five Hundred Thousand and 00/100 (\$1,500,000.00) Dollars bearing interest at the variable rate specified therein (as modified, restated or replaced from time to time, the "Second Note"), which Notes are secured by the following documents (the following documents and any and all other instruments executed by any Obligor, as modified, restated or replaced from time to time, are hereinafter collectively referred to as the "Loan Documents"):

- (i) mortgage and security agreement of even date therewith, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. 0516017158 (the "Mortgage") on property commonly known as Marquette Woods Subdivision, Streamwood and Bartlett, Illinois and legally described on Exhibit "A" attached hereto and made a part hereof (the "Premises");
- (ii) assignment of rents and of lessor's interest in leases dated of even date with the Notes made by Borrower in favor of Lender, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, as Document No. 0516017159 (the "Assignment of Rents");

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- (iii) guaranty of the First Note dated of even date with the First Note made by Guarantors in favor of Lender (the "First Note Guaranty");
- (iv) guaranty of the Second Note dated of even date with the Second Note made by Guarantors in favor of Lender (the "Second Note Guaranty") (the First Note Guaranty and the Second Note Guaranty are hereinafter collectively referred to as the "Guaranties");
- (v) environmental indemnity agreement dated of even date with the Notes made by Obligor in favor of Lender;
- (vi) construction loan agreement dated of even date with the Notes between Borrower and Lender (the "Loan Agreement");
- (vii) security agreement and assignment of contractual agreements affecting real estate dated of even date with the Notes made by Borrower in favor of Lender; and
- (viii) assignment of sales contracts dated of even date with the Notes made by Borrower in favor of Lender.

WHEREAS, Obligor is desirous of (i) increasing the principal sum of the First Note to \$4,780,000.00, which includes an increase in the aggregate amount of the letters of credit to \$1,280,000.00, (ii) adding a second option to extend the maturity dates of each of the Notes by an additional six (6) month period, and (iii) making certain other changes thereto, and Lender is willing to consent to such changes subject to the terms and provisions hereinafter provided.

NOW THEREFORE, in consideration of the mutual promises of the parties hereto, and upon the express conditions that the lien of the Mortgage held by Lender is a valid, first and subsisting lien on the Premises (as defined in the Mortgage) and that the execution of this Modification Agreement will not impair the lien of said Mortgage and that there is no existing second mortgage or other liens subsequent to the lien of the Mortgage held by Lender that will not be paid in full and released concurrently herewith (for breach of which conditions, or either of them, this Modification Agreement shall not take effect and shall be void), **IT IS AGREED AS FOLLOWS:**

1. The parties represent and agree that the foregoing recitals are true and correct.
2. As of September 1, 2006, the total outstanding principal balance of the First Note is \$500,849.93. Concurrent with the execution of this Modification Agreement, the Borrower shall execute and deliver to Lender an amended and restated mortgage note of even date herewith in the principal amount of Four Million Seven Hundred Eighty Thousand and 00/100 Dollars (\$4,780,000.00), payable to the order of Lender (the "Amended First Note"). Notwithstanding anything to the contrary contained in the Amended First Note or the Loan Documents, Lender shall have no obligation to disburse more than an additional \$1,286,915.63 under the Amended First Note, except as follows: (a) \$597,520.00 for additional Letters (as defined in the Amended First Note); (b)

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\$139,395.63 to replenish the interest reserve, and (c) \$550,000.00 for site improvements. Each reference in the Loan Documents to the term "First Note" or the "Facility A Note" shall hereafter be deemed to be a reference to the Amended First Note. Each reference in the Loan Documents to the term "Facility A Loan" shall hereafter mean that certain \$4,780,000.00 non-revolving construction line of credit loan made by Lender to Borrower and evidenced by the Amended First Note.

3. The Second Note is hereby modified by amending and restating in its entirety the fourth paragraph on page 1 of the Second Note to read as follows:

"Notwithstanding the Maturity Date set forth above, Borrower shall have two consecutive options (the first such option exercisable no later than thirty (30) days prior to the stated Maturity Date and the second option exercisable no later than May 1, 2007) to extend the Maturity Date each time by a period of six (6) months each upon written notice of such exercise given to Lender; provided, however, that the giving of such notice shall not operate to extend the Maturity Date unless at the time of giving of such notice and at the Maturity Date: (a) there shall exist no uncured Event of Default or no event which, with the giving of notice or the passing of time, or both, would constitute an Event of Default hereunder or under any Loan Document; and (b) Borrower shall have paid to Lender for each extension a fee equal to one-quarter percent (.25%) of the sum of (i) the unpaid principal balance of this Note, and (ii) the amount still available for disbursement under this Note."

4. The Mortgage is hereby modified by amending and restating the first "Whereas" paragraph on page 1 in its entirety to read as follows:

"**WHEREAS**, the Mortgagor has executed and delivered to the Mortgagee, the following mortgage notes (each individually referred to as a "Note" and collectively referred to as the "Notes"): (i) amended and restated mortgage note dated as of September 1, 2006 in the principal amount of Four Million Seven Hundred Eighty Thousand and 00/100 (\$4,780,000.00) Dollars bearing interest at the variable rate specified therein (the "First Note"), due in the manner as provided therein and in any event on December 1, 2006 (subject to two six month extensions), payable to the order of the Mortgagee, the terms and provisions of which First Note are incorporated herein and made a part hereof by this reference with the same effect as if set forth at length; and (ii) mortgage note dated May 24, 2005 in the principal amount of One Million Five Hundred Thousand and 00/100 (\$1,500,000.00) Dollars bearing interest at the variable rate specified therein (the "Second Note") due in the manner as provided therein and in any event on December 1, 2006 (subject to two six month extensions), payable to the order of the Mortgagee, the terms and provisions of which Second Note are incorporated herein and made a part hereof by this reference with the same effect as if set forth at length."

5. The First Note Guaranty is hereby modified by amending and restating the first two "Whereas" paragraphs on page 1 in their entirety to read as follows:

"**WHEREAS**, pursuant to the terms of that certain Construction Loan Agreement dated as of May 24, 2005 (as modified from time to time, the "Loan Agreement") between Streamwood/Bartlett One, LLC, an Illinois limited liability

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company ("Borrower"), and Lender, Lender has agreed to make a construction loan to Borrower in the maximum principal amount of \$4,780,000.00 (as modified, restated or replaced from time to time, the "Loan"); and

WHEREAS, the Loan is evidenced by a certain amended and restated mortgage note dated as of September 1, 2006 in the maximum principal amount of \$4,780,000.00 (as modified, restated or replaced from time to time, the "Note"); and

6. The Assignment is hereby modified by amending and restating in its entirety the first "Whereas" paragraph on page 1 to read as follows:

"WHEREAS, Assignor has executed two mortgage notes (as modified, restated or replaced from time to time, hereinafter individually referred to as a "Note" and collectively referred to as the "Notes") payable to the order of OXFORD BANK & TRUST (hereinafter referred to as "Assignee") as follows:

- A. Amended and Restated Mortgage Note dated September 1, 2006 in the principal amount of Four Million Seven Hundred Eighty Thousand and 00/100 (\$4,780,000.00) Dollars; and
- B. Mortgage Note dated May 24, 2005 in the principal amount One Million Five Hundred Thousand and 00/100 (\$1,500,000.00) Dollars; and

7. The Loan Agreement is hereby modified as follows:

- a. Section 3.1(a) is hereby deleted and replaced with the following:

"The first facility is a non-revolving acquisition, letter of credit, interest reserve, development and site improvement loan (as modified, restated or replaced from time to time, the "Facility A Loan"), in an amount not to exceed Four Million Seven Hundred Eighty Thousand and 00/100 Dollars (\$4,780,000.00) at any one time for the purposes and upon the terms and subject to the conditions contained in this Agreement. The proceeds of the Facility A Loan, less the amount of \$1,280,000.00 for the Letters of Credit (as herein defined), shall be disbursed to Borrower in accordance with the Project Budget attached hereto and made a part hereof as **Exhibit "B"**. The Facility A Loan shall be evidenced, in part, by an amended and restated mortgage note in the principal amount of \$4,780,000.00 made by Borrower in favor of Lender (as modified, restated or replaced from time to time, the "Facility A Note"). Notwithstanding anything to the contrary contained in the Facility A Note, this Agreement or the Loan Documents, Lender shall have no obligation to disburse more than an additional \$1,286,915.63 of the Facility A Loan, except as follows: (a) \$597,520.00 for additional Letters of Credit; (b) \$139,395.63 to replenish the interest reserve, and (c) \$550,000.00 for site improvements."

- b. Section 5.1 is hereby amended and restated in its entirety to read as follows: "The Facility A Note executed by the Borrower, payable to the order of Lender, in the principal amount of \$4,780,000.00."

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c. Section 8.1 is hereby modified by deleting the last sentence thereof and replacing it with the following: "The unpaid principal balance of the Loan, and all accrued and unpaid interest thereon, if not sooner declared to be due in accordance with the terms hereof, shall be due and payable on December 1, 2006 (the "Maturity Date"), subject to two consecutive 6 months extensions as provided in the Notes."

8. The Loan Documents are hereby amended to secure the obligations and liabilities evidenced by the Amended First Note, the Second Note, as amended hereby, and this Modification Agreement. The Amended First Note and the Second Note, as amended hereby, are hereinafter collectively referred to as the "Amended Notes".

9. Except for the modifications stated herein, the Amended Notes and Loan Documents are not otherwise changed, modified or amended. Except as expressly provided herein, the Amended Notes and other Loan Documents and each other instrument or agreement delivered by any Obligor to or for the benefit of Lender in connection with the loan evidenced by the Amended Notes shall remain in full force and effect in accordance with their respective terms and the execution and delivery of this Modification Agreement shall not operate to waive any rights or remedies that Lender may have with respect to the Amended Notes and other Loan Documents, to forgive or waive any violation, default or breach under the Amended Notes or any other Loan Document, or to obligate Lender in any manner to make any further extensions of credit other than as expressly set forth herein.

10. Contemporaneously with the execution of this Modification Agreement by Lender, Obligors shall pay to Lender a non-refundable modification fee in the amount of \$6,125.00, plus all of Lender's attorneys' fees incurred in connection with the negotiation and documentation of the agreements contained in this Modification Agreement, all recording fees and charges, title insurance charges and premiums, appraisal fees, and all other expenses, charges, costs and fees necessitated by or otherwise relating to this Modification Agreement (the "Additional Fees"). If any of the Additional Fees are not paid at the time this Modification Agreement is executed by Lender, such Additional Fees shall be paid by Obligors within five days after written demand therefor by Lender, and if not timely paid, they shall bear interest from the date so incurred until paid at an annual rate equal to the Default Rate (as defined in the Amended First Note).

11. The Premises described in the Mortgage shall remain in all events subject to the lien, charge or encumbrance of the Mortgage, and nothing herein contained, and nothing done pursuant hereto, shall affect or be construed to affect the lien, charge or encumbrance of the Mortgage, or the priority thereof over any other liens, charges, or encumbrances or conveyances, or, except as expressly provided herein, to release or affect the liability of any party or parties whomsoever may now or hereafter be liable under or on account of the Amended Note, the Mortgage and/or the Assignment of Rents, nor shall anything herein contained or done in pursuance thereof affect or be construed to affect any other security or instrument, if any, held by Lender as security for or evidence of the aforesaid indebtedness.

12. This Modification Agreement shall extend to and be binding upon each of the Obligors and their heirs, legatees, personal representatives, successors and assigns, and shall inure to the benefit of Lender and its successors and assigns.

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13. Each Obligor hereby ratifies and confirms his or its respective obligations and liabilities under the Amended Notes, the Guaranties and other Loan Documents, as hereby amended, and the liens and security interest created thereby, and acknowledge that he or it have no defenses, claims or set-offs against the enforcement by Lender of their respective obligations and liabilities under the Amended Notes, the Guaranties and other Loan Documents, as so amended.

14. This Modification Agreement shall, in all respects, be governed by and construed in accordance with the laws of the State of Illinois (exclusive of choice of law principals), including all matters of construction, validity and performance.

15. This Modification Agreement constitutes the entire agreement between the parties with respect to the aforesaid modification and shall not be amended or modified in any way except by a document in writing executed by all of the parties thereto.

16. This Modification Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be one agreement.

17. Lender's consent to this Modification Agreement shall be subject to Lender (or Lender's nominee) having received the following in a form and substance acceptable to Lender on or before October 31, 2006 (the "Modification Termination Date"):

(a) An endorsement to First American Title Insurance Company Loan Policy No. NCS 160028-CH11 (the "Title Policy") which (i) amends the description of the Mortgage insured under the Title Policy to include this Modification Agreement, (ii) amends the description of the Assignment of Rents to include this Modification Agreement, (iii) extends the effective date of the Title Policy to the date of the recording of this Modification Agreement, (iv) includes no additional exceptions to title other than those that have been approved in writing by Lender, (v) states that all real estate taxes and assessments applicable to the Premises which are due and payable as of the date of such endorsement have been paid in full, and (vi) increases the amount of insurance to \$6,280,000.00; and

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

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

18. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS MODIFICATION AGREEMENT SHALL BE TRIED AND DETERMINED ONLY IN THE STATE AND FEDERAL COURTS LOCATED IN THE COUNTY OF COOK, STATE OF ILLINOIS, OR, AT THE SOLE OPTION OF LENDER IN ANY OTHER COURT IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS PARAGRAPH.

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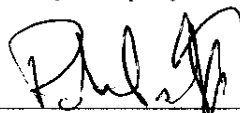
TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR AND LENDER HEREBY EXPRESSLY WAIVE ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS MODIFICATION AGREEMENT, OR IN ANY WAY CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE DEALINGS OF OBLIGORS AND LENDER WITH RESPECT TO THIS MODIFICATION AGREEMENT, OR THE TRANSACTION RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OBLIGOR AND LENDER HEREBY AGREE THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT ANY OBLIGOR OR LENDER MAY FILE A COPY OF THIS EXECUTED MODIFICATION AGREEMENT WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF EACH OBLIGOR AND LENDER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

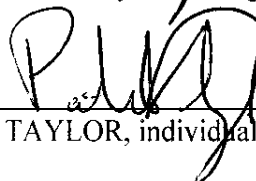
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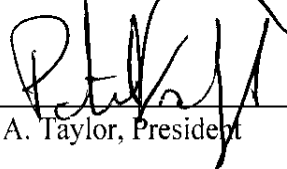
IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed as of the date first above written.

STREAMWOOD/BARTLETT ONE, LLC, an Illinois limited liability company

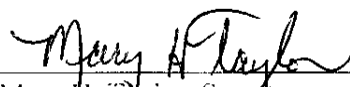
By: 
Patrick A. Taylor, Manager


PATRICK TAYLOR, individually

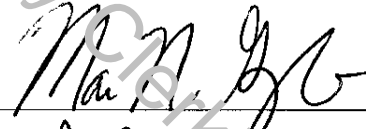
DII HOMES, INC., an Illinois corporation

By: 
Patrick A. Taylor, President

ATTEST:

By: 
Mary H. Taylor, Secretary

OXFORD BANK & TRUST

By: 
Its: AVP

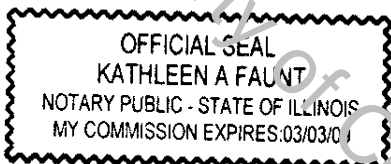
Property of Cook County Clerk's Office

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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 PATRICK A. TAYLOR is personally known to me as the manager of STREAMWOOD/BARTLETT ONE, LLC, an Illinois limited liability company, and 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, sealed and delivered the said instrument as such manager of said limited liability company, pursuant to authority, given by the members of said limited liability company, as his own and 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 18 day of Oct, 2006.



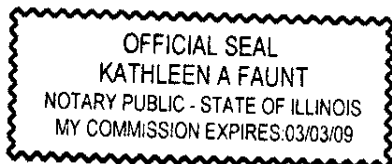
Kathleen A. Faunt
Notary Public

My Commission Expires: 03/03/09

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 PATRICK TAYLOR, 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 the 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 Oct, 2006.



Kathleen A. Faunt
Notary Public

My Commission Expires: 03/03/09

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that PATRICK A. TAYLOR and MARY H. TAYLOR, the President and Secretary, respectively, of DH HOMES, INC., an Illinois corporation, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me in person and acknowledged that they signed, sealed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said corporation, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 18 day of Oct, 2006.



Kathleen A Faunt
Notary Public

My Commission Expires: 03/03/09

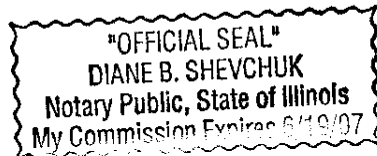
STATE OF ILLINOIS)
) SS
COUNTY OF DUPAGE)

I, the undersigned, a Notary Public in and for said County in the State aforesaid, do hereby certify that Marc N Gryzo, of Oxford Bank & Trust, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such AVP, appeared before me this day in person and acknowledged he signed and delivered the said instrument as his own free and voluntary act, and as the free and voluntary act of said bank, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 18th day of October, 2006.

Diane B Shevchuk
Notary Public

My Commission Expires: 6-19-07



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EXHIBIT "A"

LEGAL DESCRIPTION

PIN: 06-27-411-004 (Affects Lot 1 of Parcel 1)
06-27-410-016 (Affects Lot 8 of Parcel 1)
06-27-412-006 (Affects Lot 22 of Parcel 1)
06-27-412-012 (Affects Lot 28 of Parcel 1)
06-27-411-005 (Affects Lot 33 of Parcel 1)
06-27-400-021 (Affects Parcel 2)

PARCEL 1:

LOTS 1, 8, 22, 28 AND 33 IN MARQUETTE WOODS, BEING A SUBDIVISION OF THE SOUTHEAST AND THE SOUTHWEST 1/4 OF SECTION 27, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 11, 2005 AS DOCUMENT 0030492465, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

LOTS 1, 2, 3, 4, 5, 6, 7 AND 8 IN MARQUETTE WOODS ADDITION, BEING A SUBDIVISION OF THE NORTHWEST 1/4 OF THE SOUTHEAST 1/4 OF SECTION 27, TOWNSHIP 41 NORTH, RANGE 9, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED NOVEMBER 8, 2006 AS DOCUMENT 0631017065, IN COOK COUNTY, ILLINOIS.