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THIS DOCUMENT PREPARED
BY AND AFTER RECORDING
SHOULD BE RETURNED TO:
THOMAS S. EISNER
900 Maple Road
Homewood, IL 60430

Doc#: 0710247007 Fee: \$42.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 04/12/2007 10:56 AM Pg: 1 of 10

LOAN MODIFICATION AGREEMENT

THIS LOAN MODIFICATION AGREEMENT is made as of this 15TH day of August, 2006, by and among T.K. PAINTING & CONSTRUCTION, INC., an Illinois corporation, ("Borrower"); TADEUSZ KURIATA ("Guarantor"); and, HERITAGE COMMUNITY BANK ("Lender"),

WITNESSETH:

WHEREAS, Borrower, October 7, 2004, borrowed the sum of Five Hundred Forty Thousand and 00/100 Dollars (\$540,000.00) from Lender pursuant to a construction mortgage note (the "Note"), a copy of which is attached hereto as Exhibit "A", the proceeds of which were used by Borrower pursuant to a construction loan agreement dated October 7, 2004 (the "Loan Agreement"), a copy of which is attached hereto as Exhibit "B"; and,

WHEREAS, Borrower has requested that Lender extend the Note maturity date from October 7, 2006 to April 7, 2007; and

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WHEREAS, Lender is willing to extend the Note maturity date, as requested pursuant to the terms and provisions contained herein; and,

WHEREAS, the Note and all obligations of Borrower contained therein are presently secured and collateralized by the following:

- a.) second construction mortgage dated October 7, 2004, executed by Borrower granting Lender a second mortgage lien encumbering the property commonly known as 2810 North River Road, River Grove, Illinois; and, legally described on Exhibit "C" attached hereto (the "Real Property");
- b.) second assignment of rents and leases, dated October 7, 2004, executed by Borrower, in favor of Lender encumbering the Real Property;
- c.) UCC Financing Statement, in favor of Lender, encumbering the fixtures, attachments and appurtenances to the Real Property;
- d.) Environmental indemnity Agreement, dated October 7, 2004, executed by Borrower and Guarantor, in favor of Lender;
- e.) Guaranty of Payment and Performance, dated October 7, 2004, executed by Guarantor in favor of Lender;
- f.) Assignment of Deposit Account, dated October 7, 2004, by and between Borrower and Lender; and,
- g.) collateral assignment, to Lender, of a policy of insurance on Guarantor's life in the original face amount of Five Hundred Thousand and 00/100 Dollars (\$500,000.00).

Copies of those documents hereinabove enumerated in paragraphs a.) through g.) are attached hereto as Group Exhibit "D" and are collectively referred to herein as the "Existing Collateral Documents",

NOW, THEREFORE, in consideration of the mutual promises and covenants contained herein, the parties hereto agree as follows:

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1.) INCORPORATION OF RECITALS.

The preambles and recitals set forth above are incorporated by reference as though fully set forth herein.

2.) AMENDMENT OF NOTE.

The Note is hereby amended as follows:

a.) all payments heretofore received by Lender pursuant to the Note have been applied thereto in accordance and compliance with the terms thereof, prior to the Note modification herein provided for;

b.) the following paragraphs of the Note are hereby deleted in their entirety:

"FOR VALUE RECEIVED, T.K. PAINTING & CONSTRUCTION, INC., an Illinois corporation, 5081 North Elston Street, Chicago, Illinois 60630 ("Borrower"), promises to pay to the order of **HERITAGE COMMUNITY BANK,** 18301 South Halsted Street, Glenwood, Illinois, 60425 ("Lender"), or such other place as the holder hereof may designate in writing, in the manner provided hereinafter, the principal sum of FIVE HUNDRED FORTY THOUSAND and 00/100 DOLLARS (\$540,000.00), or so much as may be advanced by Lender and remain outstanding from time to time, on or before October 7, 2006, with interest from the date of first disbursement hereunder on the balance of principal remaining from time to time outstanding at the rate per annum of four percent (4.0%) above the Lender's base rate (the "Base Rate"). As used herein, the term Base Rate at any time shall mean the rate of interest then most recently announced at Lender's corporate office as the Base Rate; provided, however, that if Lender ceases to use the term Base Rate in setting a base rate of interest for commercial loans, the Base Rate shall be determined by reference to such base rate as is designated in writing by Lender to Borrower. Lender makes no representation or warranty that the Base Rate is the lowest or best rate of interest offered by Lender to commercial or other borrowers. Notwithstanding the Base Rate from time to time in effect, the Installment Note interest rate due and payable on the balance of principal remaining from time to time outstanding shall not, at any time during the Note term, be less than eight percent (8.0%) per annum (the "Floor Rate")

Interest shall be payable monthly commencing on November 7, 2004, and continuing on the seventh (7th day of each month thereafter to

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and including October 7, 2006, with a final payment of all principal, Installment Note Interest, and Premium Interest, as hereinafter described, due, if not sooner paid, on October 7, 2006 (the "Maturity Date"). After the Maturity Date, whether by acceleration or otherwise, or after the occurrence of a Default, as described in the Construction Loan Agreement (the "Loan Agreement") bearing even date herewith entered into by Lender and Borrower, interest shall accrue on the balance of principal remaining from time to time outstanding at the rate of nine percent (9.0%) above the greater of the Base Rate and the Floor Rate (the "Default Rate"). In the event a judgment is entered hereon, interest shall continue to be due at the Default Rate provided for herein on the unpaid principal balance hereof from and after the date of said judgment and until payment in full is received by the holder or holders hereof."

c.) the following paragraphs are hereby inserted in place of those paragraphs of the Note, hereinabove deleted:

"FOR VALUE RECEIVED, T.K. PAINTING & CONSTRUCTION, INC., an Illinois corporation, 5081 North Elston Street, Chicago, Illinois 60630 ("Borrower"), promises to pay to the order of **HERITAGE COMMUNITY BANK**, 18301 South Halsted Street, Glenwood, Illinois, 60425 ("Lender"), or such other place as the holder hereof may designate in writing, in the manner provided hereinafter, the principal sum of FIVE HUNDRED FORTY THOUSAND and 00/100 DOLLARS (\$540,000.00), or so much as may be advanced by Lender and remain outstanding from time to time, on or before April 7, 2007, with interest from the date of first disbursement hereunder on the balance of principal remaining from time to time outstanding at the rate per annum of three-fourths of one percent (0.75%) above the Lender's base rate (the "Base Rate"). As used herein, the term Base Rate at any time shall mean the rate of interest then most recently announced at Lender's corporate office as the Base Rate; provided, however, that if Lender ceases to use the term Base Rate in setting a base rate of interest for commercial loans, the Base Rate shall be determined by reference to such base rate as is designated in writing by Lender to Borrower. Lender makes no representation or warranty that the Base Rate is the lowest or best rate of interest offered by Lender to commercial or other borrowers. Notwithstanding the Base Rate from time to time in effect, the Installment Note Interest rate due and payable on the balance of principal remaining from time to time outstanding shall not, at any time during the Note term, be less than nine percent (9.0%) per annum (the "Floor Rate")

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Interest shall be payable monthly commencing on November 7, 2007, and continuing on the seventh (7th day of each month thereafter to and including April 7, 2007, with a final payment of all principal, Installment Note Interest, and Premium Interest, as hereinafter described, due, if not sooner paid, on April 7, 2007 (the "Maturity Date"). After the Maturity Date, whether by acceleration or otherwise, or after the occurrence of a Default, as described in the Construction Loan Agreement (the "Loan Agreement") bearing even date herewith entered into by Lender and Borrower, interest shall accrue on the balance of principal remaining from time to time outstanding at the rate of nine percent (9.0%) above the greater of the Base Rate and the Floor Rate (the "Default Rate"). In the event a judgment is entered hereon, interest shall continue to be due at the Default Rate provided for herein on the unpaid principal balance hereof from and after the date of said judgment and until payment in full is received by the holder or holders hereof."

d.) all other terms and conditions of the Note remain in full force and effect according to their original tenor.

3.) AMENDMENT OF EXISTING COLLATERAL DOCUMENTS.

The Existing Collateral Documents shall, notwithstanding the modifications to the Note hereinabove described, remain in full force and effect according to their original tenor.

4.) AMENDMENT OF LOAN AGREEMENT.

The Loan Agreement is hereby amended as follows:

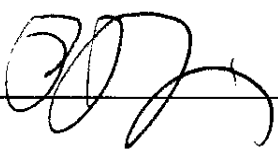
a.) the Loan Agreement is amended to incorporate therein those modifications to the Note and the Existing Collateral Documents provided for in this Agreement;

b.) all other terms and conditions of the Loan Agreement remain in full force and effect according to their original tenor.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement, or caused it to be executed by their duly authorized officers, all as of the date and year first above written.

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HERITAGE COMMUNITY BANK

By:  _____

T.K. PAINTING & CONSTRUCTION, INC.,
an Illinois corporation

By:  _____
TADEUSZ KURIATA, president

 _____
TADEUSZ KURIATA, individually, as
guarantor

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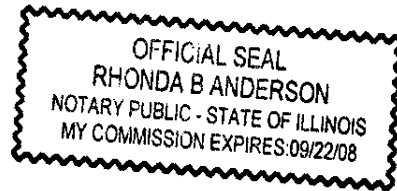
STATE OF ILLINOIS)
) ss.
COUNTY OF C O O K)

I, the undersigned, a notary public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me **TADEUSZ KURIATA**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and personally known to me to be the president of **T.K. PAINTING & CONSTRUCTION, INC.**, an Illinois corporation and acknowledged that he as such president he signed, sealed, and delivered the said instrument as his free and voluntary act and deed, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 17th day of August, 2006.

Rhonda B. Anderson
NOTARY PUBLIC
(NOTARIAL SEAL)

my commission expires: 09-22-08



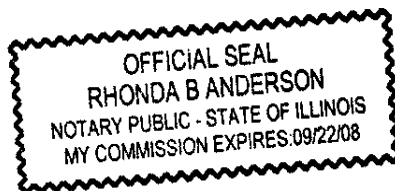
STATE OF ILLINOIS)
) ss.
COUNTY OF C O O K)

I, the undersigned, a notary public in and for said County, in the State aforesaid, do hereby certify that on this day personally appeared before me **TADEUSZ KURIATA**, personally known to me to be the same person whose name is subscribed to the foregoing instrument, and acknowledged that he signed, sealed, and delivered the said instrument as his free and voluntary act and deed, for the uses and purposes therein set forth, including the waiver of rights or redemption and waiver of all rights and benefits under and by virtue of the homestead exemption laws of this state.

Given under my hand and notarial seal this 17th day of August, 2006.

Rhonda B. Anderson
NOTARY PUBLIC
(NOTARIAL SEAL)

my commission expires: 09-22-08



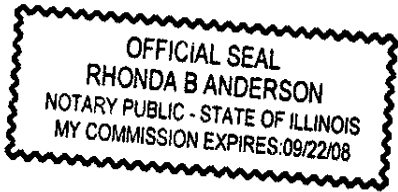
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STATE OF ILLINOIS)
) ss.
 COUNTY OF COOK)

I, the undersigned, a notary public in and for said County, in the State aforesaid, do hereby certify that the aforementioned Patrick G. Farrung of the **HERITAGE COMMUNITY BANK**, personally known to me to be the same person whose name is subscribed to the foregoing instrument as such President, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her 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 17th day of August, 2006.

Rhonda B. Anderson
 NOTARY PUBLIC
 (NOTARIAL SEAL)
 my commission expires: 09-22-08



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Exhibit "C"

LEGAL DESCRIPTION

That part of Lot 1 in the Resubdivision of Lots 18 to 25 inclusive, in Walker's Subdivision in Block 41 in River Park, being a Subdivision of part of LaFrambrise Reservation and part of the North 1/2 of fractional Section 27, Township 40 North, Range 12 East of the Third Principal Meridian, described as follows: beginning at the North Easterly corner of said Lot 1; thence South Easterly along the Easterly line of said Lot 1, 82.50 feet; thence South Westerly at right angles to the Easterly line of said Lot 1; 16.33 feet to an iron pipe, said pipe being 68 feet North of the South line of Lot 1; thence West along a line 68 feet North of and parallel to the South line of said Lot 1, 164.50 feet to the East line of the west 218.89 feet of said Lot 1; thence North along the East line of the West 218.89 feet of said Lot 1, 75.64 feet to the North line of said Lot 1; thence East along the north line of said Lot 1, 130.70 feet to the place of beginning, in Cook County, Illinois

PERMANENT REAL ESTATE INDEX NUMBER

12-27-221-065

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EXHIBITS "A", "B" and GROUP EXHIBIT "D"

INTENTIONALLY DELETED

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RECORDING

THIS INSTRUMENT

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