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AND AFTER RECORDING RETURN TO:

Doc#: 0805260048 Fee: \$40.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 02/21/2008 12:12 PM Pg: 1 of 9

Riordan, Fulkerson, Smith & Coleman
30 North LaSalle Street
Suite 2630
Chicago, Illinois 60602
Attn: Alan L. Fulkerson, Esq.

BOX 40-RESC

This space reserved for Recorder's use only

THIRD MODIFICATION OF LOAN DOCUMENTS

THIS SECOND MODIFICATION OF LOAN DOCUMENTS (this "Agreement") is made to be effective as of the 1st day of December, 2007, by and among **GRACE-SHEFFIELD CONDOMINIUMS, L.L.C.**, an Illinois limited liability company ("Beneficiary", Trust and Beneficiary are collectively referred to as "Borrower"), **MILTON L. ZALE** ("Guarantor") and **LASALLE BANK NATIONAL ASSOCIATION**, a national banking association, its successors and assigns ("Lender").

RECITALS

A. Lender has heretofore made a loan ("Loan") to Borrower and FIRST BANK AND TRUST COMPANY OF ILLINOIS, not personally, but solely as Trustee under Trust Agreement dated December 11, 1997 and known as Trust No. 10-2173 ("Trust") in the principal amount of Two Million and No/100 Dollars (\$2,000,000.00) as evidenced by a Promissory Note dated August 28, 2001, 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 Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated August 28, 2001, from Borrower and Trust to Lender recorded with the Recorder of Deeds in Cook, County, Illinois (the "Recorder's Office") on August 31, 2001 as Document No. 001084922 ("Mortgage"), which Mortgage encumbers the real property and all improvements thereon legally described on Exhibit A hereto ("Property"), (ii) that certain Assignment of Rents and Leases dated August 28, 2001, from Borrower and Trust to Lender and recorded in the Recorder's Office on August 31, 2001 as Document No. 001084923 (the "Assignment of Leases"); (iii) that certain Environmental Indemnity Agreement dated August 28, 2001, from Borrower, Trust and Guarantor to Lender (the "Indemnity Agreement"); and (iv) certain other loan documents (the Note, the Mortgage, the Assignment of Leases, the Indemnity Agreement, 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").

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C. Pursuant to the terms and conditions of that certain First Modification of Loan Documents ("First Modification") between Borrowers, Guarantor and Lender dated September 1, 2004, and recorded in the Recorder's Office on April 8, 2005 as document 0509827052, Lender agreed to, among other things, increase the principal indebtedness to Lender, modify the payment terms of the Loan and extend the Maturity Date. The Loan, as modified by the First Modification, is evidenced by a First Amended and Restated Promissory Note dated as of September 1, 2004, made payable by Borrower to the order of Lender in the principal amount of One Million Nine Hundred Ninety Five Thousand and No/100 Dollars (the "Amended Note").

D. Pursuant to the terms and conditions of that certain Second Modification of Loan Documents ("Second Modification") between Borrowers, Guarantor and Lender dated September 1, 2007, and recorded in the Recorder's Office on December 3, 2007, as document 0733722130, Lender agreed to extend the Maturity Date to December 1, 2007.

E. The Loan is further secured by a Guaranty of Payment dated August 28, 2001, from Guarantor to Lender (the "Guaranty").

F. Borrower desires to amend the Loan Documents in order to (i) amend the Loan Documents to reflect the conveyance of the Property from Trust to Borrower, (ii) increase the principal balance due on the Loan and (iii) to further extend the Maturity Date.

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. **Adoption of Recitals.** The parties acknowledge that the Recitals are true and correct and are incorporated into this Agreement as though fully set forth herein.
2. **Maturity Date.** The Maturity Date of the Note is extended from December 1, 2007 to September 1, 2012. Any reference in the Note, the Loan Agreement or any other Loan Document to the Maturity Date shall mean September 1, 2012.
3. **Second Amended and Restated Note.** The principal balance of the Loan is hereby increased to Two Million Three Hundred Thousand and No/100 Dollars (\$2,300,000.00) and a Second Amended and Restated Promissory Note of an even date herewith ("Second Amended Note") from Borrower to Lender, evidencing an indebtedness in said amount is hereby substituted as and for the Amended Note. All Loan Documents are hereby amended to conform to the terms of the Second Amended Note and all references in the Loan documents to "Note" shall be deemed to now refer to the Second Amended Note.
4. **Consent to Transfer.** Lender hereby consents to Borrower's request that it be allowed to cause title to the Property to be conveyed from Trust to Borrower and Lender hereby

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releases Trust from any further obligation under the Note, the Mortgage, the Assignment or any of the other Loan Documents.

5. **Amendment of Mortgage.** The Mortgage is amended in the following respects:

(a) All references to Trust in the Mortgage are hereby deleted and any references in the Mortgage to the term "Mortgagor" shall be deemed to mean Borrower.

(b) Section 26 of the Mortgage is deleted and the following is inserted in place thereof:

26. **Notices.** Any notices, communications and waivers under this Mortgage shall be in writing and shall be (i) delivered in person or by facsimile, (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case as follows:

To the Lender LaSalle Bank National Association
135 South La Salle Street, Suite 1225
Chicago, Illinois 60603
Attn: Commercial Real Estate

With a copy to: Riordan, Fulkerson, Smith & Coleman
30 North LaSalle Street
Suite 2630
Chicago, Illinois 60602
Attn: Alan L. Fulkerson, Esq.

To the Mortgagors: Mr. Milton Zaitz
Grace-Sherfield Condominiums, L.L.C.
944 West Grace Street, Suite B-101
Chicago, Illinois 60613

With a copy to: Robert A. Weisman, Ltd.
33 North LaSalle Street
32nd Floor
Chicago, Illinois 60602
Attn: Robert A. Weisman, Esq.

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other party hereto. All notices sent pursuant to the terms of this section shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight, express carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third federal banking day following the day sent or when actually received.

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(c) Section 39 k. of the Mortgage is deleted and the following is inserted in place thereof:

j. Maximum Indebtedness. Notwithstanding anything contained herein to the contrary, in no event shall the Indebtedness exceed an amount equal to Four Million Six Hundred Thousand and No/100 Dollars (\$4,600,000.00); provided, however, in no event shall Mortgagee be obligated to advance funds in excess of the face amount of the Note.

6. Operating and Reserve Accounts. Borrower covenants to Lender that it shall maintain all operating, escrow, reserve and other accounts, if any, for the Premises with Lender and pledge the same to Lender as security for the Loan.

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

(a) The representations and warranties in the 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 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.

(f) 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.

8. Title Policy. As a condition precedent to the agreements contained herein, Borrower shall, at its sole cost and expense, cause Guaranty National Title Insurance Company to issue an endorsement to Lender's title insurance policy No. 5412-2128052 (the "Title Policy"),

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as of the date this Agreement is recorded, reflecting the recording of this Agreement, the increase in the Loan amount, showing title to the Premises in Borrower and insuring the first priority of the lien of the Mortgage, 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.

9. **Reaffirmation of Guaranty.** The Guaranty is amended on its fact to reflect that Guarantor's liability thereon is increased to Five Hundred Seventy Five Thousand and No/100 Dollars (\$575,000.00). Guarantor ratifies and affirms the Guaranty and agrees that the Guaranty, as amended hereby, is in full force and effect following the execution and delivery of this Agreement. The representations and warranties of Guarantor in the Guaranty are, 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.

10. **Payment of Extension Fee and Lender's Expenses.** As a condition precedent to the agreements contained herein, Borrower shall pay Lender an extension fee in the amount of Eleven Thousand Five Hundred and No/100 Dollars (\$11,500.00), together with 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 attorney's fees and expenses.

11. **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 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.

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(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.

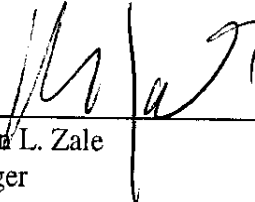
LENDER:

LASALLE BANK NATIONAL ASSOCIATION

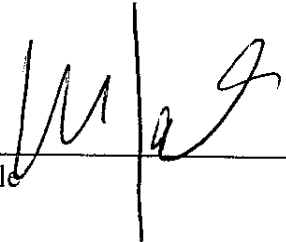
By: 
Name: Donald Adams
Title: First Vice President

BORROWER:

GRACE-SHEFFIELD CONDOMINIUMS, L.L.C., an Illinois limited liability company

By: 
Name: Milton L. Zale
Title: Manager

GUARANTOR:


Name: Milton L. Zale

Property of Cook County Clerk's Office

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EXHIBIT A

THE PROPERTY

UNITS 944-A201, 944-B101, 944-B102, 944-D201, 944-E101, 944-G101, 944-G202, 944-I102, 944-I201, 944-J102, 954-A1010, 954-B101, 954-B102, 954-B201, 954-CI01, 954-C201, 954-D202, 954-F102, 954-G202, 954-H101, 954-I202, AND PARKING UNITS P1, P6, P8, P9, P15, P22, P24, P40, P52, P57, AND P62 IN GRACE-SHEFFIELD CONDOMINIUMS, TOGETHER WITH AN UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS AS DEFINED AND DELINEATED IN THE DECLARATION RECORDED AS DOCUMENT 98338746, OF THE FOLLOWING REAL ESTATE!

PARCEL 1:

LOTS 11, 12 AND 13 IN S.H. KERFOOT'S SUBDIVISION OF THE NORTH WEST ¼ OF BLOCK 7 IN LAFLIN, SMITH AND DYER'S SUBDIVISION OF THE NORTH EAST ¼ (EXCEPT 1.28 ACRES IN THE NORTH EAST CORNER THEREOF) OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THE WEST ¼ OF THE SOUTH WEST ¼ OF BLOCK 7 AND ALSO THE WEST 100 FEET OF THE EAST THREE QUARTERS OF THE SAID SOUTHWEST ¼ OF SAID BLOCK 7 (WHICH SAID WEST 100 FEET ARE OTHERWISE KNOWN AS LOT 3 IN STOCK'S SUBDIVISION OF THE EAST THREE QUARTERS OF THE SOUTH WEST 1/4 OF SAID BLOCK 7): ALL IN LAFLIN, SMITH AND DYER'S SUBDIVISION OF THE NORTHEAST ¼ (EXCEPT 1.28 ACRES IN THE NORTH WEST CORNER THEREOF) OF SECTION 20, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPTING STREETS FROM BOTH PARTS OF THE FOREGOING DESCRIPTION) IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS: 944-54 West Grace, Chicago, Illinois

PERMANENT INDEX NUMBERS:

14-20-212-021-1001, 14-20-212-021-1015, 14-20-212-021-1028, 14-20-212-021-1038, 14-20-212-021-1046,	14-20-212-021-1005, 14-20-212-021-1017, 14-20-212-021-1034, 14-20-212-021-1041, 14-20-212-021-1047,	14-20-212-021-1006, 14-20-212-021-1025, 14-20-212-021-1035, 14-20-212-021-1045, 14-20-212-021-1048,
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14-20-212-021-1102, 14-20-212-021-1132,	14-20-212-021-1104, 14-20-212-021-1137,	14-20-212-021-1120, 14-20-212-021-1142