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Cook County Recorder of Deeds
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***This Document Prepared By And
When Recorded Return To:***

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For Recorder's Use Only

**FOURTH MEMORANDUM OF MODIFICATION
AND EXTENSION AGREEMENT**

(PIN Nos : 17-08-238-011-0000 -and- 18-09-114-027-0000)

THIS FOURTH MEMORANDUM OF MODIFICATION AND EXTENSION AGREEMENT is executed as of February 7, 2008, by and among JAMES KLUN, individually ("**Borrower**"), KERRI KLUN, as Borrower's wife ("**Kerri Klun**"), and HERITAGE COMMUNITY BANK, an Illinois banking corporation ("**Lender**").

WITNESSETH:

WHEREAS, on or about May 2, 2006 Lender made a loan to Borrower in the original principal amount of ONE MILLION FIFTY THOUSAND AND NO/100 DOLLARS (\$1,050,000.00) (the "**Loan**") to refinance an existing mortgage covering a three-unit apartment building which has been converted to single-family condominium units for sale and a coach house which has been remodeled for sale (the "**Project**"), located at 519 North May Street, Chicago, Illinois 60622, as legally described on Exhibit A attached hereto (the "**Land**"); and

WHEREAS, the Loan is evidenced and secured by the following instruments, each dated as of May 2, 2006, unless otherwise noted ("**Loan Instruments**"):

1. Promissory Note executed by Borrower and payable to the order of Lender in the principal amount of ONE MILLION FIFTY THOUSAND AND NO/100 DOLLARS (\$1,050,000.00) (the "**Note**");
2. Mortgage executed by Borrower and Kerri Klun, jointly as Grantor, to and for the benefit of Lender covering the Land, and recorded in the Cook County Recorder's Office, Cook County, Illinois, on May 4, 2006, as Document No. 0612404139 (the "**Mortgage**");
3. Assignment of Rents and Leases executed by Borrower and Kerri Klun, jointly as Grantor, to and for the benefit of Lender covering the Land, and recorded in the Cook County Recorder's Office, Cook County, Illinois, on May 4, 2006, as Document No. 0612404140;
4. Agreement to Provide Insurance executed by Borrower and Kerri Klun to and for the benefit of Lender;

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5. ALTA Loan and Extended Coverage Policy Statement executed by Borrower and Kerri Klun to and for the benefit of Lender;
6. Notice of Final Agreement executed by Borrower, Kerri Klun and Lender;
7. Disbursement Request and Authorization executed by Borrower; and
8. Any and all other documents or instruments given at any time to evidence and secure the Loan.

WHEREAS, the terms and provisions of the Loan Instruments were modified and amended by the Memorandum of Modification dated as of March 2, 2007, and recorded in the Cook County Recorder's Office, Cook County, Illinois, on April 10, 2007, as Document No. 0710047009 (the "**First Memorandum of Modification**"), whereby: (a) the real property located at 635 South Ashland Avenue, LaGrange, Illinois 60525, legally described on Exhibit B attached hereto (the "**Ashland Avenue Property**"), was added as additional collateral to secure the Loan, as evidenced by the Junior Mortgage dated as of March 2, 2007, and recorded in the Cook County Recorder's Office on April 10, 2007, as Document No. 0710047010; (b) the interest-only monthly payments due under the Note were reduced; and (c) the Maturity Date of the Loan was extended to August 2, 2007; and

WHEREAS, the terms and provisions of the Loan Instruments were further modified and amended by the Second Memorandum of Modification and Extension Agreement dated as of August 1, 2007, and recorded in the Cook County Recorder's Office, Cook County, Illinois, on August 22, 2007, as Document No. 0723447001 (the "**Second Memorandum of Modification**"), whereby: (a) the Maturity Date of the Loan was further extended to October 31, 2007, and (b) the interest-only monthly payments due under the Note were further adjusted; and

WHEREAS, the terms and provisions of the Loan Instruments were further modified and amended by the Third Memorandum of Modification and Extension Agreement dated as of September 27, 2007, and recorded in the Cook County Recorder's Office, Cook County, Illinois, on October 12, 2007, as Document No. 0728547000 (the "**Third Memorandum of Modification**"), whereby, among other things, the Maturity Date of the Loan was further extended to February 29, 2008; and

WHEREAS, as of the date of this Agreement, there is an outstanding principal balance due and owing on the Note in the amount of ONE MILLION TWENTY-FIVE THOUSAND FOUR HUNDRED NINETY-FOUR AND NO/100 DOLLARS (\$1,025,494.00); and

WHEREAS, Lender and Borrower have agreed to further modify and amend the Loan Instruments as hereinafter provided;

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is hereby agreed as follows:

1. **Modification of Loan Instruments.** Subject to the terms and provisions contained herein, the terms and provisions of the Loan Instruments are hereby further modified and amended, effective as of the date hereof, so as to provide as follows:

(a) **Maturity Date.** The Maturity Date of the Loan is hereby further extended to August 1, 2008.

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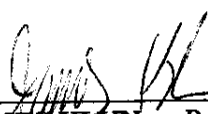
(b) **Interest-Only Monthly Payments Due Under Note.** The interest-only monthly payments due under the terms of the Note are hereby fixed at \$3,000.00 per month commencing March 2, 2008, and continuing through July 2, 2008, with a final payment of principal and all unpaid and accrued interest due and payable in full on or before August 1, 2008.

2. **Reaffirmation of Loan Instruments.** Except as expressly provided herein, Borrower, Kerri Klun and Lender hereby reaffirm and incorporate herein by reference each and every term, provision, representation and warranty contained in the Loan Instruments, and Borrower and Kerri Klun agree that said terms, provisions, representations and warranties shall remain in full force and effect.

3. **Attorneys' Fees and Costs.** Borrower shall pay any and all attorneys' fees and costs incurred by Lender in connection with the preparation, negotiation and perfection of this Agreement and any other documents executed in connection therewith, including recording and title charges, if any.

4. **Counterparts.** This Agreement may be executed by the parties hereto in any number of counterparts, each of which shall constitute an original, but all of which, when taken together, shall constitute one and the same instrument.

IN WITNESS WHEREOF, the undersigned have caused the foregoing instrument to be executed and acknowledged as of the date and year first above written.



 JAMES KLUN, as Borrower and Grantor

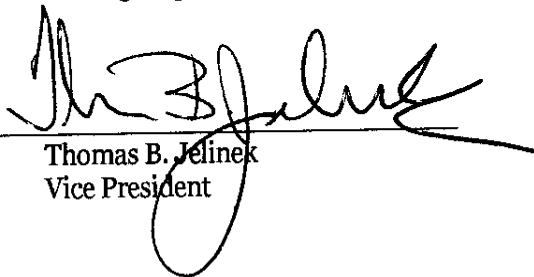


 KERRI KLUN, as Grantor

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IN WITNESS WHEREOF, Lender has caused the foregoing instrument to be executed as of the date and year first above written.

HERITAGE COMMUNITY BANK, an
Illinois banking corporation

By: 
Thomas B. Jelinek
Vice President

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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 **JAMES KLUN** and **KERRI KLUN**, his wife, 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 to me that they signed and delivered the foregoing instrument as their own free and voluntary act and as the free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 28th day of February, 2008.



Rhonda B. Anderson
NOTARY PUBLIC

My Commission Expires:

09-22-08

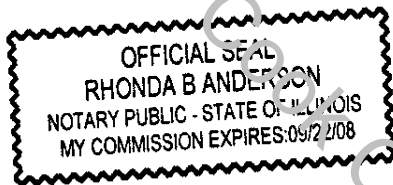
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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that THOMAS B. JELINEK, as Vice President of **HERITAGE COMMUNITY BANK**, an Illinois banking corporation, known to me to be the same person whose name is subscribed to the foregoing instrument as such Vice President, appeared before me this day in person and acknowledged to me that he signed and delivered the foregoing 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 28th day of February, 2008.

Rhonda B. Anderson
NOTARY PUBLIC



My Commission Expires:

09-22-08

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EXHIBIT A

LEGAL DESCRIPTION – THE LAND

LOT 22 AND THE NORTH 1/2 OF LOT 21 IN BLOCK 24 IN OGDEN'S ADDITION TO CHICAGO, IN THE NORTHEAST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common address: 519 North May Street
Chicago, Illinois 60622

Permanent Index No.: 17-08-238-011-0000

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EXHIBIT B

LEGAL DESCRIPTION – THE ASHLAND AVENUE PROPERTY

LOT 16 AND LOT 15 (EXCEPT THE SOUTH 30 FEET THEREOF) IN BLOCK 7 IN COUNTRY CLUB ADDITION TO LAGRANGE, BEING A SUBDIVISION OF THE EAST ½ OF THE NORTHWEST ¼ OF SECTION 9, TOWNSHIP 38 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common address: 635 South Ashland Avenue
LaGrange, Illinois 60525

Permanent Index No.: 18-09-114-027-0000

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