THIRD MODIFICATION OF LOAN DOCUMENTS

(Elizabeth)

THIS THIRD MODIFICATION (hereinafter referred to as this "Modification") is made and entered into as of the 1st day of July, 1993, by FIRST CHICAGO TRUST COMPANY OF ILLINOIS, as Successor Trustee to BANK OF RAVENSWOOD, not personally or individually, but solely as Trustee under Trust Agreement dated October 5, 1989 and known as Trust No. 25-10356 (hereinafter referred to as "Mortgagor"), and ROBERT LITZENBERGER (hereinafter referred to as "Beneficiary"), to and for the benefit of THE NATIONAL SECURITY BANK OF CHICAGO (hereinafter referred to as "Mortgagee").

RECITALS:

A. Mortgagee has heretofore made a construction loan (hereinafter referred to as the "Loan") to Mortgagor and Beneficiary (hereinafter referred to collectively as "Borrower") in the original principal amount of ONE HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 ($175,000.00) DOLLARS, of which the sum of ONE HUNDRED NINETEEN THOUSAND FIVE HUNDRED THIRTY-EIGHT AND NO/100 ($119,538.00) DOLLARS has been disbursed and remains outstanding as of the date hereof (hereinafter referred to as the "Current Principal Balance") pursuant to a Construction Loan Agreement dated as of June 12, 1990 between Borrower and Mortgagee (hereinafter referred to as the "Loan Agreement").

B. The Loan is evidenced by a Mortgage Note in said original principal amount dated June 12, 1990, made by Borrower and payable to Mortgagee, as modified by Extension Agreements and Modification of Loan Documents dated May 31, 1991, August 29, 1991, September 30, 1991, December 30, 1991, March 30, 1992 and June 29, 1992 recorded as Document No. 92747951 (hereinafter referred to collectively as the "Extension Agreements"), and as further modified by Second Modification of Loan Documents dated as of December 28, 1992 (hereinafter referred to as the "Second Modification", said Mortgage Note, as modified by the Extension Agreements and the Second Modification, being hereinafter referred to as the "Note"). The current maturity date of the Note is July 1, 1993.

C. The Note is secured by, among other things, a Mortgage dated June 12, 1990, made by Mortgagor in favor of Mortgagee, and recorded on June 20, 1990 in the Office of the Cook County Recorder of Deeds as Document No. 90291712, as modified by the Extension Agreements and the Second Modification (said Mortgage, as modified by the Extension Agreements and the Second Modification, is hereinafter referred to as the "Mortgage"), encumbering the premises legally described in Exhibit "A" attached hereto and by this reference incorporated herein (hereinafter

including Assignment of Beneficial Interest Under Land Trust and Security Agreement dated June 12, 1990 executed by Beneficiary, Mortgagee and Mortgagor and a Security Agreement.

D. Lender has also made a loan, the current balance of which is THREE HUNDRED EIGHTEEN THOUSAND ONE HUNDRED ELEVEN AND NO/100 DOLLARS ($318,111.00) (hereinafter referred to as the "Fairfield Loan"), to First Chicago Trust Company of Illinois, as successor trustee to Bank of Ravenswood, as Trustee under Trust Agreement dated September 3, 1987 and known as Trust No. 25-8769, and Beneficiary, secured by a first Mortgage on the property legally described on Exhibit "B" attached hereto and by this reference incorporated herein, such Mortgage having been recorded as Document No. 87580205, as modified by certain Extension Agreements and Modifications of Loan Documents. The Fairfield Loan matures on July 1, 1993.

E. Lender has also made an unsecured loan (hereinafter referred to as the "Unsecured Loan") to Beneficiary in the amount of FORTY TWO THOUSAND AND NO/100 DOLLARS ($42,000.00), which Unsecured Loan matures July 1, 1993, to provide certain funds required in connection with the Fairfield Property, evidenced by a Note of Borrower dated on or about September 15, 1988, as extended from time to time (hereinafter referred to as the "Unsecured Note").

F. Pursuant to the Second Modification, the Note, the Unsecured Note, the Mortgage, the Loan Agreement and such other collateral agreements (all of the foregoing being hereinafter collectively referred to as the "Loan Documents") were further modified to cross-collateralize the Loan, the Fairfield Loan and the Unsecured Loan and otherwise as provided therein.

G. The parties desire to further modify and amend the Loan Documents to further extend the maturity dates of the Loan and the Unsecured Loan (hereinafter referred to collectively as the "Loans") to January 1, 1994.

NOW, THEREFORE, in consideration of the foregoing recitals, the mutual covenants and agreements contained herein, and other good and valuable considerations, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

1. Incorporation of Recitals. The aforesaid Recitals are hereby incorporated into this Modification as if fully set forth in this Paragraph 1.

2. Amendments to Loan Documents. The Loan Documents are hereby amended as follows, effective as of the date hereof:

(A) The maturity date of the Loans are hereby extended from July 1, 1993 to and including January 1, 1994;

(B) From and after the date hereof: (i) all references in the Loan Documents to the maturity date of the Loans shall be deemed to refer to January 1, 1994; (ii) the Note and the Unsecured Note as herein modified shall be secured by the Mortgage as modified by this Modification and by the Fairfield Loan Documents; and (iii) all references in the Loan Documents to any other Loan Documents shall be deemed to mean such Loan Documents as modified by this Modification;

(C) Notwithstanding anything to the contrary contained in the Loan Documents, Mortgagee shall under no circumstances be obligated to disburse to or for the benefit of Borrower any heretofore undisbursed principal of the Loan in excess of the Current Principal Balance.

3. Conditions Precedent to Effectiveness. As conditions precedent to Mortgagee's acceptance of this Modification, this Modification shall be required to be executed and delivered to Mortgagee.

4. Reaffirmation of Representations and Warranties. Borrower hereby reaffirms as true and correct in all respects, as of the date hereof, any representations and warranties contained in the Loan Documents.

5. Reaffirmation of Covenants. Borrower hereby reaffirms and agrees to perform each and every covenant, condition, obligation and provision set forth in the Loan Documents, as herein modified.

6. No Vitiation of Liability. Nothing contained herein shall vitiate or discharge any party's liability under the Loan Documents, as herein modified.

7. Offsets and Defenses. Borrower hereby acknowledges and agrees that: (i) as of the date of this Modification, there are no offsets, defenses or counterclaims against Mortgagee arising out of or in any way relating to the Loan Documents, (ii) Borrower releases and forever discharges Mortgagee, its agents, servants, employees, directors, officers, attorneys, branches, affiliates,

subsidiaries, successors and assigns and all persons, firms, corporations and organizations acting or who have acted in its behalf of and from all damage, loss, claims, demands, liabilities, obligations, actions and causes of action whatsoever which any Borrower may now have or claim to have against Mortgagee or any of the other persons or entities described in this clause (ii) as of the date of this Modification, and whether presently known or unknown, and of every nature and extent whatsoever on account of or in any way touching, concerning, arising out of or founded upon the Loan Documents, and (iii) Mortgagee is not in default under the Loan Documents.

8. Full Force and Effect; Inconsistency. Except as herein modified, the terms, conditions and covenants of the Loan Documents shall remain unchanged and otherwise in full force and effect. In the event of an inconsistency between this Modification and the Loan Documents, the terms herein shall control.

9. Laws of Illinois. This Modification shall be governed and construed under the laws of the State of Illinois.

10. Trustee Exculpation. This Modification is executed by FIRST CHICAGO TRUST COMPANY OF ILLINOIS, as Successor Trustee to BANK OF RAVENSWOOD, not personally, but as Trustee under Trust Agreement dated October 5, 1989 and known as Trust No. 25-10356, as aforesaid, in the exercise of the power and authority conferred upon and vested in it as such Trustee, and it is expressly understood and agreed that nothing herein shall be construed as creating any liability on said FIRST CHICAGO TRUST COMPANY OF ILLINOIS, as Successor Trustee to BANK OF RAVENSWOOD personally to pay the Note, as herein modified, or any interest that may accrue thereon, or any other indebtedness accruing hereunder, or to perform any covenant either express or implied herein contained, all such liability, if any, being expressly waived by the holder of the Note and by every person now or hereafter claiming any right or security thereunder, and that so far as FIRST CHICAGO TRUST COMPANY OF ILLINOIS, as Successor Trustee to BANK OF RAVENSWOOD personally is concerned, the holder or holders of the Note and the owner or owners of any indebtedness accruing thereunder shall look solely to the collateral for the payment thereof, by the enforcement of the lien created by the Loan Documents in the manner therein and in the Note provided or by action to enforce the personal liability of any signatory to any Loan Document providing for or imposing personal liability.

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IN WITNESS WHEREOF, the parties have caused this Modification to be executed pursuant to authority duly granted as of the date and year first written above.

MORTGAGOR:

FIRST CHICAGO TRUST COMPANY OF ILLINOIS, as Successor Trustee to BANK OF RAVENSWOOD, not personally, but solely as Trustee under Trust Agreement dated October 5, 1989, and known as Trust No. 25-10356

ATTEST:

Its: Trust Officer

By: _____
Its: VP

BENEFICIARY:

ROBERT LITZENBERGER

THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:

Lawrence M. Gritton
Katz, Randall & Weinberg
200 North LaSalle Street
Suite 2300
Chicago, Illinois 60601
KRW File No. 02441.26400

CONSENT OF MORTGAGEE

The undersigned Mortgagee hereby consents to and approves the foregoing Third Modification of Loan Documents.

DATED: As of July 1, 1993.

THE NATIONAL SECURITY BANK OF CHICAGO

By: _____
Its: Commercial Loan Officer

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, CATHERINE A. SWIDERSKI, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that ROBERT LITZENBERGER who 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 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 29th day of SEPT., 1993.

"OFFICIAL SEAL"
Catherine A. Swiderski
Notary Public, State of Illinois
My Commission Expires 3/26/94

Catherine A. Swiderski
Notary Public

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, Silvia Medina, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that MARIO E. GOTANCO, as Assistant Vice President and MARTIN S. EDWARDS, as Trust Officer of *FIRST CHICAGO TRUST COMPANY OF ILLINOIS, as Successor Trustee to* BANK OF RAVENSWOOD, as Trustee under Trust Agreement dated October 5, 1989 and known as Trust No. 25-10356, who are personally known to me to be the same persons whose names are subscribed to the foregoing instrument as such Assistant Vice President and Trust Officer of said Bank, respectively, appeared before me this day in person and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said Bank, as Trustee, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 29th day of September, 1993.

Silvia Medina
Notary Public

"OFFICIAL SEAL"
SILVIA MEDINA
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 05/07/94

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STATE OF ILLINOIS)
)
COUNTY OF COOK)

I, CATHERINE A. SWIDERSKI, a Notary Public in and for the said County, in the State aforesaid, DO HEREBY CERTIFY that JOSEPH N. MCNALLY, COMMERCIAL LOAN OFFICER of THE NATIONAL SECURITY BANK OF CHICAGO, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as such C.L.O. of said Bank, appeared before me this day in person and acknowledged that 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 29th day of SEPT., 1993.

"OFFICIAL SEAL"
Catherine A. Swiderski
Notary Public, State of Illinois
My Commission Expires 3/26/94

Catherine A. Swiderski
Notary Public

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EXHIBIT "A"

Legal Description

LOT 22 IN BLOCK 2 IN TAYLOR'S SUBDIVISION OF BLOCK 1 IN ASSESSOR'S DIVISION OF THE EAST HALF OF THE NORTHWEST QUARTER OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address: 719 N. Elizabeth
Chicago, Illinois 60622

PIN: 17-08-106-019

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EXHIBIT "B"

Legal Description

LOTS 1 AND 2 IN BLOCK 2 IN TAYLOR AND CANADA'S SUBDIVISION OF THE WEST HALF OF THE SOUTHWEST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 1, TOWNSHIP 39 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Address: 948-52 N. Fairfield
Chicago, Illinois 60612

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