FIRST LOAN MODIFICATION AGREEMENT

This Modification Agreement (the "Agreement") is made and entered into as of the 16th day of May, 1994 by and between EDWARD DIAMOND (the "Lender") and AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, not personally, but solely as Trustee under the provisions of a certain Trust Agreement dated June 1, 1987 and known as Trust No. 10-2751-05 (the "Borrower").

R E C I T A L S

A. The Borrower is the owner of certain real estate (the "Premises") which is located in the City of Chicago, County of Cook, State of Illinois and more particularly described on Exhibit "A" attached hereto and made a part hereof; and

B. The Lender has heretofore made a mortgage loan (the "Loan") to Borrower in the stated principal sum of One Hundred Ninety Five Thousand Dollars ($195,000.00); and

C. The Loan is evidenced and secured by the various documents in favor of Lender (collectively referred to as the "Loan Documents"), including but not limited to the following, each of which is executed by Borrower, dated September 3, 1987 and, to the extent recorded, were recorded in the Office of the Cook County Recorder of Deeds on September 22, 1987:

(i) Promissory Note ("Note");

(ii) First Mortgage and Security Agreement ("Mortgage") recorded as Document No. 87516205;

(iii) Assignment of Rents and Lessor's Interest in Leases, recorded as Document No. 87516206.

D. The Loan is to mature by its terms on September 3, 1994 ("Maturity Date"); and

E. At the request of Borrower, Lender has agreed to extend the Maturity Date to May 1, 1999; and

F. The Borrower and the Lender have agreed to certain other modifications to the Loan Documents, including the advance by the Lender of additional funds to the Borrower, all as more fully set forth in this First Loan Modification Agreement.

AGREEMENT

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties have agreed as follows:

After Recording, Return to:
PHILLIP GROSSMAN
8707 Skokie Blvd.-Suite 403
SKOKIE, Illinois 60077

THIS INSTRUMENT PREPARED BY:
PHILLIP GROSSMAN
8707 N. SKOKIE BLVD.
SKOKIE, IL 60077

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1. Recitals. The Recitals hereto are incorporated herein by reference as fully and with the same force and effect as if each and every term, provision and condition thereof was specifically recited herein at length.

2. Definitions. All terms herein not otherwise defined shall have the same meanings as in the Note, Mortgage and other Loan Documents.

3. Modifications to Note. The prior unpaid principal balance due under the Note as of April 15, 1994 is $170,268.84 (the "Prior Balance"). The Note is modified as follows:

a. The unpaid principal balance due under the Note shall be increased by the following amounts:

(i) the sum of One Hundred Twenty Thousand ($120,000.00) Dollars, which sum represents the additional advance of funds by the Lender to the Borrower (the "Additional Advance") and the Guarantor (as hereinafter defined) the receipt of which is acknowledged by the Borrower and the Guarantor as of the date of the execution of this agreement; plus

(ii) the sum of Two Thousand One Hundred Ninety ($2,190.00) Dollars, which sum represents a one percent (1%) charge as against the full principal balance due under the Note paid to the Lender in consideration of the extension of the Maturity of the Note (the "Extension Fee");

(iii) the principal balance due under the Note, inclusive of Prior Balance, the Additional Advance and the Extension Fee, is Two Hundred Ninety Two Thousand Four Hundred Fifty Eight and 84/100 ($292,458.84) Dollars effective as of the date of this agreement.

b. The Maturity Date is extended to May 1, 1999;

c. Commencing with the payment due June 1, 1994, the monthly payment of principal and interest shall be Two Thousand Six Hundred Eighty Five and 52/100 Dollars ($2,685.52), with principal to be amortized over a 20 year period;

d. The interest rate on the unpaid principal balance of $292,458.84 shall be nine and one-quarter (9.25%) percent per annum commencing June 1, 1994 and continuing thereafter to the Maturity Date;

e. The entire unpaid principal balance plus accrued interest thereon shall be due and payable on May 1, 1999.

4. Personal Guaranty. The payment of the Note and the performance of the Loan Documents shall be personally guaranteed by JOHN REK (the "Guarantor"). To evidence the personal undertaking of JOHN REK for performance of the Note and the Loan Documents, there is attached as Exhibit "B" to this First Loan Modification Agreement the Personal Guaranty of JOHN REK, the original of which has been delivered to the Lender.

5. Costs. In consideration for the Lender agreeing to the Modifications specified at paragraph 3 of this Agreement, the Borrower shall:

a. pay to the Lender a loan extension fee equal to one percent (1%) of the full balance due under the Note (the "Extension Fee"). The Extension Fee shall be added to the principal balance due under the Note and amortized over the life of the Loan;

b. pay the cost of a current date title examination for the Premises, which title report shall evidence that the Loan Documents, inclusive of this First Loan Modification Agreement continue to be a first mortgage on the Premises and that the Borrower retains marketable title to the Premises;

c. pay the attorneys fees and costs incurred by Lender's legal counsel for the preparation of this agreement and the Personal Guaranty.

6. Continued Priority. In the event that, by virtue of any of the terms, conditions and provisions of this Agreement, a lien or other property interest in the Premises otherwise junior in priority to the liens created by the Loan Documents shall gain superiority over the liens created by the Loan Documents, this Agreement shall, nunc pro tunc, be null and void without further action of the parties hereto to the fullest extent as if it had never been executed, to the end that the lien priority of the Loan Documents shall not be impaired.

7. Ratification. The Loan Documents are hereby ratified, confirmed and approved and are and shall remain in full force and effect. The terms of this First Loan Modification Agreement are incorporated into the Loan Documents as fully and with the same force and effect as if set forth herein at length. The failure of the Borrower to perform any of its obligations hereunder shall constitute an Event of Default under the Mortgage, subject to any applicable grace periods contained in the Mortgage. Each of the Loan Documents is hereby modified and amended so that all reference to such documents shall be deemed to be a reference to the Loan Documents as hereby modified and amended.

8. Trustee Exculpation. This First Loan Modification Agreement is executed by AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO as Trustee, solely in the exercise of the authority conferred upon it as said Trustee, and no personal liability or responsibility shall be assumed by, nor at any time be asserted or enforced against it, its agents or employees on account hereof, or on account of any promises, covenants, undertakings or agreements herein or in said Note contained, either expressed or implied; all such liability if any being expressly waived and released by the mortgagee or holder or holders of said Note and by all persons claiming by, through or under said mortgage or the holder or holders, owner or owners of said Note and by every person now or hereafter claiming any right or security thereunder. It is understood and agreed that AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, individually, or as Trustee shall have no obligation to see to the performance or non-performance of any of the covenants or promises herein contained, and shall not be liable for any action or non action taken in violation of any of the covenants herein contained. It is further understood and agreed that the Trustee is not entitled to receive any of the rents, issues, or profits of or from said trust property and this instrument shall not be construed as an admission to the contrary.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Agreement as of the day, month and year first written above.

AMERICAN NATIONAL BANK, not individually, but solely as Trustee aforesaid

By: _____ 2ND VP

ATTEST: _____ ASS'T SEC'T Y

_____
EDWARD DIAMOND

(The Lender)

_____ John Rek
JOHN REK

(The Guarantor)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Lloyd Gussis, a Notary Public in and for the County and State aforesaid, do hereby certify that JOHN REK personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 26 day of May, 1994.

Notary Public

"OFFICIAL SEAL"
ELOYD GUSSIS
Notary Public, State of Illinois
My Commission Expires 10/ /0?

My Commission Expires:

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, PHILLIP GROSSMAN, a Notary Public in and for the County and State aforesaid, do hereby certify that EDWARD DIAMOND, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me in person and acknowledged that he signed, sealed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 30th day of JUNE, 1994.

Notary Public

My Commission Expires:

OFFICIAL SEAL
PHILLIP GROSSMAN
NOTARY PUBLIC, STATE OF ILLINOIS
MY COMMISSION EXPIRES:06/10/98

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

I, Dorothy [illegible], a Notary Public in and for the County and State aforesaid, do hereby certify that [illegible], Vice President of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, and [illegible] Trust Officer of said Company, who are personally known to me to be the same persons whose name are subscribed to the foregoing instrument as such Vice President and Trust Officer, respectively, appeared before me this day 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 Company, as Trustee as aforesaid, for the uses and purposes therein set forth; and the aid Trust Officer then and there acknowledged that ___ as custodian of the corporate seal of this Company, did affix the corporate seal of said Company to said instrument as ___ own free and voluntary act and as the free and voluntary act of said Company as Trustee, as aforesaid, for the uses and purposes therein set forth.

Given under my hand and notarial seal this 26 day of May, 1994.

Notary Public

DEPT-01 RECORDING $41.00
T#7777 TRAN 4935 07/14/94 12:05:00
#6113 # JB *-94-614383
COOK COUNTY RECORDER

My Commission Expires:

"OFFICIAL SEAL"
DOROTHY T. [illegible]
NOTARY PUBLIC, STATE OF ILLINOIS
My Commission Expires 6/13/96

94614383

EXHIBIT "A"

LOTS 9 TO 13 IN THOMAS HURDORDS SUBDIVISION OF THE WEST 1/2 OF BLOCK 5 IN CANAL TRUSTEES' SUBDIVISION IN THE WEST 1/2 OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 (EXCEPT THAT PART OF SAID PREMISES LYING WEST OF A LINE 50 FEET EAST OF AND PARALLEL WITH THE WEST LINE OF SECTION 5, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 17-05-100-007
17-05-100-008
17-05-100-009
17-05-100-010

PERSONAL GUARANTY

The undersigned, JOHN REK, unconditionally and irrevocably guarantees the prompt payment when due and at all times thereafter, of all indebtedness and liabilities of AMERICAN NATIONAL BANK AND TRUST COMPANY OF CHICAGO, Trustee under Trust No. 10-2751-05 and its successors and assigns pursuant to that certain Promissory Note ("Note") dated September 3, 1987 ("Note") and the FIRST LOAN MODIFICATION AGREEMENT dated May __, 1994 (the "Modification Agreement"), each of which has been executed and delivered by Trustee aforesaid ("Mortgagor"), to EDWARD DIAMOND ("Payee"), in the principal sum of TWO HUNDRED NINETY TWO THOUSAND FOUR HUNDRED FIFTY EIGHT AND 84/100 ($292,458.84), including all renewals, extensions and modifications thereof and including all principal, interest, costs, expenses and all other charges of whatever nature payable pursuant to the terms of the Note, as amended by the Modification Agreement (collectively called the "Indebtedness") and the undersigned hereby further agrees to reimburse the holder of the Note from time to time ("Holder") for all costs, reasonable attorneys' fees and other expenses at any time expended or incurred by Holder in the collection or attempted collection of the Indebtedness or in the enforcement of this Guaranty.

The undersigned waives notice of the acceptance of this Guaranty and of all renewals, extensions and modifications of the Note. The undersigned further waives presentment, protest, notice, demand or actions of any nature on any delinquency with

respect to the Indebtedness, including the right to require Holder to sue or otherwise enforce payment thereof, or to enforce any other security or other guaranty given therefor.

The liability of the undersigned hereunder is independent of, and may be exercised regardless of the existence of, any other security or guaranty at any time in effect with respect to all or any part of the Indebtedness, and regardless of any failure of Holder to perfect or secure priority of its rights with respect to any security at any time given or agreed to be given by Mortgagor or by the undersigned or by any other guarantor or third party for the Indebtedness or for the obligation of the undersigned hereunder.

Holder is authorized from time to time and without notice to the undersigned, to give and make such extensions, renewals, modifications, indulgences, settlements, and compromises as Holder may deem proper with respect to the Indebtedness, including the taking, releasing, surrender, exchange, settlement, compromise, waiver, subordination or modification of any security or guaranty, with or without consideration, on such terms or conditions as may be acceptable to Holder, without in any manner affecting or impairing the liability of the undersigned hereunder.

Failure of Holder to insist in any one or more instances upon strict performance of any one or more of the provisions of this Guaranty or to take advantage of any rights hereunder shall not be construed as a waiver of any such provision or provisions or the relinquishment of any such rights, but the same shall continue and remain in full force and effect.

EXHIBIT B
Page 2 of 4 Pages

This Guaranty embodies the entire agreement between the undersigned and Payee with regard to the subject matter hereof. There are no promises, terms, conditions or obligations other than those contained herein. This Guaranty may not be modified except by a writing signed by the undersigned and the Holder.

This Guaranty shall be construed according to the laws of the State of Illinois, in which state it shall be performed by the undersigned. The undersigned agrees that any action against the undersigned for the enforcement of this Guaranty may be brought by Holder in any municipal, state or federal court in the State of Illinois having jurisdiction of the subject matter, and the undersigned consents that any such court shall have personal jurisdiction over the undersigned with respect to any such action.

By its acceptance hereof, Payee agrees, for itself and for its successors and assigns, that Holder will not seek to collect any amounts pursuant to this Guaranty by foreclosing or otherwise proceeding against Guarantor's equity in its principal personal residence, unless and except to the extent that Guarantor shall have acquired such residence or prepaid any liabilities with respect to the residence with a view to defeating in whole or in part the ability of Holder to collect upon this Guaranty or unless Guarantor shall otherwise have acted or failed to act with respect to his personal residence outside of the ordinary course of Guarantor's affairs.

This Guaranty shall be binding upon the undersigned, and

EXHIBIT B
Page 3 of 4 Pages

his respective estate, personal representatives, successors and assigns.

DATED: MAY 26, 1994

GUARANTOR:

John Rek

JOHN REK

EXHIBIT B

Page 4 of 4 Pages