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This instrument prepared by
and please return to:
Kimberly K. Enders, Esq.
100 West Monroe Street
Suite 1500
Chicago, Illinois 60603



Doc#: 0629631095 Fee: \$50.50
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 10/23/2006 03:43 PM Pg: 1 of 14

Parcel No. 1:
P.I.N.: 14-01-218-032-0000
COMMONLY KNOWN AS: 6100 04 N. Talman/2634-44 W. Glenlake, Chicago, Illinois

Parcel No. 2:
P.I.N.: 16-25-310-031-0000
COMMONLY KNOWN AS: 831 Burton Avenue Highland Park, Illinois 60035

Parcel No. 3:
P.I.N.: 09-34-202-014-0000
COMMONLY KNOWN AS: 2016 Des Plaines Ave., Park Ridge, Illinois 60068

LOAN MODIFICATION AGREEMENT

This instrument is a Loan Modification Agreement ("Modification") among Labe Bank, an Illinois banking corporation ("Lender"), Kosa Development, LLC, an Illinois limited liability company, an Illinois limited liability company ("Borrower") and the owner of Parcel No. 1, Zivko Kovacevic and Radmila Kovacevic as owners of Parcel No. 2, Vladen Savic and Biljana Savic and owners of Parcel No. 3, and Zivko Kovacevic and Vladen Savic (collectively "Guarantors").

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RECITALS:

A. Borrower holds fee simple title to the real estate commonly known as 6100-04 N. Talman/2634-44 W. Glenlake, Chicago, Illinois, which is legally described on Exhibit A attached hereto ("Parcel No. 1"). Guarantors are members of Borrower.

B. On September 22, 2005, Lender granted a loan to Borrower in the amount of Two Million Five Hundred Twenty-Five Thousand Eight Hundred (\$2,525,850.00) Dollars ("Loan"), which is evidenced by a Promissory Note in the principal amount of Two Million Five Hundred Twenty-Five Thousand Eight Hundred (\$2,525,850.00) Dollars ("Note"). Concurrently therewith, Borrower, Guarantors and other parties executed and delivered to Lender the following documents (collectively "Security Documents"):

1. a Construction Loan Agreement;
2. a Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing ("Mortgage No. 1") executed by Borrower and covering Parcel No. 1, which Mortgage No. 1 was recorded with the Cook County Recorder of Deeds on October 12, 2005 as Document No. 0528535205;
3. a Junior Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing ("Mortgage No. 2") executed by Zivko Kovacevic and Radmila Kovacevic and covering property commonly known as 831 Burton Avenue, Highland Park, Illinois and legally described on Exhibit B attached hereto ("Parcel No. 2"), which Mortgage No. 2 was recorded with the Lake County Recorder of Deeds on _____, 2006 as Document No. _____;

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4. a Junior Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC Fixture Filing ("Mortgage No. 3") executed by Vladan Savic and Biljana Savic and covering property commonly known as 2016 Des Plaines, Park Ridge, Illinois and legally described on Exhibit C attached hereto ("Parcel No. 3"), which Mortgage No. 3 was recorded with the Cook County Recorder of Deeds on October 12, 2005 as Document No. 0528535206;
5. a Guaranty of Note, Mortgage, Loan Agreement and Other Undertakings executed by Guarantors ("Guaranty");
6. a Letter Agreement regarding waiver of tax and insurance escrows executed by Borrower and Lender;
7. a UCC Financing Statement authorized by Borrower and filed with the Secretary of State of Illinois;
8. an Environmental, ADA and FRISA Indemnification Agreement executed by Borrower and Guarantors;
9. an Assignment of Project Documents executed by Borrower;
10. an Assignment and Pledge of Earnest Money and Real Estate Sale Contracts executed by Borrower;
11. a Subordination Agreement executed by Laurmeg, LLC;
12. an organizational resolution executed by Borrower; and
13. a Construction Loan Escrow Trust and Disbursing Agreement ("Construction Escrow") executed by Borrower, Lender, Borrower's general contractor and title insurer.

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C. The Loan matures on September 22, 2006. Borrower has now requested Lender to extend the maturity date of the Loan from September 22, 2006 until June 5, 2007. Lender is agreeable to these requests subject to the covenants, conditions and restrictions contained herein.

NOW, THEREFORE, in consideration of good and valuable consideration, the parties agree as follows:

1. Subparagraphs (a) and (b) of the Note is hereby modified and amended in the entirety and the following provisions are substituted in place thereof:

(a) On October 1, 2005, and on the first day of each succeeding calendar month to and including the Maturity Date, there shall be paid interest only, in arrears, on the outstanding principal balance at a rate equal to the prime rate of interest in effect from time to time at Labe Bank plus one (1.0%) percent per annum.

(b) On June 5, 2007 ("Maturity Date"), the principal balance together with all accrued interest and all other amounts due hereunder shall be paid.

2. The Security Documents are hereby modified and amended to secure the Note as hereby modified and all references to the Note in the Security Documents are modified and amended to refer to the Note as hereby modified. All interest charged on and all payments made on the Note previously are unchanged.

3. This Modification shall be effective upon Lender's receipt of this Modification executed by the parties hereto and the following documents and items:

- (a) an Organization Resolution of Borrower;
- (b) a printout from the Illinois Secretary of State's website showing the good standing status of Borrower;
- (c) payment of the fees and costs set forth in Section 7 hereof; and
- (d) a date down endorsement to Lender's loan title insurance policy.

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4. This Modification shall constitute an amendment of the Security Documents and wherever in said instruments or in any other instrument evidencing or securing the indebtedness evidenced by the Note ("Loan Documents") reference is made to the Loan Documents aforesaid, such reference shall be deemed a reference to such Loan Documents as hereby modified and amended. All other provisions of the Loan Documents remain unchanged. Nothing herein contained shall in any manner affect the lien or priority of the Mortgage as revised by this Modification, or the covenants, conditions and agreements therein contained or contained in the Note.

5. In the event of conflict between any of the provisions of the Loan Documents and this instrument, the provisions of this instrument shall override and control.

6. Borrower and Guarantor hereby renew, remake and affirm the representations and warranties contained in the Loan Documents.

7. Borrower hereby agrees to pay Lender's fee in the amount of \$2,500.00 and all of Lender's expenses arising out of and in connection with this Modification including, but not limited to, attorneys' fees, title insurance premiums and recording fees.

8. Guarantors hereby expressly acknowledge and confirm that by executing this Modification, Lender has not waived, altered or modified Lender's rights under any of the Loan Documents to amend, extend, renew or modify or otherwise deal with the obligations of the parties hereto or any of the security given to Lender in connection therewith without the consent of Guarantor and without such action releasing, modifying, or affecting the obligations of Guarantors or affecting the security heretofore granted to Lender.

9. BORROWER AND GUARANTORS KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE IRREVOCABLY THE RIGHT THEY MAY HAVE TO TRIAL BY JURY WITH RESPECT TO ANY LEGAL PROCEEDING BASED HEREON, OR ARISING OUT

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OF, UNDER OR IN CONNECTION WITH THE NOTE, THIS MODIFICATION, THE MORTGAGE, THE LOAN AGREEMENT, THE SECURITY DOCUMENTS, OR ANY OF THE DOCUMENTS EXECUTED OR CONTEMPLATED TO BE EXECUTED IN CONJUNCTION HERewith OR ANY COURSE OF CONDUCT OR COURSE OF DEALING, IN WHICH LENDER, BORROWER AND/OR GUARANTORS ARE ADVERSE PARTIES. THIS PROVISION IS A MATERIAL INDUCEMENT FOR LENDER IN GRANTING ANY FINANCIAL ACCOMMODATION TO BORROWER OR GUARANTOR, OR ANY OF THEM.

10. BORROWER AND GUARANTORS HEREBY IRREVOCABLY SUBMIT TO THE JURISDICTION OF ANY STATE COURT SITTING IN COOK COUNTY, ILLINOIS OR ANY FEDERAL COURT SITTING IN CHICAGO, ILLINOIS OVER ANY ACTION OR PROCEEDING BASED HEREON AND BORROWER AND GUARANTORS HEREBY IRREVOCABLY AGREE THAT ALL CLAIMS IN RESPECT OF SUCH ACTION OR PROCEEDING SHALL BE HEARD AND DETERMINED IN SUCH STATE OR FEDERAL COURT. BORROWER AND GUARANTORS HEREBY IRREVOCABLY WAIVE, TO THE FULLEST EXTENT THEY MAY EFFECTIVELY DO SO, THE DEFENSE OF AN INCONVENIENT FORUM TO THE MAINTENANCE OF SUCH ACTION OR PROCEEDING. BORROWER AND GUARANTORS IRREVOCABLY CONSENT TO THE SERVICE OF ANY AND ALL PROCESS IN ANY SUCH ACTION OR PROCEEDING BY THE MAILING OF COPIES OF SUCH PROCESS TO BORROWER AND GUARANTORS AT THEIR ADDRESSES AS SPECIFIED HEREIN OR OTHERWISE IN THE RECORDS OF LENDER. BORROWER AND GUARANTORS AGREE THAT A FINAL JUDGMENT IN ANY SUCH ACTION OR PROCEEDING, AFTER ALL APPEAL RIGHTS ARE EXHAUSTED, SHALL BE CONCLUSIVE AND MAY BE ENFORCED

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IN ANY OTHER JURISDICTION BY SUIT ON THE JUDGMENT OR IN ANY OTHER MANNER PROVIDED BY LAW.

BORROWER AND GUARANTORS AGREE NOT TO INSTITUTE ANY LEGAL ACTION OR PROCEEDING AGAINST LENDER OR THE DIRECTORS, OFFICERS, EMPLOYEES, AGENTS OR PROPERTY THEREOF, IN ANY COURT OTHER THAN THE ONE HERINA ABOVE SPECIFIED. NOTHING IN THIS SECTION SHALL AFFECT THE RIGHT OF LENDER TO SERVE LEGAL PROCESS IN ANY OTHER MANNER PERMITTED BY LAW OR AFFECT THE RIGHT OF LENDER TO BRING ANY ACTION OR PROCEEDING AGAINST BORROWER AND GUARANTORS OR THEIR PROPERTY IN THE COURTS OF ANY OTHER JURISDICTIONS; PROVIDED, HOWEVER, UNLESS LENDER IS REQUIRED BY LAW TO INSTITUTE PROCEEDINGS IN ANY OTHER JURISDICTION, LENDER SHALL FIRST INSTITUTE PROCEEDINGS IN A STATE COURT SITTING IN COOK COUNTY, ILLINOIS OR ANY FEDERAL COURT SITTING IN CHICAGO, ILLINOIS.

11. Borrower and Guarantors warrant to Lender that neither Borrower nor Guarantors nor any affiliate is identified in any list of known or suspected terrorists published by an United States government agency (collectively, as such lists may be amended or supplemented from time to time, referred to as the "Blocked Persons Lists") including, without limitation, (a) the annex to Executive Order 13224 issued on September 23, 2001, and (b) the Specially Designated Nationals List published by the Office of Foreign Assets Control.

Borrower and Guarantors covenant to Lender that if they become aware that they or any affiliate are identified on any Blocked Persons List, Borrower and Guarantors shall immediately notify Lender in writing of such information. Borrower and Guarantors further agree that in the event

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they or any affiliate are at any time identified on any Blocked Persons List, such event shall be an Event of Default, and shall entitle Lender to exercise any and all remedies provided in any Loan Document or otherwise permitted by law. In addition, Lender may immediately contact the Office of Foreign Assets Control and any other government agency Lender deems appropriate in order to comply with its obligations under any law, regulation, order or decree regulating or relating to terrorism and international money laundering. Upon the occurrence of such Event of Default, Lender will forbear enforcement of its rights and remedies during such time as: (1) the person ("Person") identified in a Blocked Persons List is contesting in good faith by appropriate legal proceedings such Person's inclusion in a Blocked Persons List, and (2) Lender determines, in its sole and absolute discretion, that such forbearance will not adversely affect title to, the condition or value of, or any lien in favor of Lender and encumbering, any part of the Premises (as defined in the Mortgage) or otherwise adversely impact the ability of any Person to perform such Person's obligations under or with respect to any Loan Documents.

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IN WITNESS WHEREOF, the parties hereto have executed this Modification on ~~on~~
as of September 22, 2006.

LENDER:

Labe Bank, an Illinois banking corporation

By: Gordie Blagojev
Its Vice President

BORROWER:

Kosa Development, LLC, an Illinois limited liability company

By: Zivko Kovacevic
Zivko Kovacevic, its managing member

MORTGAGORS:

Zivko Kovacevic
Zivko Kovacevic

Radmila Kovacevic
Radmila Kovacevic

Vladen Savic
Vladen Savic

Biljana Savic
Biljana Savic

GUARANTORS:

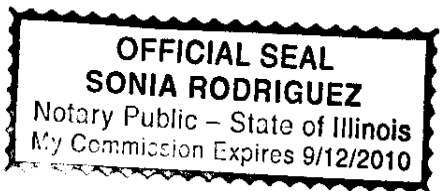
Vladen Savic
Vladen Savic

Zivko Kovacevic
Zivko Kovacevic

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

The undersigned, a Notary Public in and for the State and County aforesaid, do hereby certify that Gordie Blagojev, Vice-President of Labe Bank, an Illinois banking corporation, 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 (s)he 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 Sept. 29th, 2006. 1
Sonia Rodriguez
Notary Public



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STATE OF ILLINOIS)
)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Zivko Kovacevic, individually and as managing member of Kosa Development, LLC, an Illinois limited liability company, 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, and as the free and voluntary act of such limited liability company, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal 29th of Sept, 2006.
Sonia Rodriguez

Notary Public

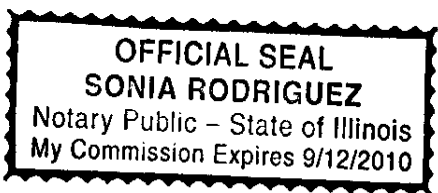


STATE OF ILLINOIS)
)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Vladen Savic, 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 29th of Sept, 2006.
Sonia Rodriguez

Notary Public

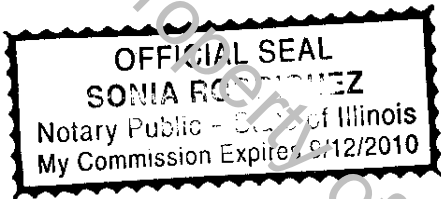


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STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Biljana Savic, 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 she signed and delivered the said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal 29th of Sept., 2006.



Sonia Rodriguez
Notary Public

STATE OF ILLINOIS)
) SS
COUNTY OF C O O K)

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Radmila Kovacevic, 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 she signed and delivered the said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal 29th of Sept, 2006.



Sonia Rodriguez
Notary Public

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EXHIBIT A

LEGAL DESCRIPTION:

LOTS 17 AND 18 IN BLOCK 3 IN T. J. GRADY'S 4TH GREEN BRIAR ADDITION TO NORTH EDGEWATER, BEING A SUBDIVISION OF THE WEST 1/2 OF THE EAST 1/2 OF THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 1, TOWNSHIP 40 NORTH, RANGE 13 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS: 6100-04 N. Talman/2634-44 W. Glenlake, Chicago, Illinois
P.I.N.: 13-01-218-032-0000

Property of Cook County Clerk's Office

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EXHIBIT B

LEGAL DESCRIPTION:

LOT 34 IN BLOCK 1 IN FIRST ADDITION TO RAVINIA HIGHLANDS IN THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 34 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN AND IN THE NORTHWEST 1/4 OF SECTION 36, TOWNSHIP 43 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN LAKE COUNTY, ILLINOIS

COMMONLY KNOWN AS: 831 BURTON AVENUE, HIGHLAND PARK, IL 60035
P.I.N.: 16-25-310-031-0000

Property of Cook County Clerk's Office

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EXHIBIT C

LEGAL DESCRIPTION:

LOT 38 IN WILLIAM ZELOSKY'S PARK RIDGE SUBDIVISION, A SUBDIVISION OF LOT 2 IN S. GREENBAUM'S SUBDIVISION IN THE WEST 1/2 OF THE NORTHEAST 1/4 OF SECTION 34, TOWNSHIP 41 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS

COMMONLY KNOWN AS: 2016 DES PLAINES AVE., PARK RIDGE, IL 60068
P.I.N.: 09-34-202-014-0000

Property of Cook County Clerk's Office