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THIS DOCUMENT PREPARED BY
AND AFTER RECORDING RETURN TO:

Meltzer, Purtil & Stelle LLC
300 South Wacker Drive
Suite 3500
Chicago, Illinois 60606
Attn: Allen C. Balk, Esq.

Doc#: 0812344001 Fee: \$54.00
Eugene "Gene" Moore RHSP Fee: \$10.00
Cook County Recorder of Deeds
Date: 05/02/2008 03:14 PM Pg: 1 of 10

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FIRST AMENDMENT TO LOAN DOCUMENTS

THIS FIRST AMENDMENT TO LOAN DOCUMENTS ("Amendment") is entered into as of this 15th day of March, 2008, by and among TRAFALGAR SQUARE CONDOMINIUM, LLC, an Illinois limited liability company ("Borrower"), GUIDO C. NERI ("Guarantor") and COLE TAYLOR BANK, an Illinois banking corporation ("Lender").

RECITALS

Borrower, Guarantor and Lender entered into that certain Revolving Credit Construction Loan Agreement dated July 28, 2005 ("Loan Agreement"), pursuant to which Lender agreed to loan to Borrower the principal amount of Twenty-Four Million Two Hundred Five Thousand and No/100 Dollars (\$24,205,000.00), with not more than Twelve Million and No/100 Dollars (\$12,000,000.00) outstanding at any one time ("Loan"), for the development of four (4) acres of land (the "Real Estate") located south of Lincoln Avenue and east of Chicago-Milwaukee St. Paul Railroad, commonly known as 6245 Lincoln Avenue, in Morton Grove, Cook County, Illinois and the two-phased construction thereon of one hundred fifty (150) residential condominium units in two (2) six-story Buildings, containing seventy-five (75) Units and one hundred six (106) Parking Spaces each, and certain common areas to be known as Trafalgar Square Condominiums ("Project").

The Loan is evidenced by that certain (i) non-revolving Acquisition and Development Note dated July 28, 2005 in the aggregate principal amount of Ten Million Two Hundred Five Thousand and no/100 Dollars (\$10,205,00.00) ("A&D Note") dated July 28, 2005 with respect to the "A&D Loan" and comprised of (x) a certain non-revolving loan allocated to Phase I in the amount of \$7,865,000.00 and (y) a certain a non-revolving loan allocated to Phase II in the amount of \$2,340,000.00, and (ii) Revolver Note ("Revolver Note") dated July 28, 2005 in an amount not to exceed Fourteen Million and no/100 Dollars (\$14,000,000.00), with respect to the "Revolving Loan" (the A&D Note and the Revolver Note are hereinafter collectively referred to as the "Notes").

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The Notes are secured by, among other things, the following documents, each dated July 28, 2005 (collectively, with the other loan documents, referred to as the "Loan Documents"):

(a) Mortgage and Security Agreement (the "Mortgage") made by the Borrower to Lender and recorded by the Cook County Recorder of Deeds on July 29, 2005 as Document No. 0521003125 covering the Real Estate;

(b) Assignment of Rents and Leases (the "Assignment of Rents") made by the Borrower to Lender and recorded by the Cook County Recorder of Deeds on July 29, 2005 as Document No. 0521003126 covering the Real Estate; and

(c) Certain other documents and instruments which, together with the Loan Agreement, the Notes, the Mortgage and the Assignment of Rents, are referenced as "Loan Documents" in the Loan Agreement.

Pursuant to the Guaranty made by Guarantor dated July 28, 2005 ("Guaranty"), in favor of Lender, Guarantor guaranteed (i) the payment of the amounts provided for in the Notes, the Loan Agreement, the Mortgage and the other Loan Documents, and (ii) the performance of the covenants to be performed and observed under the Notes, the Loan Agreement, the Mortgage and the other Loan Documents.

Pursuant to that certain Environmental Indemnity Agreement dated July 28, 2005 ("Environmental Indemnity"), Borrower and Guarantor agreed, among other things, to indemnify Lender from and against any loss or damage arising as the result of the existence of any Hazardous Materials (as defined in the Environmental Indemnity) on the Real Estate.

The Guaranty and the Environmental Indemnity shall each, where applicable, be included within the definition of "Loan Documents" herein.

Borrower and Guarantor have now requested that the Loan be amended to (i) decrease the amount of the A&D Loan by \$6,205,000.00, from \$10,205,000.00 to \$4,000,000.00, and (ii) decrease the amount of the Revolving Loan by \$9,000,000.00, from \$14,000,000.00 to \$5,000,000.00. Further, Borrower and Guarantor acknowledge and agree that the Lender shall have no obligation to disburse proceeds of the Loan in connection with Phase II.

Lender has agreed to decrease the amount of the Loan, provided that in connection with its agreement to the foregoing, the Loan Documents be amended on the terms and upon the conditions contained in this Amendment.

ACCORDINGLY, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower, Guarantor, and Lender hereby agree as follows:

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1. **Recitals**. The recitals set forth above are hereby incorporated herein and made a part hereof. Except as otherwise expressly indicated, all capitalized terms used herein or in any of the Recitals shall have the same meanings as ascribed to them in the Loan Agreement.
2. **Confirmation**. Borrower and Guarantor hereby confirm and certify to Lender that each representation and warranty contained in the Loan Agreement, as amended hereby, is true, complete and correct in all respects as of the date hereof.
3. **Decrease in A&D Loan Amount**. The Loan Documents, including, without limitation, the Loan Agreement, Note and Guaranty, are each hereby amended such that the principal amount of the A&D Loan is decreased by \$6,205,000.00. The A&D Loan amount shall be \$4,000,000.00. Any references in the Loan Documents to the A&D Loan shall be deemed to mean and refer to the A&D Loan as amended hereby.
4. **Decrease in Revolver Loan Amount**. The Loan Documents, including, without limitation, the Loan Agreement, Note and Guaranty, are each hereby amended such that the principal amount of the Revolver Loan is decreased by \$9,000,000.00. The Revolver Loan amount shall be \$5,000,000.00. Any references in the Loan Documents to the Revolver Loan shall be deemed to mean and refer to the Revolver Loan as amended hereby.
5. **Amended and Restated A&D Note**. The Borrower, Guarantor and Lender agree that the A&D Note shall be amended and restated in its entirety and that Borrower shall execute and deliver an amended and restated note in the amount of \$4,000,000.00, dated as of the date hereof and in form and substance acceptable to Lender ("Amended A&D Note"). The Amended A&D Note is not a novation, but a modification and restatement of the A&D Note, and all of such obligations shall be and remain in full force and effect, as amended and restated herein. From and after the date hereof and execution and delivery of the Amended A&D Note by Borrower, all references in the Loan Agreement and the Loan Documents, as amended, to the A&D Note shall be deemed references to the Amended A&D Note, and all references in the Loan Agreement and Loan Documents, as amended, to the Loan shall be deemed references to the Loan as amended hereby, as evidenced by the Amended A&D Note.
6. **Amended and Restated Revolver Note**. The Borrower, Guarantor and Lender agree that the Revolver Note shall be amended and restated in its entirety and that Borrower shall execute and deliver an amended and restated note in the amount of \$5,000,000.00, dated as of the date hereof and in form and substance acceptable to Lender ("Amended Revolver Note"). The Amended Revolver Note is not a novation, but a modification and restatement of the Revolver Note, and all of such obligations shall be and remain in full force and effect, as amended and restated herein. From and after the date hereof and execution and delivery of the Amended Revolver Note by Borrower, all references in the Loan Agreement and the Loan Documents, as amended, to the Revolver Note shall be deemed references to the Amended Revolver Note, and all references in the Loan Agreement and Loan Documents, as amended, to the Loan shall be deemed references to the Loan as amended hereby, as evidenced by the Amended Revolver Note.

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7. **Amendments to the Loan Agreement.** The Loan Agreement is amended by making the following amendments to the following sections thereof:

A. Section 2 of the Loan Agreement is hereby amended to read in its entirety as follows:

"2. **THE LOAN.** The Loan shall be in the principal amount of Nine Million and 00/100 Dollars (\$9,000,000.00). Disbursement of the Loan shall be restricted and allocated upon the basis of amounts set forth in the Project Budget with respect to each cost item, including all Site Improvements, the Models and each Unit, as follows:

2.1 **Non-Revolving Loan.** A non-revolving loan in an amount equal to Four Million and 00/100 Dollars (\$4,000,000.00) for the repayment of acquisition costs, costs attributable to Site Improvements, Interest Reserve and fees.

2.2 **Revolving Loan.** A revolving line of credit in an amount equal to not more than \$5,000,000.00 outstanding at any one time for the hard construction costs attributable to construction of the Buildings and Units."

B. Section 4.1 of the Loan Agreement is hereby deleted in its entirety and replaced to read in its entirety as follows:

"4.1 **Notes.**

(a) **Non-Revolving Loans.** A non-revolving acquisition and development loan in the principal amount of \$4,000,000.00 ("**A&D Loan**") evidenced by a certain "**A&D Note**" in the amount of \$4,000,000.00.

(b) **Revolving Loan.** A revolving line of credit in the amount of not more than \$5,000,000.00 outstanding at any one time, for the construction of the Buildings and Units ("**Revolver Loan**"), evidenced by a certain "**Revolver Note**".

The A&D Note and Revolver Note are sometimes collectively referred to herein as the "**Notes**".

C. The definition of "Phase II" in Section 1.28 of the Loan Agreement is hereby deleted, and any reference to "Phase II", "**Phase II Commitment Fee**", "**Phase II Pre-Sale Requirement**", or "**Building II**", in the Loan Agreement or any of the Loan Documents is hereby deleted in their entirety. Borrower and Guarantor acknowledge and agree that the Lender shall have no obligation to disburse proceeds of the Loan in connection with Phase II.

8. **Amendment of Mortgage and Assignment of Rents.** The Mortgage and the Assignment of Rents are hereby amended to reflect the terms of this Amendment. Any references in the Mortgage to the Loan shall be deemed to mean and refer to the Mortgage, as amended hereby and thereby. Borrower and Guarantor each agree that Lender shall have the

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right to record this Amendment to reflect the subject matter contained herein.

9. **Other Conforming Amendments.** The other Loan Documents, all as amended by this Amendment, are hereby amended to reflect the terms as provided herein. All requirements, conditions and obligations under any of the Loan Agreement and Mortgage and other Loan Documents, as amended, shall apply, govern and control the repayment of the Loan as amended hereby.

10. **Additional Requirements.** The obligations of Lender to amend the Loan shall be subject to Borrower, Guarantor, and others having delivered, or having caused to be delivered, to Lender, or the occurrence of the following items and conditions, all of which shall be in form and substance acceptable to Lender:

- (a) This Amendment, executed by all parties other than Lender;
- (b) The Amended and Restated A&D Note, executed by Borrower;
- (c) The Amended and Restated Revolver Note, executed by Borrower;
- (d) An Endorsement to Loan Policy No. MPG32-1139488 issued by Professional National Title Network, Inc., as agent for Commonwealth Land Title Insurance Company, insuring the Mortgage which (i) extends the effective date of the Loan Policy to the date of recording of this Amendment, (ii) insures for all amounts disbursed under the Loan through the date of the recording of this Amendment, (iii) includes interim certification over mechanic's lien claims through the date of the applicable sworn statements under which any disbursements are made, and (iv) raises no exceptions or other matters to title which are objectionable to Lender;
- (e) A current Certificate of Good Standing for Borrower from the Secretary of State of Illinois;
- (f) Certified Resolutions of the Manager of Borrower, and any other required action, in connection with the amendment of the Loan, the execution and delivery of the documents herein required, and the performance of the Loan, as amended; and
- (g) Such other documents as Lender may reasonably require.

11. **Loan Expenses.** In addition to the Loan Expenses described in the Loan Agreement, as amended, Borrower hereby agrees to pay all expenses, charges, costs and fees hereby relating to the amendment of the Loan as amended hereby, including Lender's attorney's fees in connection with the negotiation and documentation of the agreements contained in this Amendment, and other documents, all recording fees and charges, if any, title insurance charges and premiums, and all other expenses, charges, costs and fees referred to in or necessitated by the terms of this Amendment, and other documents (collectively, the "Additional Loan Expenses"). In the event the Additional Loan Expenses are not paid to Lender within thirty (30) days after the

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written demand therefor by Lender, the Additional Loan Expenses shall bear interest from the date so incurred until paid at the Default Rate or may be paid by Lender at any time following said thirty (30) day written demand by disbursement of proceeds of the Loan, as amended by this Amendment.

12. **Representations and Warranties.** Borrower and Guarantor represent and warrant to Lender that: (i) each has full power and authority to execute and deliver this Amendment, and other documents, where applicable, and to perform their respective obligations hereunder and thereunder; (ii) upon the execution and delivery of this Amendment, the Loan Documents, each as amended hereby, shall be valid, binding and enforceable upon Borrower and Guarantor as the case may be, in accordance with its respective terms; (iii) execution and delivery of the Amendment does not and will not contravene, conflict with, violate or constitute a default under any agreement or any applicable law, rule, regulation, judgment, decree or order, or any agreement, indenture or instrument to which Borrower is a party or by which Borrower or Guarantor are bound or which is binding upon or applicable to the Real Estate, or any portion thereof; (iv) no default or event or condition which would become a default with the giving of notice and/or the passage of time, exists under the Loan Documents, as amended by this Amendment; (v) there is not any condition, event, or circumstance existing, or any litigation, arbitration, governmental or administrative proceedings, actions, examinations, claims or demands pending, or to the best of their knowledge threatened, affecting Borrower, Guarantor, or the Real Estate, or which would prevent Borrower or Guarantor from complying with or performing their respective obligations under the Loan Documents, as amended by this Amendment, within the time limits set forth therein for such compliance or performance, and the undersigned know of no basis for any such matter.

13. **Miscellaneous.**

(a) Except as expressly amended herein, the Loan Agreement, the Notes, the Mortgage and the other Loan Documents shall remain in full force and effect in accordance with their respective terms.

(b) This Amendment shall be binding on the Guarantor, Borrower and their respective successors and permitted assigns, and shall inure to the benefit of Lender, its successors and assigns.

(c) This Amendment shall not establish a course of dealing or be construed as evidence of any willingness on Lender's part to grant other or future amendments, should any be requested.

(d) This Amendment may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page to follow]

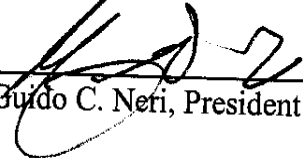
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This Amendment has been entered into as of the date first above written.

BORROWER:

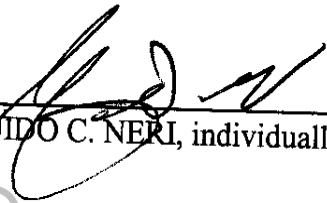
**TRAFALGAR SQUARE CONDOMINIUM,
LLC**, an Illinois limited liability company

By: TSCM, Inc., an Illinois corporation, its
Manager

By: 

Guido C. Neri, President

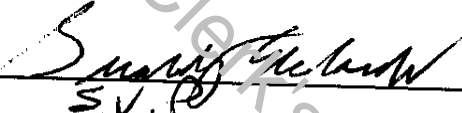
GUARANTOR:



GUIDO C. NERI, individually

LENDER:

COLE TAYLOR BANK,
an Illinois banking corporation

By: 

Its: S.V. P.


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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 Guido C. Neri, individually, and as the President of TSCM, Inc., the Manager of Trafalgar Square Condominium, LLC who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the President of such Manager 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 Manager, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 13th day of March ~~13~~, 2008.


NOTARY PUBLIC

(SEAL)

My commission expires: 6/2/09

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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 GERALD EBERHARDT, the SVP of Cole Taylor Bank, who is personally known to me to be the same person whose name is subscribed to the foregoing instrument as the SVP, 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 the Bank, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal, this 13TH day of March 13, 2008.

Sara Ramirez
 NOTARY PUBLIC

(SEAL)

My commission expires: 4/10/10



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PARCEL 1: LOT 25 (EXCEPT THE SOUTH 390.55 FEET THEREOF) IN TRAFALGAR SQUARE, BEING A RESUBDIVISION OF PARTS OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 25, 2005 AS DOCUMENT NUMBER 0520644060, IN COOK COUNTY, ILLINOIS.

PARCEL 2: UNITS 208, 211, 212, 213, 307, 308, 311, 312, 404, 408, 409, 410, 411, 412, 414, 501, 504, 505, 509, 511, 512, 514, 609 AND 612 IN TRAFALGAR SQUARE CONDOMINIUM, AS DELINEATED ON A PLAT OF SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE:

THE SOUTH 390.55 FEET OF LOT 25 IN TRAFALGAR SQUARE, BEING A RESUBDIVISION OF PARTS OF SECTION 20, TOWNSHIP 41 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED JULY 25, 2005 AS DOCUMENT NUMBER 0520644060, IN COOK COUNTY, ILLINOIS.

WHICH SURVEY IS ATTACHED AS APPENDIX "B" TO DECLARATION OF CONDOMINIUM RECORDED MARCH 29, 2007 AS DOCUMENT NUMBER 0708815101, AS AMENDED BY SUPPLEMENT NO. 1 TO DECLARATION OF CONDOMINIUM OWNERSHIP RECORDED APRIL 12, 2007 AS DOCUMENT NUMBER 0710209097 AND RE-RECORDED JUNE 1, 2007 AS DOCUMENT NUMBER 0715215127, SUPPLEMENT NO. 2 TO DECLARATION OF CONDOMINIUM OWNERSHIP RECORDED JUNE 5, 2007 AS DOCUMENT NUMBER 0715622009, SUPPLEMENT NO. 3 TO DECLARATION OF CONDOMINIUM OWNERSHIP RECORDED JULY 10, 2007 AS DOCUMENT NUMBER 0719115121 AND AS AMENDED FROM TIME TO TIME, TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, ALL IN COOK COUNTY, ILLINOIS.

PARCEL 3: THE EXCLUSIVE RIGHT TO THE USE OF LIMITED COMMON ELEMENTS KNOWN AS PARKING SPACES P-23, P-45, P-34, P-21, P-10, P-31, P-48, P-49, P-60, P-77, P-40, P-41, P-24, P-13, P-72, P-73, P-55, P-90, P-62, P-70, P-66, P-97, P-71, P-96, P-68 AND STORAGE SPACES S-23, S-45, S-34, S-21, S-10, S-31, S-45, S-48, S-60, S-77, S-40, S-41, S-24, S-13, S-72, S-73, S-55, S-90, S-62, S-70, S-66, S-97, S-71, S-96, AND S-68 AS DELINEATED ON THE SURVEY ATTACHED TO THE DECLARATION AFORESAID.

PARCEL 4: NON-EXCLUSIVE PERPETUAL EASEMENT FOR THE BENEFIT OF PARCEL 1 CONTAINED IN THE DECLARATION OF EASEMENTS FOR TRAFALGAR SQUARE OF MORTON GROVE RECORDED JUNE 30, 2005 AS DOCUMENT 0518102246 FOR ACCESS, INGRESS AND EGRESS OVER AND ACROSS THE "AUSTIN AVENUE EASEMENT AREA" AS DESCRIBED THEREIN.

Commonly known as: 8300 Concord Drive, Morton Grove, IL
Permanent Index Nos: 10-20-121-038 and 10-20-121-039