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**WHEREAS**, by its terms the Note became due and payable in full on September 1, 2011 and Grand has failed to pay the Note according to its terms and provisions and therefore Grand is in default under the Note;

**WHEREAS**, Defaults and events of default have occurred and exist under the Note and Mortgage due to payment defaults and the maturity of the Note. Grand and Muller have requested that Mortgagee forbear from enforcing its rights under the Note, Mortgage and Guaranty and the Mortgagee has agreed to do so pursuant to the terms of this Agreement.

**NOW, THEREFORE**, in consideration of the foregoing recitals, the mutual promises and conditions herein contained, the execution and delivery of this Agreement, and in reliance upon the representations and warranties herein contained, the parties agree as follows:

1. **Recitals:** The Recitals stated above are incorporated herein and made a part of this Agreement.
2. **Acknowledgment of Loan Documents.** Grand and Muller hereby acknowledge that the Note, the Mortgage, and the Guaranty (collectively "the Loan Documents") are all valid and enforceable in accordance with their respective terms and provisions, and that Grand and Muller do not have any defenses, counterclaims, or set-offs to the Loan Documents and that to the extent that they do have any defenses, counterclaims, or set-offs, they are hereby waived.
3. **Representations of Grand and Muller** Grand and Muller represent to Mortgagee that, except as specifically noted herein, there exist no second or junior mortgage or other subsequent lien now outstanding against the Premises and that the lien of the Mortgage is a valid, first and subsisting lien on the Premises.
4. **Additional Loan Documents.** Concurrently with the execution of this Agreement, the following documents shall be executed and delivered to Mortgagee, or if appropriate, simply delivered to Mortgagee:
  - a. Assignment of Leases by Grand to Mortgagee.
  - b. Subordination Non-Disturbance and Attornment Agreement of Lease(s) signed by all Tenants
  - c. Estoppel Certificate(s) from all Tenants.
  - d. Guarantee of the Note as modified by this Agreement signed by Muller and all other Members of Grand specifically including but not limited to Marissa Muller.
  - e. Updated survey of the Premises satisfactory to Mortgagee;
  - f. Lease of the Premises from Grand to The Muller Firm Ltd., an Illinois

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corporation, in form and substance satisfactory to Mortgagee with a term lasting through August of 2016;

- g. Such instruments, documents, or papers as may be required by Stewart Title Guaranty Company (the "Title Insurance Company") for the issuance of either a date down endorsement to Mortgagee's existing Title Insurance Policy guarantying to Mortgagee that the Mortgage as modified herein is a first lien against the Premises with such endorsements as required by Mortgagee, or a new Loan Policy in form and substance satisfactory to Mortgagee; and
- h. Evidence of current insurance in the amounts and the types required by the Mortgage.

**5. Payment of Mortgage Fees and Expenses and Reduction of Principal Balance Due on the Note.** On the date hereof Grand shall pay to Mortgagee the following:

- a. All of Mortgagees' out of pocket costs and expenses incurred in negotiating, preparing and recording this Loan Modification Agreement, specifically including but not limited to all reasonable attorneys' fees, title charges, recording charges, flood certification, credit reporting fees, real estate tax service fees, updated survey costs, and updated appraisal fees.
- b. Modification Fee of Five Thousand and No/100 Dollars (\$5,000.00);
- c. A sum sufficient to reduce the outstanding principal balance due under the Note to the sum of Five Hundred Thousand and No/100 Dollars (\$500,000.00);
- d. Sums sufficient to re-establish all escrow accounts for real estate taxes and insurance as required by Paragraph 25 of the Mortgage; and
- e. All past due and accrued interest on the Note.

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6. **Modification of the Note and the Mortgage.** The Note and Mortgage are hereby modified as follows:

- a. Mortgagee, Grand and Muller agree that, except as expressly modified hereunder, the Note, the Mortgage, the Guaranty, and any other original documents executed in conjunction therewith and subsequent modifications thereto, (collectively the Loan Documents) shall remain in full force and effect and all of the remaining terms and provisions of the Loan Documents are hereby ratified and confirmed;
- b. Effective December 1, 2011 the unpaid principal balance due under the Note will be fully amortized over a new 300 month period and the New Maturity Date, as that term is defined in the Loan Documents will be August 31, 2016;
- c. Effective as of and commencing on September 1, 2011 interest under the Note shall accrue at the rate of 6.375% per annum and principal and interest shall be paid in monthly installments of \$3,337.09 commencing on January 1, 2012 and continuing on the first day of each month thereafter;
- d. Effective as of and commencing on September 1, 2011 the rate of interest under the Note in the event of a Default by Grand, as such term is defined in Paragraph 12 of the Mortgage, including but not limited to a default as defined in Paragraph 7 (C) of the Note, shall be the Wall Street Journal Prime Rate of Interest as published in the Wall Street Journal plus six percent (6%) per annum as such rate changes from day to day. The Wall Street Journal Prime Rate of Interest shall mean the annual rate of interest published by The Wall Street Journal from time to time as the Prime Rate (such rate is currently published in the column "Money Rates" as the "base rate on corporate loans posted by at least 75% of the nation's 30 largest banks"). If a range of rates is published as the Prime Rate by The Wall Street Journal, then the "Wall Street Journal Prime Rate of Interest" for the purposes of this Agreement, shall be the highest rate in such range. Each change

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in the Prime Rate as published by The Wall Street Journal shall be effective, for the purposes of this Agreement, to change the default rate of interest due under the Note as of the date that such change is published in The Wall Street Journal. If at any time The Wall Street Journal ceases or fails to publish such Prime Rate, then the default rate of interest shall be determined by reference to the prime commercial lending rate publicly announced at such other major Chicago bank as the Mortgagee may, in its sole discretion, select.

- e. Effective as of and commencing on September 1, 2011 interest under the Note shall be computed on the basis of a 360 day year with each month containing 30 days.
- f. Prior to the date hereof and on or before June 15<sup>th</sup> of each year hereafter, Grand and Muller shall cause to be delivered to Mortgagee an annual operating statement certified as true and complete, detailing all rents collected and all operating costs expended in operating the Premises. Failure to timely provide such annual operating statement shall be a default under the Note and Mortgage;
- g. Prior to the date hereof and on or before June 15<sup>th</sup> of each year hereafter, Grand, Muller and any additional guarantors shall provide to Mortgagee updated personal financial statements and complete copies of the prior year's federal income tax returns. Failure to timely provide such financial statements and copies of federal tax returns shall be a default under the Note and Mortgage

7. **Effective Date of this Agreement.** Upon receipt of the documents required in Section 4 hereof, Mortgagee will cause, at Grand's sole cost and expense, this Agreement and the Assignment of Leases to be placed of record by Recording same in the Office of the Recorder of Deeds of Cook County, Illinois and concurrently therewith will order a date down endorsement to its title insurance policy from the Title Insurance Company covering said recordation and insuring this Agreement and the Mortgage as modified herein. When the date down

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endorsement has been issued and reflects that the Grand is the holder and owner of the fee simple title to the Premises and that Mortgagee holds the lien of the Mortgage as modified by this Agreement as a first and paramount lien on the Premises, and when Grand has paid to Mortgagee all sums required to be paid by it to Mortgagee by this Agreement, then, and only then, shall this Agreement become effective.

8. **No Further Waiver or Forbearance.** Mortgagee is not obligated and does not agree to extend any other or future forbearances except as expressly set forth herein. This Agreement shall not constitute a waiver by Mortgagee of any of Grand's defaults under the Note or Mortgage or other Loan Documents. Except as expressly provided herein, Mortgagee reserves all of its rights and remedies under the Note, Mortgage and other Loan Documents. No action or course of dealing on the part of Mortgagee, its officers, employees, consultants, or agents, nor any failure or delay by Mortgagee with respect to exercising any right, power or privilege of Mortgagee under the Note, Mortgage or other Loan Documents or this Agreement, shall operate as a waiver thereof, except to the extent expressly provided herein.

9. **No Further Credit Facilities.** Grand acknowledges and agrees that Mortgagee is under no obligation to advance any additional credit to Grand or to Muller.

10. **Advice of Counsel.** Grand and Muller acknowledge they have read and reviewed the terms and provisions of this Agreement and are familiar with same. Grand and Muller clearly understand the terms and provisions of this Agreement and have fully and unconditionally consented to them. Grand and Muller have had the full benefit and advice of counsel of their own selection in regard to this Agreement. Grand and Muller's execution of this Agreement is done freely, voluntarily, with full knowledge and without duress. In executing this Agreement, Grand and Muller are not relying upon any representations, written or oral, express or implied, made to them by any party to this Agreement. Grand and Muller acknowledge the consideration received or to be received under this Agreement is actual and adequate.

11. **Release of Mortgagee.** As additional consideration for the modification of the terms and

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provisions of the Note and the Mortgage, Grand and Muller on their own behalf and on behalf of any successors and assigns, hereby fully and forever release, remise and forever discharge Mortgagee and its past and present officers, directors, employees, agents, attorneys, predecessor-in-interest, parents, subsidiaries, affiliates and assigns of and from any and all actions, claims, and causes of actions, suits, debts, liabilities, dues, accounts, demands, obligations, costs, expenses, losses, damage and indemnities of every kind or nature whatsoever, whether known or unknown, suspected or unsuspected, contingent or fixed, which Grand or Muller have, own or hold, or at any time heretofore had, may have had, owned or held, whether based on contract, tort, statute, or other legal or equitable theory of recovery, including but not limited to the Note, the Mortgage, the Guaranty, the Premises or this Agreement.

12. **Execution of Documents.** The parties hereto agree to execute all documents necessary to effectuate the terms and conditions of this Agreement.

13. **Course of Dealings.** No course of dealing on the part of Mortgagee or any delay or failure on the part of Mortgagee to exercise any right shall operate as a waiver of such rights or otherwise prejudice the Mortgagee's rights, powers, or remedies.

14. **Choice of Laws.** This Agreement shall be construed in accordance with the laws of the State of Illinois without regard to its choice of laws provisions. Any suit or other action instituted by any party for the enforcement or breach of this Agreement shall be filed in Cook County, Illinois or in the Federal Courts for the Northern District of Illinois.

15. **Mutual Consent.** The parties hereto all acknowledge that this Agreement has been negotiated at arms length, that each has had the opportunity to consult with legal counsel of their own choice if desired, and that the parties hereto have entered into this Agreement of their own free will.

16. **Modifications.** No modification or change in this Agreement shall be binding upon any party unless all parties consent in writing.

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17. Jury Trial Waiver. GRAND AND MULLER HEREBY WAIVE ALL RIGHTS TO TRIAL BY A JURY IN ANY LAWSUIT OR OTHER PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE NOTE, MORTGAGE OR GUARANTY REFERRED TO HEREIN.

IN WITNESS WHEREOF, the parties hereto, have executed this Loan Modification Agreement effective as of December 2, 2011.

110 West Grand L.L.C

By: *Kurt A. Muller*  
Its Manager and Member, Kurt A. Muller

By: *Marissa Muller*  
Marissa Muller, Member

*Kurt A. Muller*  
Kurt A Muller, guarantor

PNA Bank

By: *Paul Hoffmann*  
Its: EXECUTIVE VICE PRESIDENT

DeKalb County Clerk's Office



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

I, Angela E. Kelly, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Kurt A Muller and Marissa Muller, the sole managers and members of 110 West Grand L.L.C. an Illinois Limited Liability Company, personally known to me and known to be the same persons whose names are subscribed to the foregoing instrument as such managers and members, 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 Company for the uses and purposes therein set forth.

GIVEN UNDER MY HAND AND NOTARIAL SEAL this 2 day of December, 2011.

Angela E. Kelly  
Notary Public



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STATE OF ILLINOIS        )  
  )SS  
COUNTY OF COOK        )

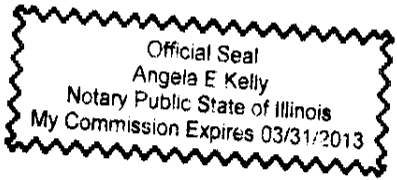
I, Angela E. Kelly, Notary Public in and for said County, in the State aforesaid, do hereby certify that Kurt A. Muller personally known to me and known to be the same person whose name is subscribed to the foregoing instrument appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein.

**GIVEN UNDER MY HAND AND NOTARIAL SEAL**

this 27 day of December, 2011.

Angela E. Kelly  
Notary Public

My Commission Expires: 3/31/13




Cook County Clerk's Office

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

I, Joan Sheehan, a Notary Public in and for said County, in the State aforesaid, do hereby certify that Robert S. Hoffman, Executive Vice President of PNA Bank personally known to me and known to be the same person whose name is subscribed to the foregoing instrument as such Robert S. Hoffman, appeared before me this day in person and acknowledged that he/she signed and delivered the said instrument as his/her own free and voluntary act, and as the free and voluntary act of said Corporation, for the uses and purposes therein set forth.

**GIVEN UNDER MY HAND AND NOTARIAL SEAL**  
this 1st day of December, 2011.

  
Notary Public

My Commission Expires: 8-15-2015



COOK County Clerk's Office

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## Exhibit A

Lot 5 in Assessor's Division of Lots 1-8 inclusive in Block 14 in Wolcott's Addition to Chicago, a subdivision of the East ½ of the Northeast ¼ of Section 9, Township 39 North, Range 14, East of the Third Principal Meridian, in Cook County, Illinois

Commonly known as 110 W Grand Ave. Chicago, IL

PIN: 17-09-239-021-0000

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