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Doc#: 1708606035 Fee: \$90.00
Karen A. Yarbrough
Cook County Recorder of Deeds
Date: 03/27/2017 09:39 AM Pg: 1 of 22

**THIS DOCUMENT PREPARED BY
AND AFTER RECORDING RETURN
TO:**

Eugene S. Kraus, Esq.
Scott & Kraus, LLC
150 S. Wacker Dr., Suite 2900
Chicago, IL 60660

PERMANENT TAX INDEX NUMBERS:

15-12-313-007-0000
15-12-313-026-0000
15-12-313-046-0000

PROPERTY ADDRESS:

7820 West Madison Street
River Forest, Illinois 60305

The space above reserved for recorder's use.

FIRST MODIFICATION OF LOAN DOCUMENTS

THIS FIRST MODIFICATION OF LOAN DOCUMENTS (this "Modification") is dated as of March 17, 2017, by and between 7820 MADISON LLC, an Illinois limited liability company (the "Borrower"), whose address is c/o Interforum Holdings, 550 West Frontage Road, #3700, Northfield, Illinois 60093, and INLAND BANK AND TRUST, an Illinois state chartered banking institution (the "Lender"), whose address is 2805 Butterfield Road, Suite 200, Oak Brook, Illinois 60523.

WITNESSETH:

A. Borrower and Lender have been parties to the following agreements, documents and instruments, dated as of September 23, 2015: (i) Construction Loan Agreement (the "Loan Agreement"), (ii) Promissory Note in the maximum principal amount of SEVEN MILLION SEVEN HUNDRED THOUSAND AND 00/100 DOLLARS (\$7,700,000) made by Borrower in favor of Lender, together with all modifications, supplements, amendments, restatements or extensions thereto or thereof (the "Note"), evidencing a loan from Lender to Borrower (the "Loan") and (iii) the balance of the "Loan Documents" (as hereinafter defined), documents and instruments delivered in connection therewith.

B. The Loan is secured by, among other things: (i) that certain Construction Mortgage, Security Agreement, Assignment of Rents and Leases and Fixture Filing, dated as of September 23, 2015, made by Borrower in favor of Lender, which was

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recorded in the Cook County Recorder's Office on November 20, 2015, as Document No. 1532433019 (the "Mortgage"), for the real property commonly known as 7820 West Madison Street, River Forest, Illinois 60305 (the "Mortgaged Premises") and legally described on Exhibit A, attached hereto and made a part hereof, (ii) that certain Guaranty of Payment, dated September 23, 2015 (the "Guaranty"), given by Alex Zdanov and Igor Blumin (together, the "Guarantors") and (iii) that certain Assignment of Plans, Specifications, Construction and Service Contracts, Licenses and Permits, dated September 23, 2015, made by Borrower in favor of Lender (the "Assignment of Plans"). The Loan Agreement, Note, Mortgage, Guaranty, Assignment of Plans and related documents, together with all modifications, amendments, restatements, replacements and substitutions thereto are hereinafter referred to collectively as the "Loan Documents."

D. At the present time, Borrower and Lender are agreeable to modifying the Loan Documents to, among other things: (i) extend the Conversion Date to March 23, 2018, (ii) reduce amortization of the Loan after the Conversion Date to thirty (30) months, (iii) make corrective changes to the Loan Documents, and (iv) modify the Loan Documents to reflect all amendments, modifications, extensions, renewals, restatements, substitutions or replacements thereof through the date hereof pursuant to the terms and conditions hereinafter set forth.

NOW THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Borrower and Lender hereby agree as follows:

1. AGREEMENTS.

1.1 RECITALS. The foregoing Recitals are hereby made a part of this Modification.

1.2 DEFINITIONS. Capitalized words and phrases used herein without definition shall have the respective meanings ascribed to such words and phrases in the Mortgage.

2. MODIFICATION OF THE LOAN DOCUMENTS.

2.1 Clarification of Cure Periods. For purposes of clarification, all cure periods in the Loan Documents, as applicable, shall run concurrently, not consecutively.

2.2 Update to Lender's Counsel's Address for Notices. Lender's counsel is no longer Chuhak & Tecson, P.C. Lender's counsel's address for notices in the Loan Documents, as applicable, is hereby amended and replaced with the following:

Scott & Kraus, LLC
150 South Wacker Drive, Suite 2900
Chicago, IL 60606
Attention: Eugene S. Kraus, Esq.

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3. MODIFICATION OF THE LOAN AGREEMENT.

3.1 Amendment to Definitions. The following definitions contained in Section 1 of the Loan Agreement are hereby amended and restated in their entirety to read as follows:

“Completion Date”: December 31, 2017.

“Conversion Date”: The earlier of (i) the date that the Conversion Certificate is executed and delivered and (ii) March 23, 2018.

“Engineer”: Carradus Land Survey, Inc., an Illinois corporation.

“Engineer’s Contract”: The contract between the Engineer and Borrower for engineering services on the Project.

“Loan Documents”: This Agreement, the documents specified in Section 4 hereof and any other instruments evidencing, securing or guarantying obligations of any party under the Loan, together with all modifications, supplements, amendments, restatements or extensions thereto or thereof.

3.2 Addition Regarding Capital Contribution. Section 3.4.1 is hereby added to the Loan Agreement as follows:

3.4.1 Capital Contribution. Borrower has contributed capital to the Project in the form of cash or unencumbered readily marketable assets (or has paid development expenses out-of-pocket) of at least fifteen percent (15%) of the Project’s appraised “as completed” value (“**Capital Contribution**”) and the Capital Contribution was made prior to any advance. Borrower agrees that the Capital Contribution by the Borrower, or all capital internally generated by the Project, must remain in the Project until the Loan is converted to permanent financing or is sold or paid in full.

3.3 Amendment to Requirements for Conversion to Permanent Loan. Section 3.6 of the Loan Agreement is hereby amended and restated in its entirety as follows:

3.6 Requirements for Conversion to Permanent Loan.

(a) If on or prior to the Completion Date each of the conditions set forth in this Section 3.6 and Section 6.13 hereof have been complied with, then Lender shall issue the Conversion Certificate. The Conversion Certificate shall, among other things, confirm the

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Interest Rate, the monthly payments of principal and/or interest and the Maturity Date.

(b) On or prior to the Completion Date, Borrower shall have entered into at least ten (10) Leases, each at a minimum rent of \$2,800 per month.

(c) The Debt Service Coverage Ratio (as defined in the Mortgage) shall be at least 1.00 to 1.00 before Lender will issue the Conversion Certificate. In the event that all other conditions to conversion are met except for the Debt Service Coverage Ratio required in the preceding sentence, Borrower shall remit to Lender a principal reduction payment so as to achieve the 1.00 to 1.00 ratio required herein.

3.4 Amendment to Application of Reserves in Case of Event of Default. Section 7.4 of the Loan Agreement is hereby amended and restated in its entirety as follows:

7.4 Application of Reserves in Case of Event of Default. In case of Event of Default, Lender may disburse, use and apply Reserves or any monies deposited by Borrower with Lender, regardless of the purpose for which deposited, to cure such Event of Default or to apply as a prepayment of the Loan.

3.5 Amendment to Reporting Requirements. Section 8.7 of the Loan Agreement is hereby amended and restated in its entirety as follows:

8.7 Furnishing Information. Borrower will:

(a) cooperate with Lender in arranging for inspections by representatives of Lender or Lender's Consultant of the progress of construction from time to time;

(b) promptly supply Lender with such information concerning its assets, liabilities and affairs as Lender may reasonably request from time to time hereafter, which shall include:

(i) within thirty (30) days of the date required to be filed with the Internal Revenue Service, a signed copy of the complete income tax returns filed with the Internal Revenue Service by Borrower;

(ii) within one hundred twenty (120) days of the end of each calendar year, for the calendar year then ended, prepared financial statements of Borrower showing the results of operations of the

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Premises and consisting of a balance sheet and statement of income and expenses prepared in accordance with GAAP or other generally accepted accounting standards and certified by an appropriate officer of Borrower; and

(iii) within one hundred twenty (120) days of the end of each calendar year, a rent roll for the Project in form and substance acceptable to Lender and certified as true and correct by an appropriate officer of Borrower.

(c) promptly supply Lender with such information concerning the assets, liabilities and affairs of each Guarantor, as Lender may reasonably request from time to time hereafter, which shall include:

(i) within thirty (30) days of the date required to be filed with the Internal Revenue Service, a signed copy of the complete income tax returns filed with the Internal Revenue Service by each Guarantor; and

(ii) as soon as available, but in no event later than May 15 of each year, a copy of the updated personal financial statement of each Guarantor in form and substance acceptable to Lender and certified as true and correct by such Guarantor.

(d) at the request of Lender, Borrower will furnish on a quarterly basis updated twelve (12) month cash flow projections concerning such matters as Lender may require, prepared and certified by Borrower's chief financial officer;

(e) promptly notify Lender of any condition or event which constitutes (or which, with the giving of notice or lapse of time, or both, would constitute) an Event of Default, and of any material adverse change in the financial condition of Borrower or any Guarantor;

(f) maintain a standard and modern system of accounting in accordance with generally accepted accounting principles consistently applied;

(g) permit Lender, Lender's Consultant or any of their agents or representative to have access to and to examine all books and records regarding the Premises at any time or times hereafter during business hours; and

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(h) permit Lender or Lender's Consultant to copy and make abstracts from any and all of said books and records.

3.6 Amendment to Exhibits. Exhibits E-1, E-2 and F of the Loan Agreement are hereby replaced in their entirety by Exhibits E-1, E-2 and F attached hereto.

4. MODIFICATION OF THE NOTE.

4.1 Clarification of Maturity Date. The "Maturity Date" as defined in the Note shall mean September 23, 2020. The footnote relating to Maturity Date is hereby deleted.

4.2 Amendment to Interest After Conversion. Section 2.2 of the Note is hereby amended and restated in its entirety as follows:

2.2 Interest After Conversion. Provided that no Event of Default (as hereinafter defined) or any condition, event or circumstance which, with the giving of notice, the passage of time or both, would constitute an Event of Default, has occurred and is continuing, and provided that the Borrower shall have satisfied the conditions described in the Loan Agreement for converting the Loan to a permanent loan facility on the Conversion Date as defined in the Loan Agreement, from and after the Conversion Date through the Maturity Date, interest on the outstanding principal balance of this Note shall accrue at a per annum rate of interest (the "Fixed Rate") equal to the sum of (i) three and no one-hundredths percent (3.00%) plus (ii) the yield (converted as necessary to an annual interest rate) on the United States Treasury Security (as defined in the Note) having a three year maturity date, as displayed in the *Bloomberg Financial Markets* system at approximately 8:00 a.m. Chicago, Illinois time on the Determination Date (as defined in the Note); provided, however, if the *Bloomberg Financial Markets* system is no longer available, the Lender, in its sole discretion, shall designate another daily financial or governmental news service or publication of national circulation to be used to determine such yield. As used herein, the "United States Treasury Security" shall mean any actively traded three year United States Treasury bond, bill or note.

4.3 Amendment to Principal and Interest Payment Terms. Section 4.1 of the Note is hereby amended and restated in its entirety as follows:

4.1 Principal and Interest. Payments of principal and interest due under the Note, if not sooner declared to be due in accordance with the provisions hereof, shall be made as follows:

(a) On the date the proceeds of the Loan are disbursed

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by the Lender (the "Closing Date"), interest on the principal balance of this Note accruing during the period commencing on the Closing Date and ending on the last day of the month in which the Conversion Date occurs shall be due and payable, and which amounts shall be (i) disbursed directly by the Lender from the Loan proceeds up to the amount of the undisbursed Loan Reserve and which, when advanced, shall constitute outstanding principal under this Note, and (ii) thereafter paid directly by the Borrower from sources other than the proceeds of this Loan.

(b) Commencing on the first day of the first month after the Conversion Date and continuing on the first day of each month thereafter through and including the month in which the Maturity Date occurs, payments of principal and accrued and unpaid interest thereon shall be due and payable in an amount required to fully amortize the outstanding principal balance of the Loan in consecutive monthly installments over thirty (30) months based on a twenty-five (25) year amortization schedule with a final installment of all unpaid principal, interest and other charges due on the Maturity date. The Lender shall deliver an amortization schedule to the Borrower on the Conversion Date indicating the monthly payments due hereunder.

(c) The unpaid principal balance of this Note, if not sooner paid or declared to be due in accordance with the terms hereof, together with all accrued and unpaid interest thereon and any other amounts due and payable hereunder or under any of the Loan Documents shall be due and payable in full on the Maturity Date.

4.4 Amendment to Loan Fees. Section 4.6 of the Note is hereby amended and restated in its entirety as follows:

4.6 Loan Fees. In consideration of the Lender's agreement to make the Loan, the Borrower shall pay to the Lender a non-refundable fee equal to one half of one percent (0.5%) of each draw, which amount shall be deducted from each construction draw.

4.5 Amendment to Security. Article 5 of the Note is hereby amended and restated in its entirety as follows:

5. SECURITY. This Note is secured by that certain: (a) Construction Mortgage, Security Agreement, Assignment of Leases and Rents and Fixture Filing dated as of even date herewith, executed by the Borrower to and for the benefit of the Lender, as modified by that certain First Modification of Loan Documents

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dated March 17, 2017, by and between Borrower and Lender (the "Mortgage"), creating a first mortgage lien on certain real property (the "Premises" legally described in Exhibit A attached to the Mortgage; (b) Assignment of Rents and Leases dated as of March 17, 2017, executed by the Borrower to and for the benefit of the Lender (the "Assignment of Rents"); (c) Security Agreement dated as of March 17, 2017, by and between Borrower and Lender (the "Security Agreement"); (d) Guaranty of Payment dated as of even date herewith, jointly and severally executed by Alex Zdanov and Igor Blumin (each, a "Guarantor") to and for the benefit of the Lender, as modified by that certain First Modification of Loan Documents dated March 17, 2017, by and between Borrower and Lender (the "Guaranty"); (e) Environmental Indemnity Agreement dated as of even date herewith, jointly and severally executed by the Borrower and each Guarantor to and for the benefit of the Lender, as modified by that certain First Modification of Loan Documents dated March 17, 2017, by and between Borrower and Lender (the "Indemnity Agreement"); and (f) Assignment of Plans, Specifications, Construction and Service Contracts, Licenses and Permits dated as of even date herewith, executed by the Borrower to and for the benefit of the Lender, as modified by that certain First Modification of Loan Documents dated March 17, 2017, by and between Borrower and Lender (the "Assignment of Plans"; the Loan Agreement, the Mortgage, the Assignment of Rents, the Security Agreement, the Guaranty, the Indemnity Agreement, the Assignment of Plans and any and all other documents now or hereafter given to evidence or secure payment of this Note or delivered to induce the Lender to disburse the proceeds of the Loan, as such documents may hereafter be amended, restated or replaced from time to time, are hereinafter collectively referred to as the "Loan Documents"). Reference is hereby made to the Loan Documents (which are incorporated herein by reference as fully and with the same effect as if set forth herein at length) for a statement of the covenants and agreements contained therein, a statement of the rights, remedies, and security afforded thereby, and all matters therein contained.

5. MODIFICATION OF THE MORTGAGE.

5.1 Correction to Letter of Credit Facility Amount. The letter of credit facility amount in Paragraph A of the Recitals of the Mortgage is hereby amended to read THREE HUNDRED SIXTY-TWO AND 00/100 DOLLARS (\$362,000.00).

5.2 Correction to Tax Deposits Amount. The first sentence of Section 4 of the Mortgage is hereby amended and restated in its entirety as follows:

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Commencing at the time thirty days after the Loan converts to an amortizing loan, the Mortgagor shall deposit with the Lender, on the first day of each month until the Indebtedness is fully paid, a sum equal to one-twelfth (1/12th) of one hundred ten percent (110.00%).

5.3 Clarification of Restrictions on Transfer. For purposes of clarification, all references to "the Guarantor" in Section 14(v) of the Mortgage are hereby deleted.

5.4 Clarification of Single Asset Entity Provision. Section 15(h) of the Mortgage is hereby amended and restated in its entirety as follows:

(h) The Mortgagor has and will maintain its assets in such a manner that it will not be costly or difficult to segregate, ascertain or identify its individual assets from those of any constituent party of the Mortgage, any Affiliate, any Guarantor or any other person;

5.5 Deletion of Reporting Requirements. Section 30 of the Mortgage is hereby intentionally deleted in its entirety. Borrower and Guarantors shall be required to furnish information as set forth in Section 8.7 of the Loan Agreement.

5.6 Modification of Debt Service Coverage Ratio Covenant. Sections 37(a) and 37(e) of the Mortgage are hereby amended and restated in their entirety as follows:

(a) During the calendar year ending December 31, 2019, and on December 31 of every calendar year thereafter, the Mortgage shall not permit the ratio of Operating Cash Flow (as defined below) during such year to Debt Service (as defined below) during such year to be less than 1.15 to 1.00 (the "Debt Service Coverage Ratio").

(e) If at any time during any year the Lender reasonably believes that an event has occurred which will cause a decrease in the Operating Cash Flow during such year (including, without limitation, an increase in the real estate taxes due to an increase in the assessed valuation of the Premises, the applicable tax rate or otherwise) and, as a result thereof, the ratio of Operating Cash Flow to Debt Service during such year (or any year thereafter) shall be less than 1.15 to 1.00, then an Event of Default shall be deemed to exist upon the Mortgagor's receipt of written notice of such Event of Default from the Lender and shall continue until the day that the Mortgagor has delivered to the Lender evidence reasonably satisfactory to the Lender that the ratio of Operating Cash Flow to Debt Service as of such day is or shall be at least 1.15 to 1.00.

5.7 Addition to Debt Service Coverage Ratio Covenant. Section 37(f) of the Mortgage is hereby added as follows:

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(f) Notwithstanding anything in this section to the contrary, the Debt Service Coverage Ratio shall be greater than or equal to 1.00 to 1.00 before Lender will issue the Conversion Certificate as described in Section 3.6 of the Loan Agreement. In the event that all other conditions to conversion are met except for the Debt Service Coverage Ratio required in the preceding sentence, Borrower shall remit to Lender a principal reduction payment so as to achieve the 1.00 to 1.00 ratio required herein.

6. MODIFICATION OF THE GUARANTY. Section 9 of the Guaranty is hereby amended and restated in its entirety as follows:

9. Each of the Guarantors shall promptly supply Lender with such information concerning the assets, liabilities and affairs of such Guarantor, as Lender may reasonably request from time to time hereafter, which shall include:

(i) within thirty (30) days of the date required to be filed with the Internal Revenue Service, a signed copy of the complete income tax returns filed with the Internal Revenue Service by each Guarantor; and

(ii) as soon as available, but in no event later than May 15 of each year, a copy of the updated personal financial statement of each Guarantor in form and substance acceptable to Lender and certified as true and correct by such Guarantor.

7. MODIFICATION OF THE ASSIGNMENT OF PLANS.

7.1 Amendment to Security Interest. Section 1(b) of the Assignment of Plans is hereby amended and restated in its entirety as follows:

(b) all architectural contracts, engineering contracts, construction contracts, service contracts, maintenance contracts, management agreements, warranties, guaranties and the right to use all names now or hereafter used by the Debtor in connection with the Property;

7.2 Amendment to Debtor's Liabilities. Section 2 of the Assignment of Plans is hereby amended and restated in its entirety as follows:

2. Debtor's Liabilities. This Assignment is made and given as collateral security for the prompt payment when due of any and all indebtedness, obligations and liabilities of the Debtor to the Secured Party, and evidenced by or secured by or otherwise provided in the Loan Agreement, the Note, the Mortgage and/or

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any of the other Loan Documents, all of which have been made by the Debtor with or for the benefit of the Secured Party, whether such indebtedness, obligations or liabilities are now existing or hereafter created, direct or indirect, absolute or contingent, joint or several, due or to become due, howsoever created, evidenced or arising and howsoever acquired by the Secured Party, and any and all renewals, extensions or refinancings thereof (all of the foregoing are hereinafter collectively referred to as the "Liabilities"). Upon full payment, performance and observance by the Debtor of all Liabilities and the termination of any and all agreements of Secured Party to lend or provide credit under the Loan Agreement and the other Loan Documents, this Assignment and the lien or charge created hereby or resulting herefrom shall automatically cease to exist.

8. REPRESENTATIONS AND WARRANTIES.

8.1 Organization. Borrower is a limited liability company duly organized, existing and in good standing under the laws of the State of Illinois, with full and adequate limited liability company power to carry on and conduct its business as presently conducted. Borrower is duly licensed or qualified in all foreign jurisdictions wherein the nature of its activities require such qualification or licensing. The Articles of Organization, Operating Agreement, Borrowing Resolutions and Incumbency Certificate of Borrower have not been changed or amended since the most recent date that certified copies thereof were delivered to Lender, except as otherwise provided to Lender. The exact legal name of Borrower is as set forth in the preamble of this Modification, and Borrower currently does not conduct, nor has it during the last five (5) years conducted, business under any other name or trade name. Borrower's state issued organizational identification number is 05006597. Borrower will not change its name, its organizational identification number, its type of organization, its jurisdiction of organization or other legal structure.

8.2 Authorization. Borrower is duly authorized to execute and deliver this Modification and is and will continue to be duly authorized to borrow monies under the Loan Documents, as amended hereby, and to perform its obligations under the Loan Documents, as amended hereby.

8.3 No Conflicts. The execution and delivery of this Modification and the performance by Borrower of its obligations under the Loan Documents, as amended hereby, do not and will not conflict with any provision of law or of the Articles of Organization or Operating Agreement of Borrower or of any agreement binding upon Borrower.

8.4 Validity and Binding Effect. The Loan Documents, as amended hereby, are a legal, valid and binding obligation of Borrower, enforceable against Borrower in accordance with their terms, except as enforceability may be limited by bankruptcy, insolvency or other similar laws of general application affecting the enforcement of

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creditors' rights or by general principles of equity limiting the availability of equitable remedies.

8.5 Compliance with Loan Agreement. The representations and warranties in the Loan Documents, as amended hereby, are true and correct with the same effect as if such representations and warranties had been made on the date hereof, with the exception that all references to the financial statements shall mean the financial statements most recently delivered to Lender and except for such changes as are specifically permitted under the Loan Documents. In addition, Borrower has complied with and is in compliance with all of the covenants set forth in the Loan Documents, as amended hereby.

8.6 No Event of Default. As of the date hereof, no default or Event of Default under the Loan Documents, as amended hereby, or event or condition which, with the giving of notice or the passage of time, or both, would constitute a default or Event of Default, has occurred or is continuing.

8.7 No Subordinated Debt Default. As of the date hereof, no default under any of the documents evidencing or securing any subordinated debt, or event or condition which, with the giving of notice or the passage of time, or both, would constitute a default under any of the documents evidencing or securing any subordinated debt, has occurred or is continuing.

8.8 Release and Waiver. Borrower does not possess (or have knowledge of) any claims, defenses, offsets or counterclaims against Lender (or its officers, directors, members, shareholders, employees, attorneys and agents) relating to this Modification or the Loan Documents. In the event there exists any facts that would give rise to any claim, defense, offset or counterclaim against or with respect to the enforcement of this Modification or the Loan Documents, Borrower hereby unconditionally, irrevocably, and unequivocally waives and fully releases Lender (and its officers, directors, shareholders, employees, attorneys and agents) of any such claim, defense, offset or counterclaim to the same extent as if such claims were the subject of a lawsuit adjudicated to conclusion and dismissed therein with prejudice.

9. **OMNIBUS MODIFICATION.** Each of the Loan Documents shall be deemed amended to give effect to the provisions of this Modification without need for referencing each of the Loan Documents by name. Additionally, as used in the other Loan Documents, the term "Documents", "Related Documents" and/or "Loan Documents" shall now be deemed to include this Modification and any other documents, instruments or agreements executed in connection herewith.

10. **CONDITIONS PRECEDENT.** This Modification shall become effective as of the date above first written after receipt by Lender of the following:

10.1 Modification. This Modification executed by Borrower and Lender.

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10.2 Joinder by Guarantors. The Joinder by Guarantors executed by the Guarantors.

10.3 Assignment of Rents and Leases. An Assignment of Rents and Leases by Borrower in favor of Lender.

10.4 Security Agreement. A Security Agreement executed by Borrower and Lender.

10.5 UCC-1 Financing Statement. A UCC-1 Financing Statement filed in the State of Illinois against Borrower in favor of Lender.

10.6 Date Down Endorsement. A date down endorsement from Chicago Title Insurance Company under Loan Policy Number 1401-008979602-D2.

10.7 Resolutions. A certified copy of resolutions of Borrower authorizing the execution, delivery and performance of this Modification and the related loan documents, along with evidence satisfactory to the Lender that Borrower is in good standing in the State of Illinois.

10.8 Other Documents. Such other documents, certificates, resolutions and/or opinions of counsel, and pay such fees, as the Lender may request or have listed on the Closing Checklist of even date herewith.

11. GENERAL.

11.1 Governing Law; Severability. This Modification shall be construed in accordance with and governed by the laws of Illinois. Wherever possible each provision of the Loan Documents and this Modification shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of the Loan Documents and this Modification shall be prohibited by or invalid under such law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of the Loan Documents and this Modification.

11.2 Successors and Assigns. This Modification shall be binding upon Borrower and Lender and their respective successors, personal representatives and assigns, and shall inure to the benefit of Borrower and Lender and the successors, personal representatives and assigns of Lender.

11.3 Continuing Force and Effect of Loan Documents. Except as specifically modified or amended by the terms of this Modification, all other terms and provisions of the Loan Documents are incorporated by reference herein, and in all respects, shall continue in full force and effect. Borrower, by execution of this Modification, hereby reaffirms, assumes and binds itself to all of the obligations, duties, rights, covenants, terms and conditions that are contained in the Loan Documents.

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11.4 References to Loan Agreement. Each reference in any of the Loan Documents to "this Agreement", "hereunder", "hereof", or words of like import, and each reference to such Loan Document in any and all instruments or documents delivered in connection therewith, shall be deemed to refer to said Loan Document, as amended hereby.

11.5 Expenses. Borrower shall pay all costs and expenses in connection with the preparation of this Modification and other related loan documents, including, without limitation, reasonable attorneys' fees, costs and time charges of attorneys who may be employees of Lender or any affiliate or parent of Lender. Borrower shall pay any and all stamp and other taxes, UCC search fees, filing fees and other costs and expenses in connection with the execution and delivery of this Modification and the other instruments and documents to be delivered hereunder, and agrees to save Lender harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such costs and expenses.

11.6 Counterparts. This Modification may be executed in any number of counterparts, all of which shall constitute one and the same agreement.

11.7 Jury Waiver. BORROWER AND LENDER IRREVOCABLY WAIVE ANY RIGHT TO TRIAL BY JURY IN ANY ACTION OR PROCEEDING: (a) TO ENFORCE OR DEFEND ANY RIGHTS UNDER OR IN CONNECTION WITH THIS MODIFICATION OR ANY AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT DELIVERED OR WHICH MAY IN THE FUTURE BE DELIVERED IN CONNECTION HEREWITH; OR (b) ARISING FROM ANY DISPUTE OR CONTROVERSY IN CONNECTION WITH OR RELATED TO THIS MODIFICATION OR ANY SUCH AMENDMENT, INSTRUMENT, DOCUMENT OR AGREEMENT, AND AGREE THAT ANY SUCH ACTION OR PROCEEDING SHALL BE TRIED BEFORE A COURT AND NOT BEFORE A JURY.

12. CONTINUING VALIDITY. Except as expressly modified above, the terms of the original Mortgage shall remain unchanged and in full force and effect and are legally valid, binding, and enforceable in accordance with their respective terms. Consent by Lender to this Modification does not waive Lender's right to require strict performance of the Mortgage as changed above nor obligate Lender to make any future modifications. Nothing in this Modification shall constitute a satisfaction of the Note or other agreement secured by the Mortgage. It is the intention of Lender to retain as liable all parties to the Mortgage and all parties, makers and endorsers to the Note, including accommodation parties, unless a party is expressly released by Lender in writing. Any maker or endorser, including accommodation makers, shall not be released by virtue of this Modification. If any person who signed the original Mortgage does not sign this Modification, then all persons signing below acknowledge that this Modification is given conditionally, based on the representation to Lender that the non-signing person consents to the changes and provisions of this Modification or otherwise will not be released by it. This waiver applies not only to any initial extension or modification, but also to all such subsequent actions.

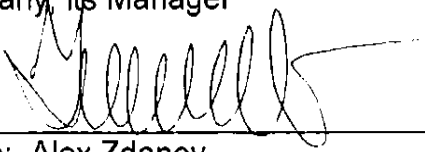
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IN WITNESS WHEREOF, the parties have executed this Modification as of the date first above written.

BORROWER:

7820 MADISON LLC, an Illinois limited liability company

By: Development Management Holdings, LLC, an Illinois limited liability company, its Manager

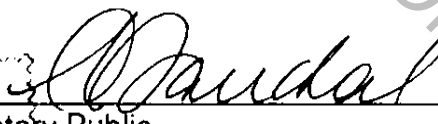
By: 
Name: Alex Zdanov
Its: Manager

Property of Cook County Clerk's Office

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DOES HEREBY CERTIFY that Alex Zdanov, 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.

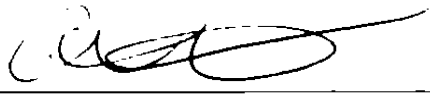
GIVEN under my hand and notarial seal March 17, 2017.


OFFICIAL SEAL
A SANDAL Notary Public
NOTARY PUBLIC - STATE OF ILLINOIS
MY COMMISSION EXPIRES: 10/20/18
My Commission Expires: 10/20/18

UNOFFICIAL COPY

LENDER:


INLAND BANK AND TRUST, an Illinois state chartered banking institution

By: 
Name: Chris Metcalf
Its: Vice President

STATE OF ILLINOIS)
COUNTY OF COOK) SS.

The undersigned, a Notary Public in and for the said County, in the State aforesaid, DOES HEREBY CERTIFY that Chris Metcalf, 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 March 17, 2017.


Notary Public



My Commission Expires: 10/20/18

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EXHIBIT A

LEGAL DESCRIPTION

PARCEL 1:

LOT 17 (EXCEPT THE NORTH 36 FEET THEREOF) AND LOT 20 IN SAMUEL WATTS SR. SUBDIVISION OF THE EAST ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THE EAST 50 FEET THEREOF AND EXCEPT THE RIGHT OF WAY OF THE CHICAGO AND WISCONSIN RAILWAY) IN COOK COUNTY, ILLINOIS.

PARCEL 2:

THAT PART OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN LYING EASTERLY OF THE EASTERLY LINE OF LOTS 17 AND 20 AND LYING WESTERLY OF A LINE 25 FEET EASTERLY OF THE EASTERLY LINES OF SAID LOTS 17 AND 20, AS MEASURED PERPENDICULAR AND RADIAL THERETO, SAID LOTS 17 AND 20 BEING IN SAMUEL WATTS, SR. SUBDIVISION OF THE EAST ½ OF THE SOUTHWEST ¼ OF THE SOUTHWEST ¼ OF SECTION 12, TOWNSHIP 39 NORTH, RANGE 12, EAST OF THE THIRD PRINCIPAL MERIDIAN, ACCORDING TO THE PLAT THEREOF RECORDED APRIL 2, 1910 AS DOCUMENT 4533770, AND LYING SOUTH OF THE NORTH LINE OF SAID LOT 17, EXTENDED EAST AND LYING NORTH OF THE SOUTH LINE OF SAID LOT 20, EXTENDED EAST, IN COOK COUNTY, ILLINOIS.

PROPERTY ADDRESS OF REAL ESTATE:

7820 West Madison Street
River Forest, Illinois 60305

PERMANENT TAX IDENTIFICATION NUMBERS:

15-12-313-007-0000
15-12-313-026-0000
15-12-313-046-0000

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EXHIBIT E-1

PLANS AND SPECIFICATIONS

[In files with Lender; omitted for recording purposes]

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EXHIBIT E-2

LIST OF LICENSES AND PERMITS

[In files with Lender; omitted for recording purposes]

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EXHIBIT F

CONVERSION CERTIFICATE

_____, 20____

7820 Madison LLC
550 West Frontage Road, #3700
Northfield, IL 60093
Attention: Alex Zdanov
Igor Blumin

Re: \$7,700,000.00 Loan (the "Loan") from Inland Bank and Trust (the "Lender") to 7820 Madison LLC (the "Borrower"), which has its primary office located at 550 West Frontage Road, #3700, Northfield, IL 60093

Gentlemen:

The Lender is in receipt of your request to convert the above-referenced Loan from a construction loan to a permanent loan facility. The Lender hereby acknowledges that Borrower has satisfied all conditions to Final Disbursement (as defined in that certain Construction Loan Agreement, dated September 23, 2015, between Borrower and the Lender, as modified by that certain First Modification of Loan Documents, dated March __, 2017, between Borrower and the Lender, together with all modifications, supplements, amendments, restatements or extensions thereto or thereof (the "Loan Agreement"), on or before the date required in the Loan Agreement and the Project has achieved the Debt Service Coverage Ratio required by the Mortgage, and therefore, the Lender hereby approves your request to convert the loan to a permanent loan facility, subject to the following terms:

1. The Conversion Date is [TO BE COMPLETED – NOT LATER THAN MARCH 23, 2018].
2. The interest rate charged under the Note (as defined below) as of the Conversion Date is equal to the sum of (i) three and no one-hundredths percent (3.00%) plus (ii) the yield (converted as necessary to an annual interest rate) on the United States Treasury Security (as defined in the Note) having a three year maturity date, as displayed in the *Bloomberg Financial Markets* system at approximately 8:00 a.m. Chicago, Illinois time on the Determination Date (as defined in the Note); provided, however, if the *Bloomberg Financial Markets* system is no longer available, the Lender, in its sole discretion, shall designate another daily financial or governmental news service or publication of national circulation to be used to determine such yield.

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3. The Maturity Date of the Loan is September 23, 2020.
4. From and after the Conversion Date, the Borrower shall commence principal and interest payments as provided in that Promissory Note, dated September 23, 2015, made by Borrower payable to the Lender, as modified by that certain First Modification of Loan Documents, dated March __, 2017, between Borrower and the Lender, together with all modifications, supplements, amendments, restatements or extensions thereto or thereof (the "Note"). Enclosed herewith as Schedule A is an amortization schedule for principal and interest payments due on the Loan, from and after the Conversion Date.

Should you have any questions regarding any of the foregoing terms, please contact the undersigned.

INLAND BANK AND TRUST, an Illinois state chartered banking institution

By: _____

Name:

Its:

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SCHEDULE A

PRINCIPAL AND INTEREST PAYMENTS

[To be determined.]

Property of Cook County Clerk's Office