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This Document Prepared By
And When Recorded Return To:

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Chicago, Illinois 60602
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Cook County Recorder	41.50
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MODIFICATION AGREEMENT

THIS MODIFICATION AGREEMENT made as of this 15th day of December, 1998, by and between N.L.A. DEVELOPMENT, INC., an Illinois corporation ("**Borrower**"), RICHARD FERRO, individually ("**Guarantor**"), and COLE TAYLOR BANK, an Illinois banking association ("**Lender**").

WITNESSETH:

WHEREAS, on or about December 1, 1997, Lender made a loan ("**Loan**") to Borrower in the amount of EIGHT MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$8,400,000.00) to finance the construction and improvement of approximately 0.55 acres of real estate, including a 69 unit residential condominium building and all related improvements, ("**Project**") upon the real estate legally described in Exhibit "A" attached hereto ("**Land**"); and

WHEREAS, the Loan is evidenced and secured by the following instruments ("**Loan Instruments**");

1. Construction Loan Agreement dated December 1, 1997 between Borrower and Lender ("**Loan Agreement**");

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2. Construction Note dated December 1, 1997 made by Borrower payable to Lender in the amount of EIGHT MILLION FOUR HUNDRED THOUSAND AND NO/100 DOLLARS (\$8,400,000.00) ("Note");
3. Construction Mortgage from Borrower to Lender covering the Land, and recorded in the Cook County Recorder's Office, Cook County, Illinois on December 19, 1997, as Document No. 97957126 ("Mortgage");
4. Assignment of Rents and Leases from Borrower to Lender, recorded in the Cook County Recorder's Office, Cook County, Illinois on December 19, 1997, as Document No. 97957127 ("Assignment of Rents");
5. Guaranty by the Guarantor ("Guaranty").

WHEREAS, Lender has agreed to increase the amount of the Loan by FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00); and

WHEREAS, Lender and Borrower have agreed to modify the provisions of the Loan Instruments pursuant to the terms and provisions as hereinafter provided.

NOW, THEREFORE, in consideration of the mutual covenants and agreements of the parties hereto, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby agreed as follows:

1. **Modification Fee.** Borrower shall pay to Lender a non-refundable modification fee in the amount of THREE THOUSAND SEVEN HUNDRED FIFTY AND NO/100 DOLLARS (\$3,750.00).

2. **Modification of Loan Instruments.** Subject to the terms and provisions herein contained, and subject to the payment of the Modification Fee as herein before provided in Section 1, the terms and provisions of the Loan Agreement, and the corresponding provisions of

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the other Loan Instruments, are hereby modified and amended, effective as of the date hereof, as follows:

(a) The definitions set forth in Section 1.1 of the Loan Agreement are hereby modified as follows:

“Loan Amount: An amount not to exceed EIGHT MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$8,900,000.00), provided that at no time shall the aggregate balance of Lender’s Advances exceed the sum of FIVE MILLION TWO HUNDRED SIXTY THOUSAND AND NO/100 DOLLARS (\$5,260,000.00) and at no time shall the aggregate balance of Participated Debt exceed the sum of SIX MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$6,800,000.00).”

(b) Section 3.1 of the Loan Agreement is hereby amended so as to provide that Lender agrees to Lend and Borrower agrees to borrow an amount not to exceed EIGHT MILLION NINE HUNDRED THOUSAND AND NO/100 DOLLARS (\$8,900,000.00) which shall be disbursed as follows:

“(a) **Land Acquisition Refinance.** An amount not to exceed SEVEN HUNDRED THOUSAND AND NO/100 DOLLARS (\$700,000.00) shall be disbursed at the Loan Opening to refinance the cost of acquisition of the Land;

(b) **Construction Hard Costs.** An amount not to exceed SEVEN MILLION FOUR HUNDRED TWENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$7,425,000.00) in the aggregate shall be disbursed by Lender in periodic increments after the Loan Opening to pay actual construction hard costs for the project.

(c) **Soft Costs.** An amount not to exceed TWELVE THOUSAND AND NO/100 DOLLARS (\$12,000.00) in the aggregate shall be disbursed by Lender in periodic increments after the Loan Opening to pay soft costs for the Project.

(d) **Architect Fees.** An amount not to exceed SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$75,000.00) in the aggregate may, in Lender’s discretion, be disbursed by Lender to pay the fees charged by architects retained by Lender and Borrower in connection with the Project.

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(e) **Lender's Fees.** An amount not to exceed SIXTY-EIGHT THOUSAND AND NO/100 DOLLARS (\$68,000.00) may, in Lender's discretion, be disbursed by Lender to pay the Loan Fee.

(f) **Interest Reserve.** An amount not to exceed FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) may, in the discretion of Lender, be disbursed to pay accrued interest on the Loan. Any such disbursements shall be capitalized and added to the principal balance of the Loan.

(d) **Contingency Reserve.** An amount not to exceed ONE HUNDRED TWENTY THOUSAND AND NO/100 DOLLARS (\$120,000.00) may, in the discretion of Lender, be disbursed, from time to time, to pay miscellaneous costs and expenses incurred in connection with the Project, and not otherwise provided for in this Agreement.

Notwithstanding the foregoing, the principal amount of the Loan shall not exceed FIVE MILLION TWO HUNDRED SIXTY THOUSAND AND NO/100 DOLLARS (\$5,260,000.00) until Lender shall receive a written commitment from an acceptable bank or financial institution to participate in the Loan, and the aggregate balance of Participated Debt shall at no time exceed SIX MILLION EIGHT HUNDRED THOUSAND AND NO/100 DOLLARS (\$6,800,000.00)."

(c) Exhibit "C" of the Loan Agreement is hereby amended pursuant to the Amended Exhibit "C" attached hereto and made a part hereof.

3. **Borrower's Attorney's Opinion.** Borrower shall furnish to Lender an opinion of Borrower's counsel acceptable to Lender, stating that this Second Modification Agreement has been duly executed and delivered by the Borrower and the Guarantor and is a legal, valid and binding obligation of the respective parties thereto, enforceable in accordance with the respective terms and provisions thereof.

4. **Reaffirmation of Loan Instruments.** Except as expressly herein provided, Borrower, Lender and Guarantors hereby reaffirm and incorporate herein by reference each and every term, provision, representation and warranty contained in the Loan Instruments, and

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Borrower agrees that said terms, provisions, representations and warranties shall remain in full force and effect.


5. Attorneys' Fees and Costs. Borrower shall pay any and all attorneys' fees and costs incurred by Lender in connection with the preparation, negotiation and perfection of this Modification Agreement, including recording and title charges.

IN WITNESS WHEREOF, the undersigned have caused this instrument to be executed and acknowledged as of the day and year first above written.

N.L.A. DEVELOPMENT, INC., an Illinois corporation

ATTEST:

By: _____
Name: _____
Its: _____

By: 
Name: Richard FERRO
Its: FRES


RICHARD FERRO, individually

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IN WITNESS WHEREOF, Lender has caused these presents to be executed the day and year first above written.

COLE TAYLOR BANK, an Illinois
banking association

By: _____


John F. Atkinson
Senior Vice President

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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 R. FERRO and _____, personally known to me to be the PRESIDENT and _____, respectively, of **N.L.A. DEVELOPMENT, INC.**, an Illinois corporation, and the same persons whose names are subscribed to the foregoing instrument as such R. FERRO and _____, appeared before me this day and acknowledged that they signed and delivered the said instrument as their own free and voluntary act and the free and voluntary act of said Corporation for the uses and purposes therein set forth; and the said _____ then and there acknowledged that the _____, as custodian of the corporate seal of said Corporation, did affix the seal of said Corporation to said instrument as the free and voluntary act of said _____ 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 5th day of JANUARY, 1998.

Richard J. Ash
NOTARY PUBLIC

~~~~~  
"OFFICIAL SEAL"  
~~~~~  
Richard J. Ash
Notary Public, State of Illinois
My Commission Expires 04/26/99
~~~~~

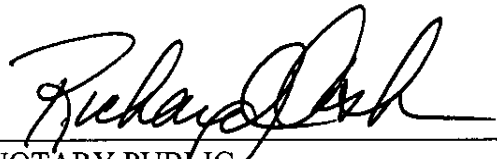
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STATE OF ILLINOIS     )  
                                          ) SS  
COUNTY OF Cook     )

I, the undersigned, a Notary Public in and for said County, in the state aforesaid, DO HEREBY CERTIFY that **RICHARD FERRO**, who is personally known to me to be the same person whose name is subscribed to the foregoing 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 this 5<sup>th</sup> day of JANUARY, 1998.



NOTARY PUBLIC

My Commission Expires;  
OFFICIAL SEAL  
Richard J. Ash  
Notary Public, State of Illinois  
My Commission Expires 04/26/99

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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 JOHN F. ATKENSON, personally known to me to be the Senior Vice President of **COLE TAYLOR BANK**, an Illinois banking association personally appeared before me this day in person and acknowledged that he signed and delivered the said instrument as their own free and voluntary act of said bank for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 30<sup>th</sup> day of December, 1998.



Lisa A. Robish  
NOTARY PUBLIC

My Commission Expires:

10-2-2000

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## EXHIBIT A

### THE LAND

#### PARCEL 1:

THAT PART OF BLOCK 10 IN RIDGELEY'S ADDITION TO CHICAGO IN THE NORTH EAST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN BOUNDED AND DESCRIBED AS FOLLOWS:

BEGINNING AT A POINT ON THE EASTERLY LINE OF SAID BLOCK 10 OF RIDGELEY'S ADDITION TO CHICAGO, DISTANT SOUTHERLY ALONG SAID EASTERLY LINE, 169.40 FEET, MORE OR LESS, FROM THE NORTHERLY LINE THEREOF, SAID POINT BEING ON THE NORTHEASTERLY FOOTING OF THE CHICAGO AND NORTH WEST RAILWAY COMPANY'S SOUTHWESTERLY RETAINING WALL, AS SAID RETAINING WALL IS NOW LOCATED AND ESTABLISHED; THENCE WESTERLY ALONG SAID FOOTING OF SAID RETAINING WALL, 36.48 FEET, MORE OR LESS, TO AN ANGLE POINT THEREIN; THENCE NORTHWESTERLY ALONG SAID FOOTING OF SAID RETAINING WALL, 64.86 FEET, MORE OR LESS, TO AN INTERSECTION THEREOF WITH A LINE DRAWN PARALLEL WITH AND DISTANT SOUTHERLY 116.61 FEET, MORE OR LESS, FROM THE NORTHEASTERLY LINE OF SAID BLOCK 10, AS MEASURED ALONG THE WESTERLY LINE THEREOF, SAID POINT DISTANT SOUTHERLY 116.61 FEET, MORE OR LESS, FROM THE NORTHERLY LINE OF BLOCK 10 BEING THE NORTH EAST CORNER OF LOT 7 OF PHILLIPS AND FAY'S ADDITION TO CHICAGO ADJACENT TO SAID BLOCK 10; THENCE LEAVING SAID FOOTING OF SAID RETAINING WALL WESTERLY ALONG LAST SAID LINE SO DRAWN TO THE WESTERLY LINE OF SAID BLOCK 10; THENCE SOUTHERLY ALONG SAID WESTERLY LINE TO A POINT DISTANT NORTHERLY 175 FEET FROM THE SOUTHERLY LINE OF SAID BLOCK 10 AS MEASURED ALONG SAID WESTERLY LINE; THENCE EASTERLY AND PARALLEL WITH SAID SOUTHERLY LINE OF SAID BLOCK 10 TO THE EASTERLY LINE THEREOF; THENCE NORTHERLY ALONG SAID EASTERLY LINE TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

#### PARCEL 2:

THAT PART OF BLOCK 10 IN RIDGELEY'S ADDITION TO CHICAGO IN NORTH 1/2 OF THE NORTH EAST 1/4 OF SECTION 8, TOWNSHIP 39 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN DESCRIBED AS FOLLOWS: TO WIT: COMMENCING AT A POINT IN THE WEST LINE OF GREEN STREET, 100 FEET NORTH OF THE SOUTH EAST CORNER OF SAID BLOCK 10 SAID SOUTH EAST CORNER BEING THE INTERSECTION OF GREEN AND PHILLIPS STREET, THENCE NORTH ALONG THE WEST LINE OF GREEN STREET 75 FEET; THENCE WEST AND PARALLEL WITH THE NORTH LINE OF PHILLIPS STREET TO THE WEST LINE OF SAID BLOCK 10; THENCE SOUTH ALONG THE WEST LINE OF SAID BLOCK, 75 FEET THENCE EAST AND PARALLEL WITH THE NORTH LINE OF PHILLIPS STREET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

COMMON ADDRESS:

680 North Green, Chicago, Illinois

PERMANENT INDEX NO.:

17-08-222-015 and 17-08-222-019

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EXHIBIT C

PROJECT BUDGET

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