

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:

RIVER NORTH 414 LLC, *et al.*

Debtors.¹

)
) Chapter 11
)
) Case No. 16-17324
) (Jointly Administered)
)
) Honorable Janet S. Baer
)

NOTICE OF MOTION

PLEASE TAKE NOTICE that on **Thursday, April 6, 2017, at 9:30 a.m.**, or as soon thereafter as counsel may be heard, we will appear before the Honorable Janet S. Baer, or any judge sitting in her stead, in Room 615 of the Everett McKinley Dirksen Building, 219 South Dearborn Street, Chicago, Illinois 60604, and then and there present the Debtor's *Motion for Entry of an Order (I) Approving and Authorizing Debtor to Perform Under: (A) Letter Agreement; (B) Occupancy Agreement; and (C) Release of Claims with O.P., L.L.C. and (II) Shortening Notice*, a copy of which is hereby served upon you.

Dated: March 29, 2017

RIVER NORTH 414 LLC

By: /s/ Thomas R. Fawkes
One of Its Attorneys

Harley J. Goldstein, Esq.
Thomas R. Fawkes, Esq.
Sean P. Williams, Esq.
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¹ The debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer-identification number, are: (i) River North 414 LLC (0005) and (ii) Premium Themes, Inc. (6440).

CERTIFICATE OF SERVICE

I, Thomas R. Fawkes, an attorney, do hereby certify that on May 29, 2017, I caused true and correct copies of the *Motion for Entry of an Order (I) Approving and Authorizing Debtor to Perform Under: (A) Letter Agreement; (B) Occupancy Agreement; and (C) Release of Claims with O.P., L.L.C. and (II) Shortening Notice* to be served upon the parties listed below via first class U.S. mail, postage pre-paid, as indicated on the attached service list.

Dated: March 29, 2017

RIVER NORTH 414 LLC

By: /s/ Thomas R. Fawkes
One of Its Attorneys

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Chicago, IL 60602

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Commonwealth Edison
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Villa Park, IL 60181

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Chicago, IL 60604
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Illinois Dept. of Revenue
Bankruptcy Section
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Seafood Merchants
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UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:

RIVER NORTH 414 LLC, *et al.*

Debtors.¹

)
) Chapter 11
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) Case No. 16-17324
) (Jointly Administered)
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) Honorable Janet S. Baer
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**MOTION FOR ENTRY OF AN ORDER (I) APPROVING AND
AUTHORIZING DEBTOR TO PERFORM UNDER: (A) LETTER
AGREEMENT; (B) OCCUPANCY AGREEMENT; AND (C) RELEASE OF
CLAIMS WITH O.P., L.L.C.; AND (II) SHORTENING NOTICE**

River North 414 LLC, debtor and debtor in possession (the “*Debtor*”) in the above-captioned bankruptcy case, hereby moves the Court (the “*Motion*”) for entry of an order, pursuant to Rule 9019(a) of the Federal Rules of Bankruptcy Procedure (the “*Bankruptcy Rules*”), (i) approving and authorizing the Debtor to perform under (a) the *Letter Agreement for (i) Occupancy of Premises from March 29, 2017 to May 31, 2017; and (ii) Occupancy Agreement* (the “*Letter Agreement*,” attached hereto as Exhibit A) between the Debtor and O.P., L.L.C. (“*OP*,” and collectively with the Debtor, the “*Parties*”); (b) the *Occupancy Agreement* (the “*Occupancy Agreement*,” attached hereto as Exhibit B) between the Parties; (c) the *Release of Claims* (the “*Release of Claims*,” and attached hereto as Exhibit C, and collectively with the Letter Agreement and the Occupancy Agreement, the “*Agreements*”) between the Parties; and (ii) shortening notice of the Motion. In support of the Motion, the Debtor respectfully states as follows:

¹ The debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal taxpayer-identification number, are: (i) River North 414 LLC (0005) and (ii) Premium Themes, Inc. (6440).

JURISDICTION AND VENUE

1. The Court has jurisdiction over this matter pursuant to 28 U.S.C. § 1334.
2. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.
3. This matter is a core proceeding within the meaning of 28 U.S.C. §§ 157(b)(2).

BACKGROUND

3. On May 24, 2016 (the “*Petition Date*”), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor continues to manage its assets and affairs as a debtor-in-possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

4. On September 13, 2013, the Debtor and OP entered into a lease (the “*Lease*”) for certain premises located at 414 North Orleans St. (the “*Property*”), where the Debtor operates a restaurant and lounge, Reverie (“*Reverie*”). As a result of monetary defaults under the Lease, on May 1, 2015, the Debtor and OP entered into that certain License Agreement (the “*License Agreement*”).

5. The License Agreement allowed the Debtor to occupy the Property on a month-to-month basis and terminated the Debtor’s possessory and leasehold interests under the Lease. Among other things, the Debtor was required to cure its monetary defaults under the lease as a condition to its continued use of the Property. The Debtor submits that such defaults were cured and that it was, and remains, substantially in compliance with the License Agreement.

6. On February 21, 2017, OP filed the *Motion for Relief from the Automatic Stay* (the “*Lift Stay Motion*”) [Docket No. 110], seeking to terminate the License Agreement “for cause” under section 362(d)(1). OP alleged that the Debtor would be unable to confirm a plan while subject to the License Agreement, that the Debtor had no equity in the Property, and that

the Property was not necessary for an effective reorganization under section 362(d)(2).

7. Since the Lift Stay Motion was filed, the Parties have engaged in detailed negotiations aimed at a settlement under which the Debtor would have the benefit of continued occupancy of the Property on a longer-term basis. These negotiations have resulted in the execution of several agreements, including the Letter Agreement, the Release of Claims, and the Occupancy Agreement.² By this Motion, the Debtor seeks authority to enter into the Agreements and to provide the financial accommodations and releases set forth therein.

8. Because the Occupancy Agreement modifies the terms of the Debtor's occupancy of the Property, extends occupancy through May 31, 2018, and requires the Debtor to expend funds (as set forth below), the Debtor seeks authority to expend such funds as necessary to satisfy the conditions of the Letter Agreement and enter into the Occupancy Agreement.

9. The main terms of the Agreements are as follows:

- Letter Agreement – Upon meeting certain conditions, including: (a) the payment of \$14,000 for incidental charges and OP's enforcement costs and attorneys' fees ("*Incidentals*") under the License Agreement; (b) entry into the Release of Claims and the Principal Release of Claims; (c) the payment of a \$30,000 security deposit representing two months' occupancy payments (the "*Security Deposit*"); (d) continued payment of license payments under the License Agreement up to June 1, 2017; (e) the payment of \$15,000 for June occupancy on or before May 31, 2017; and (f) confirmation of a plan of reorganization on or before May 31, 2017, OP has agreed to enter into the Occupancy Agreement, with a commencement date of June 1, 2017.
- Release of Claims – Under this agreement, the Debtor agrees to release any claims it may have against OP, through the date of execution of the Letter Agreement.
- Occupancy Agreement – The Occupancy Agreement extends and supersedes the License Agreement and allows the Debtor to continue to use the Property and operate Reverie until May 31, 2018 in exchange for,

² The Debtor's principals have also agreed to enter into a Release of Claims and Reaffirmation of Guaranty (the "*Principal Release of Claims*," attached hereto as Exhibit D).

inter alia, payment of the Security Deposit and monthly occupancy payments in the amount of \$15,000.00.

RELIEF REQUESTED

10. By this Motion, the Debtor respectfully requests the entry of an order (i) approving and authorizing Debtor to perform under (a) the Letter Agreement; (b) the Occupancy Agreement; (c) the Release of Claims with O.P., L.L.C.; and (ii) shortening notice.

BASIS FOR RELIEF

A. The Agreements are in the Best Interests of the Estate.

11. Pursuant to Bankruptcy Rule 9019(a), “[o]n motion by the trustee and after notice and a hearing, the court may approve a compromise or settlement.” Settlements are favored in bankruptcy, particularly when they reduce administrative costs and expedite administration of the estate. *See Fogel v. Zell*, 221 F.3d 955, 960 (7th Cir. 2000). Such settlements should be approved by the Court if they are in the best interest of the debtor’s bankruptcy estate. *See, e.g., In re Energy Coop., Inc.*, 886 F.2d 921, 927 (7th Cir. 1989); *In re Griffen Trading Co.*, 270 B.R. 883,903 (Bankr. N.D. Ill), *aff’d*, 270 B.R. 905 (N.D. Ill. 2001) (citing *In re American Reserve Corp.*, 841 F.2d 159, 161 (7th Cir. 1987)).

12. In evaluating the proposed settlement, the Court should weigh the probable costs and benefits of litigation in the absence of settlement, considering “the litigation’s probability of success, the litigation’s complexity, and the litigation’s attendant expense, inconvenience, and delay (including the possibility that disapproving the settlement will cause wasting of assets).” *Energy Coop., Inc.*, 886 F.2d at 927.

13. The Debtor has carefully considered the risks and potential costs and benefits associated with litigating the Lift Stay Motion and has determined that entry into the Agreements are in the best interest of its bankruptcy estate. Entry into the Agreements will result in the

Debtor's uninterrupted use of the Property for the next fourteen months, through May 31, 2018, which have a positive effect on the Debtor's estate, and will provide the Debtor the ability to generate cash flow necessary to make distributions on account of its administrative, priority, and general unsecured claims. Further, as long as the Debtor files a plan of reorganization (a "*Plan*") consistent with the Agreements, the Debtor believes that OP will support such Plan, facilitating a prompt and efficient exit from bankruptcy.

14. While the Release of Claims provides a full release to OP for any claim that the Debtor has against it, the releases were deemed a critical component of OP's agreement to enter into the Occupancy Agreement. The Debtor carefully weighed the benefit of continuing to operate Reverie against the potential value of claims against OP and determined that releasing such claims against OP was in the Debtor's and its estate's best interest.

15. The Debtor respectfully asserts that under the circumstances, the Agreements are in the best interest of the Debtor's estate and all parties in interest and should be approved.

B. The Expenditure of Funds is Supported by the Debtor's Reasonable Business Judgment.

16. This Court's power to authorize the use of funds outside the ordinary course of business under section 363(b) of the Bankruptcy Code is to be exercised at its discretion, utilizing a flexible, case by case approach. *In re Baldwin United Corp.*, 43 B.R. 905 (Bankr. S.D. Ohio 1984). The Court must find that a good business reason exists for the use of such funds. *In re Schipper*, 933 F.2d 513 (7th Cir. 1991); *Stephens Industries, Inc. v. McClung*, 789 F.2d 386 (6th Cir. 1986).

17. Once a valid business justification is established, the business judgment rule "is a presumption that in making a business decision the directors of a corporation acted on an informed basis, in good faith and in the honest belief that the action was taken in the best

interests of the company.” *In re S.N.A. Nut Company*, 186 B.R. 98, 102 (Bankr. N.D. Ill. 1995) (citing *Smith v. Van Gorkom*, 488 A.2d 858, 872 (Del. 1985)); *Integrated Resources*, 147 B.R. at 656. Therefore, the relief requested in this Motion should be granted if the Debtor demonstrates a sound business justification for the request. *See Schipper*, 933 F.2d at 515; *In re Lionel Corp.*, 722 F.2d at 1071.

18. The Debtor believes that the expenditure of funds necessary to enter into the Occupancy Agreement (including the \$30,000 Security Deposit and \$14,000 for Incidentals) is in the best interests of the Debtor, its estate, and its creditors, as the proposed action will resolve the Lift Stay Motion, minimize administrative expenses necessary to defend against the Lift Stay Motion, and eliminate the risk of an adverse ruling on the Lift Stay Motion, which very likely would have resulted in the closing of Reverie and the conversion of this case. Further, these payments will result in the Debtor’s entry into the Occupancy Agreement, which will allow the Debtor to stay in the Property through May 31, 2018 and provide the Debtor the breathing room to confirm a Plan and exit bankruptcy.

C. Request to Shorten Notice

19. Pursuant to Bankruptcy Rules 9019(a) and 2002(a)(3), twenty-one days’ notice of a motion to approve a settlement must be given to the debtor, the trustee, all creditors, and indenture trustees.³ However, Bankruptcy Rule 9006(c) states that “when an act is required or allowed to be done at or within a specified time by these rules or by a notice given thereunder or by order of court, the court for cause shown may in its discretion with or without motion or notice order the period reduced.” Fed. R. Bankr. P. 9006(c).

³ Twenty-one days’ notice of a proposed use of property of the estate is also necessary, pursuant to Bankruptcy Rule 6004.

20. The Debtor proposes to send notice of the settlement and expenditure of funds to all of its creditors. However, given the necessity of entering into the Letter Agreement and the Occupancy Agreement, the Debtor submits that seven days' notice is proper and in the best interests of the Debtor's estate. Other than the Debtor's former secured lender and OP, very few parties have shown any interest in participating in the Debtor's reorganization. To the extent that any creditor wishes to object, such creditor may still file a written objection or appear in Court at the hearing on this Motion. The Debtor submits that the proposed shortened notice is necessary and proper given the circumstances of the Debtor's chapter 11 case.

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WHEREFORE, the Debtor respectfully requests that the Court enter an order:

- (i) approving the Agreements between the Parties and permitting the Parties to execute such further documents as may be necessary or convenient to effectuate such Agreements;
- (ii) authorizing the Debtor to expend the necessary funds to satisfy its obligations under the Letter Agreement and to enter into the Occupancy Agreement pursuant to section 363(b) of the Bankruptcy Code; (iii) shortening notice; and (iv) granting such other and further relief as is just and proper.

Dated: March 29, 2017

RIVER NORTH 414 LLC

By: /s/ Thomas R. Fawkes
One of Its Attorneys

Harley J. Goldstein, Esq.
Thomas R. Fawkes, Esq.
Sean P. Williams, Esq.
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Counsel for the Debtor and Debtor in Possession

EXHIBIT A

A -- Letter Agreement Page 2 of 3
ARNSTEIN & LEHR LLP

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Kevin H. Morse
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March 28, 2017

VIA ELECTRONIC MAIL AND

U.S. MAIL

River North 414 LLC
c/o Thomas R. Fawkes
Goldstein & McClintock LLP
208 S. LaSalle Street, Suite 1750
Chicago, IL 60604

Re: *In re River North 414 LLC* (Case No. 16-17324) - Letter Agreement for (i) Occupancy of Premises from March 29, 2017 to May 31, 2017; and (ii) Occupancy Agreement

Dear Tom:

This letter agreement memorializes the terms and conditions for (i) the continued use and occupancy by your client, River North 414 LLC (the “Debtor”), of the premises located at 414 North Orleans Street in Chicago, Illinois (the “Premises”) for the period from March 29, 2017 to and including May 31, 2017 (the “Interim Period”); and (ii) the entry into the Occupancy Agreement.

On May 24, 2016, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. On February 21, 2017, O.P., L.L.C. (“OP”) filed a Motion for Relief from the Automatic Stay, seeking relief from the automatic stay in order to terminate the License Agreement dated May 1, 2015 (the “License Agreement”) by and between the Debtor and OP and to evict Debtor from the Premises.

To resolve the outstanding issues and to permit the Debtor’s continued use and occupancy of the Premises through May 31, 2017, the Debtor and OP, and their respective members and principals, have agreed to the following terms and conditions:

- The Debtor shall pay \$10,000 of \$14,053.17 balance for incidental charges due and owing to OP on or before March 20, 2017;
- The Debtor shall timely pay the \$13,500 license payments due and owing on April 1, 2017 and May 1, 2017, and all related incidental charges;

CHICAGO MIAMI FORT LAUDERDALE WEST PALM BEACH BOCA RATON SPRINGFIELD

Arnstein & Lehr LLP is a member of the International Lawyers Network

River North 414 LLC

March 28, 2017

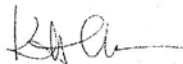
Page 2

- The Debtor's principals (Jesse Boyle and Lou Cannelis) shall enter into a release of claims and reaffirmation of guaranty prior to March 29, 2017. A copy of the release is attached as **Exhibit A**;
- The Debtor shall enter into a release of claims after Bankruptcy Court approval on or shortly after March 29, 2017. A copy of the release is attached as **Exhibit B**;
- The Debtor shall pay a two-month security deposit to OP, in the amount of \$30,000, on or before May 31, 2017;
- The Debtor shall pay the remaining \$4,000 balance for incidental charges due and owing to OP on or before May 31, 2017;
- The Debtor shall provide OP with a valid check, post-dated to June 1, 2017, in the amount of \$15,000 on or before May 31, 2017; and
- On or before May 31, 2017, the Debtor must confirm a Plan of Reorganization, acceptable to OP, or obtain Bankruptcy Court approval of the Second Occupancy Agreement.

In the event the Debtor fulfills the above listed terms and conditions, OP shall enter into the Second Occupancy Agreement with the Debtor. A copy of the Second License Agreement is attached as **Exhibit C**. In the event the Debtor fails to fulfill the above listed terms and conditions, the First License Agreement shall terminate automatically at 12:00 a.m., June 1, 2017, and the Debtor shall immediately turnover possession of the Premises to OP.

This letter shall be effective immediately upon approval of the Bankruptcy Court and, if approval is withheld for any reason, OP shall reinstate the motion for relief from the stay, oppose any plan of reorganization, and enforce its guaranty against the principals.

Respectfully,



Kevin H. Morse

AGREED TO AND APPROVED BY:


RIVER NORTH 414 LLC

Date: 3/28/17

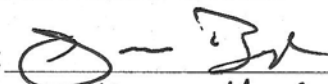
By:  Jesse Boyle
Its: Managing Member

EXHIBIT B

OCCUPANCY AGREEMENT

This Occupancy Agreement (the “Agreement”), is entered into as of this 1st day of June, 2017 (the “Commencement Date”) by O.P., L.L.C., an Illinois limited liability company (“O.P.” or “Owner”), RIVER NORTH 414 LLC, an Illinois limited liability company d/b/a Reverie (the “Occupant”), and JESSE BOYLE and LOU CANELLIS (individually and collectively, the “Guarantors”), collectively the Occupant, Guarantors, and O.P. shall be the “Parties”.

WHEREAS, the Parties entered into that certain Restaurant Lease dated September 13, 2013, which was amended by that certain First Amendment to Lease dated August 6, 2014, (as amended, hereinafter “Lease”) for the use and occupancy of Suite 101 of the building located at 414 North Orleans Street in Chicago, Illinois (the “Premises”). A copy of the Pre; and

WHEREAS, as Guarantors of the Lease, Adam Cisek, Jesse Boyle and Lou Canellis, signed that certain Guaranty dated August 6, 2014 (the “Guaranty”); and

WHEREAS, the parties signed that certain License Agreement dated May 1, 2015 (the “License Agreement”). The License Agreement incorporated and reaffirmed the Guaranty; and

WHEREAS, the parties desire, as of the Commencement Date, to extend the License Agreement for a one year period from June 1, 2017 to May 31, 2018 (the “Occupancy Term”) pursuant to this Agreement and reaffirm the Guaranty.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the Parties agree as follows:

OCCUPANCY AGREEMENT

1. Terms of Occupancy. O.P. hereby permits the occupancy of the Premises to Occupant commencing June 1, 2017 to May 31, 2018. Occupant shall have no estate or interest in the Premises. In the event that Occupant fails to perform any obligation of Occupant under this Agreement or covenants under the Lease, then O.P. shall have the right to terminate this Agreement and Occupant’s possession of the Premises by giving Occupant five (5) days’ notice of termination in writing. During the term of this Agreement, Occupant shall comply with all terms and conditions of the Lease regarding the Premises, including, without limitation, provisions regarding use and occupancy of

the Premises, except as set forth herein. The notice of termination shall be withdrawn in the event that Occupant cures any performance defaults prior to the expiration of the notice period.

2. Occupancy Payments. As of June 1, 2017, and for each succeeding month until the earlier of the termination of this Agreement or expiration of the Occupancy Term, Occupant shall make a monthly payment to O.P. in the amount \$15,000.00 on the first (1st) day of each month (the "Occupancy Payment"). In addition to the Occupancy Payment, on the first (1st) day of each month, Occupant shall also pay to O.P. the amounts for HVAC charges which are identified in Section 2.A(2) of the Lease, and Occupant shall also pay any storage charges which would have been due to O.P. under the Lease, both of which shall be billed separately. As provided in Section 9 below, late charges will accrue on any amounts not paid when due under this Agreement. In addition, on June 1, 2017, Occupant shall pay the sum of \$4,000.00 for past due HVAC charges. Upon receipt of this payment, O.P. agrees and acknowledges that no other or further amounts are due O.P. under the Lease or the License Agreement, whether for License Payments, accrued HVAC and storage charges, accrued Enforcement Costs, or otherwise.

3. Guaranty. As of the date of this Agreement, the Guarantors acknowledge and affirm that: (1) the Guaranty, which is attached hereto as Exhibit A, remains in full force and effect as to the Lease and this Agreement; and (2) the Guarantors have executed this Agreement to confirm that the terms and conditions of the Lease, the License Agreement, or this Agreement do not effect, diminish or impair any rights of O.P. to enforce the Guaranty.

4. Leasehold. The Parties agree and acknowledge that all covenants and conditions contained in the Lease relating to the right of Occupant to possession of the Premises are hereby terminated. All covenants and conditions contained in the Lease, except those that relate to possession and that are inconsistent with this Agreement, are hereby incorporated by reference as though fully set forth at length herein.

5. Events of Default. Each of the following shall be deemed an Event of Default by Occupant under this Agreement: (i) Occupant fails to make any payment required herein on time or in full; (ii) Occupant fails to promptly and fully perform any

other provisions of this Agreement or covenants of the Lease; (iii) Occupant makes an assignment for the benefit of creditors or takes any action to compromise its debts; (iv) a receiver, trustee or liquidator of Occupant or its assets is appointed by a court of competent jurisdiction; (v) a petition is filed by or against Occupant to declare Occupant bankrupt or seeking reorganization or liquidation of Occupant or its assets and liabilities under Title 11 of the United States Code; or (vi) Occupant is dissolved.

6. Remedies. Upon an Event of Default, O.P. shall have available to it any and all rights and remedies caused by Occupant's breach of this Agreement or Occupant's breach of the Lease, including, without limitation, prosecution of Guarantors' liability under the Guaranty, re-taking the Premises, or any other remedy available at law or in equity. Occupant acknowledges and accepts the nature of this Agreement and that O.P. possesses the ability to revoke its occupancy upon the earlier to occur of: (a) an Event of Default that is not cured within the notice period set forth in paragraph 1; or (b) the conclusion of the term of this Agreement. Occupant hereby waives any defenses it may have to an Event of Default and O.P. is authorized to, without limitation, take possession of the Premises and change the locks.

7. Late Charges. If Occupant fails to pay when due any Occupancy Payment or other amounts or charges which Occupant is obligated to pay under the terms of this Agreement, the unpaid amounts shall incur a late charge of five percent (5%) on such amount. Acceptance of any late Occupancy Payment, interest, or late charge shall not constitute a waiver of Occupant's default with respect to such nonpayment by Occupant nor prevent O.P. from exercising any other rights or remedies available to O.P. under this Agreement.

8. Waiver of Claims. Occupant and Guarantors, for and on behalf of their members, representatives, participants, affiliates, agents, owners, attorneys, shareholders, successors, and assigns hereby releases, waives, and holds harmless O.P. and its manager (Spectrum Real Estate Properties, Inc.), their members, managers, officers, directors, employees and agents, for and against any actions, causes of action, demands, debts, suits, sums of money, accounts, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, deficiency judgments of any kind, assessments, liabilities, losses, obligations, expenses (including attorneys' fees, interest

and costs), claims and demands whatsoever, in law or in equity, whether known or unknown, that arise from or are related to the Land and Building (as those terms are defined in the Lease) and Premises, as well as any actions or omissions, issue or relationship that has occurred or could have existed from the beginning of time through the execution of this Agreement.

9. Notices. All notices, communications and waivers under this Agreement shall be in writing and shall be (i) delivered in person or (ii) mailed, postage prepaid, either by registered or certified mail, return receipt requested, or (iii) by overnight express carrier, addressed in each case as follows:

To O.P.: O.P., L.L.C.
c/o Spectrum Real Estate Properties, Inc.
414 N. Orleans, Suite 610
Chicago, IL 60654
Attn: Jerry Lasky

To Occupant: River North 414 LLC
c/o Reverie
414 N. Orleans, Suite 101
Chicago, IL 60654
Attn: Jesse Boyle

or to any other address as to any of the parties hereto, as such party shall designate in a written notice to the other parties hereto. All notices sent pursuant to this paragraph shall be deemed received (i) if personally delivered, then on the date of delivery, (ii) if sent by overnight express carrier, then on the next federal banking day immediately following the day sent, or (iii) if sent by registered or certified mail, then on the earlier of the third banking day following the day sent or when actually received.

10. Illinois Law. This Agreement shall be governed by, and construed in accordance with the laws of the State of Illinois.

11. Writing. No modification, addition, amendment, or alteration of this Agreement shall be binding upon the Parties unless in writing and signed by the Parties.

12. Entire Agreement. This Agreement constitutes the entire agreement between the Parties regarding the subject matter hereof, and Occupant acknowledges and agrees that it has not been induced to enter into this Agreement by, or relied upon, any agreements, representations, promises or warranties by O.P. or its manager (Spectrum

Real Estate Properties, Inc.), their members, managers, officers, directors, employees or agents.

13. Enforcement Costs. If (a) this Agreement is placed in the hands of one or more attorneys for enforcement; (b) one or more attorneys is retained to represent O.P. in any bankruptcy or other proceedings affecting O.P.'s rights and involving a claim under this Agreement, or (c) one or more attorneys is retained to represent O.P. in any other proceedings whatsoever in connection with this Agreement, then Occupant shall pay to O.P. upon demand all fees, costs and expenses incurred by O.P. in connection therewith, including, without limitation, reasonable attorney's fees, court costs, expenses and filing fees.

14. Successors and Assigns. This Agreement shall inure to the benefit of O.P. and its successors and assigns, and this Agreement shall be binding on Occupant. Occupant's right or ability to assign this Agreement is subject to O.P.'s express agreement in writing, at O.P.'s sole discretion, and any and all requirements and limitations as set forth in section 14 of the Lease.

15. Waiver. No delay or failure on the part of O. P. to exercise any right, power or privilege under this Agreement shall operate as a waiver thereof. No notice to or demand on Occupant in any case shall entitle Occupant to any other or further notice or demand in the same, similar, or other circumstance.

16. Jurisdiction. To induce O.P. to accept this Agreement, Occupant irrevocably agrees that, subject to O.P.'s sole and absolute election, all actions or proceedings in any way arising out of or related to this Agreement will be litigated in courts having situs in Chicago, Illinois. Occupant hereby consents and submits to the jurisdiction of any court located within Chicago, Illinois, waives personal service of process and agrees that all such service of process may be made by registered mail directed to Occupant at the address stated herein and service so made will be deemed to be completed upon actual receipt. Each Guarantor irrevocably appoints and Occupant irrevocably appoints Michael S. Smith, Baker & McKenzie, Chicago, IL as Occupant's agent for service of process and as each Guarantor's agent for service of process; these appointments are made for the benefit of O.P. and are coupled with an interest. These appointments of agent for service of process cannot be revoked or modified without the

prior written consent of O.P. Each Guarantor and Occupant acknowledges that O.P. may obtain service of process upon them by service of such process to the agent aforesaid.

17. Waiver of Jury Trial. Occupant and O.P. (by acceptance hereof), each knowingly and voluntarily waives any right to a trial by jury in any action or proceeding to enforce or defend any rights under this Agreement or any amendment, instrument, document or agreement delivered or which may in the future be delivered in connection herewith and agrees that any such action or proceeding will be tried before a court and not before a jury. Occupant agrees pursuant to section 8 of this Agreement it has waived all claims against O.P. and that it will not assert any claim against O.P. on any theory of liability for special, indirect, consequential, incidental, or punitive damages.

18. Confession of Judgment. Occupant and each Guarantor hereby irrevocably authorizes and empowers any attorney-at-law to appear in any court of record on behalf of O.P. and to confess judgment against such party for the amount due under this Agreement as evidenced by an affidavit signed by a Manager or agent of O.P. setting forth the amount then due, attorney's fees plus costs of suit, and to release all errors and waive all rights of appeal. If a copy of this Agreement, verified by an affidavit, shall have been filed in the proceeding, it will not be necessary to file the original as a warrant of attorney. Occupant and each Guarantor waives the right to any stay of execution and the benefit of all exemption laws now or hereafter in effect. No single exercise of the foregoing warrant and power to confess judgment will be deemed to exhaust the power, whether or not any such exercise shall be held by any court to be invalid, voidable or void; but the power will continue undiminished and may be exercised from time to time as O.P. may elect until all amounts owing on this Agreement have been paid in full. Occupant and each Guarantor hereby waives and releases any and all claims or causes of action which Occupant might have against any attorney acting under the terms of authority which Occupant has granted herein arising out of or connected with the confession of judgment hereunder.

19. Security Deposit.

a. Occupant shall cause a security deposit of \$30,000.00 to be deposited with O.P. upon execution of this Agreement, as security for Occupant's faithful performance of its obligations under this Agreement. O.P. and Occupant

agree that the security deposit may be commingled with funds of O.P. and O.P. shall have no obligation or liability for payment of interest on such deposit. Occupant shall not mortgage, assign, transfer or encumber the security deposit without the prior written consent of O.P. (which may be withheld in O.P.'s sole discretion), and any attempt by Occupant to do so shall be void, without force or effect and shall not be binding upon O.P.

b. If Occupant fails to pay any Occupancy Payment or other amount when due under this Agreement, or fails to perform any of the terms hereof, O.P. may retain and apply all or any portion of the security deposit for Occupancy Payments or any other amount then due and unpaid; for payment of any amount for which O.P. has become obligated as a result of Occupant's default or breach; for any loss or damage sustained by O.P. as a result of Occupant's default or breach; and O.P. may so apply or use this security deposit without prejudice to any other remedy O.P. may have by reason of Occupant's default or breach.

c. If O.P. so uses any of the security deposit pursuant to Section 19(b) of this Agreement, Occupant shall, within ten (10) days after written demand therefor, restore the security deposit to the full amount originally deposited. Occupant's failure to do so shall constitute an Event of Default hereunder and O.P. shall have the right to exercise any remedy. Within forty-five (45) days after the expiration of the Occupancy Term (or any extension thereof) or Occupant has vacated the Premises, whichever shall occur later, and provided Occupant is not then in default on any of its obligations hereunder, O.P. shall return the security deposit (less any damage fee or other offset as provided herein or the Lease) to Occupant, or, if O.P. has permitted Occupant to assign its interest under this Agreement, to the assignee of Occupant. If O.P. sells its interest in the Premises, O.P. may deliver the security deposit to the purchaser of O.P.'s interest and thereupon be relieved of any further liability or obligations with respect to the security deposit.

20. Restaurant Covenants. The Lease covenants pertaining to hours of operation and use are waived. Tenant may continue to operate as "Reverie".

21. Percentage Rent. Paragraph 3 of Appendix F (Additional Provisions) of the Lease dated September 13, 2013, is hereby waived.

22. Discretionary Extension of Occupancy Term. Occupant understands that O.P. is under no obligation to extend or modify this Agreement or Lease beyond May 31, 2018. Any extension of the Occupancy Term is at the sole discretion of O.P. and may only be given by O.P. in writing. No act or failure to act on the part of O.P shall constitute an extension of the Occupancy Term. Occupant is required, without an extension, to immediately vacate and turnover the Premises upon termination of this Agreement or expiration of the Occupancy Term.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

OCCUPANT:

RIVER NORTH 414 LLC, an Illinois
limited liability company

By: _____

Name: _____

Title: Manager

O.P.:

O.P., L.L.C., an Illinois limited liability
company
By: Spectrum Real Estate Properties, Inc.

By: _____

Name: _____

Title: _____

GUARANTORS

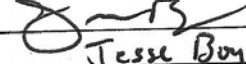
JESSE BOYLE

only be given by O.P. in writing. No act or failure to act on the part of O.P shall constitute an extension of the Occupancy Term. Occupant is required, without an extension, to immediately vacate and turnover the Premises upon termination of this Agreement or expiration of the Occupancy Term.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

OCCUPANT:

RIVER NORTH 414 LLC, an Illinois
limited liability company

By: 
Name: Jesse Boyle
Title: Manager

O.P.:

O.P., L.L.C., an Illinois limited liability
company

By: Spectrum Real Estate Properties, Inc.

By: _____
Name: _____
Title: _____

GUARANTORS

JESSE BOYLE



LOU CANELLIS

only be given by O.P. in writing. No act or failure to act on the part of O.P shall constitute an extension of the Occupancy Term. Occupant is required, without an extension, to immediately vacate and turnover the Premises upon termination of this Agreement or expiration of the Occupancy Term.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

OCCUPANT:

RIVER NORTH 414 LLC, an Illinois
limited liability company

By: _____

Name: _____

Title: Manager

O.P.:

O.P., L.L.C., an Illinois limited liability
company

By: Spectrum Real Estate Properties, Inc.

By: _____

Name: _____

Title: _____

GUARANTORS

JESSE BOYLE

LOU CANELLIS




EXHIBIT C

RELEASE OF CLAIMS

This Release of Claims (the "Release"), is entered into as of this ____ day of March, 2017 by River North 414 LLC ("River North") and as consideration for that certain Letter Agreement dated March 28, 2017 by and between River North and O.P., L.L.C. ("OP").

WHEREAS, the River North and Guarantors desire to extend the First License Agreement beyond March 29, 2017, the hearing date on OP's Motion for Relief from Stay, and OP desires a release of any claims and reaffirmation of the Guaranty as consideration.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the Guarantors and OP agree as follows:

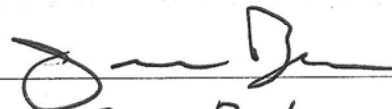
1. Defined Terms. OP and the Guarantors agree that any term not otherwise defined herein shall have the meaning ascribed to such term in the Lease, First License Agreement, Letter Agreement, or Second Occupancy Agreement.

2. Release of Claims. River North, for and on behalf of its members, representatives, participants, affiliates, agents, owners, attorneys, shareholders, successors, and assigns hereby release, waive, and hold harmless O.P. and its manager (Spectrum Real Estate Properties, Inc.), their members, managers, officers, directors, employees and agents, for and against any actions, causes of action, demands, debts, suits, sums of money, accounts, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, deficiency judgments of any kind, assessments, liabilities, losses, obligations, expenses (including attorneys' fees, interest and costs), claims and demands whatsoever, in law or in equity, whether known or unknown, that arise from or are related to the Land and Building (as those terms are defined in the Lease) and Premises, as well as any actions or omissions, issue or relationship that has occurred or could have existed from the beginning of time through the execution of this Agreement.

3. Effective Date. OP and River North agree that this Release shall be effective immediately upon Bankruptcy Court approval of the Letter Agreement.

IN WITNESS WHEREOF, River North 414 LLC executed this Release as of the date first written above.

RIVER NORTH 414 LLC


By: Jesse Boyle
Its: Managing Member

**RELEASE OF CLAIMS AND
REAFFIRMATION OF GUARANTY**

This Release of Claims and Reaffirmation of Guaranty (the “Release”), is entered into as of this ____ day of March, 2017 by JESSE BOYLE and LOU CANELLIS (individually and collectively, the “Guarantors”) and as consideration for that certain Letter Agreement dated March 28, 2017 by and between River North 414 LLC (“River North”) and O.P., L.L.C. (“OP”).

WHEREAS, as Guarantors of the Lease and License Agreement, Jesse Boyle and Lou Canellis, signed that certain Guaranty dated August 6, 2014 (the “Guaranty”)

WHEREAS, the River North and Guarantors desire to extend the First License Agreement beyond March 29, 2017, the hearing date on OP’s Motion for Relief from Stay, and OP desires a release of any claims and reaffirmation of the Guaranty as consideration.

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged, the Guarantors and OP agree as follows:

1. Defined Terms. OP and the Guarantors agree that any term not otherwise defined herein shall have the meaning ascribed to such term in the Lease, License Agreement, Letter Agreement, or Occupancy Agreement.

2. Guaranty. As of the date of this Release, the Guarantors acknowledge and affirm that: (1) the Guaranty, which is attached hereto as Exhibit A, remains in full force and effect as to the Lease, Letter Agreement and First License Agreement; and (2) the Guarantors have executed this Release to confirm that the terms and conditions of the Lease, the First License Agreement, or the Letter Agreement do not effect, diminish or impair any rights of O.P. to enforce the Guaranty.

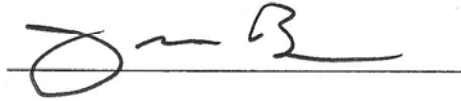
3. Release of Claims. Guarantors, for and on behalf of their members, representatives, participants, affiliates, agents, owners, attorneys, shareholders, successors, and assigns hereby release, waive, and hold harmless O.P. and its manager (Spectrum Real Estate Properties, Inc.), their members, managers, officers, directors, employees and agents, for and against any actions, causes of action, demands, debts, suits, sums of money, accounts, bonds, bills, covenants, contracts, controversies, agreements, promises, damages, judgments, deficiency judgments of any kind, assessments, liabilities, losses, obligations, expenses (including attorneys’ fees, interest and costs), claims and demands whatsoever, in law or in equity, whether known or unknown, that arise from or are related to the Land and Building (as those terms are defined in the Lease) and Premises, as well as any actions or omissions, issue or relationship that has occurred or could have existed from the beginning of time through the execution of this Agreement.

4. Effective Date. OP and Guarantors agree that this Release shall be effective immediately upon its execution and is not contingent upon Bankruptcy Court approval of the Letter Agreement or execution of the Letter Agreement or Occupancy Agreement

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the
date first written above.

GUARANTORS

JESSE BOYLE

A handwritten signature in black ink, appearing to read 'Jesse Boyle', is written over a horizontal line.

LOU CANELLIS

A horizontal line for a signature.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

GUARANTORS

JESSE BOYLE

LOU CANELLIS