

2034366 mtr

MORTGAGE, ASSIGNMENT OF RENTS
AND SECURITY AGREEMENT

THIS MORTGAGE, ASSIGNMENT OF RENTS AND SECURITY AGREEMENT (hereinafter referred to as this "Mortgage") is made as of
DECEMBER 23, 2002, from KIMBALL-DAWSON, L.L.C., ("Mortgagor"), with a mailing address at
2816 N. KIMBALL, CHICAGO, Illinois 60618, to Spalter Finance Co., ("Mortgagee"), with a
mailing address at 8707 Skokie Blvd., Suite 202, Skokie, Illinois 60077;

WHEREAS, Mortgagor is justly and truly indebted to Mortgagee in the principal sum of
TWO HUNDRED EIGHTY THOUSAND AND NO/100----- (\$ 280,000.00)

Dollars evidenced by a certain Promissory Note of even date herewith in said principal sum executed by Mortgagor payable to the order of Mortgagee in installments as follows: TWO THOUSAND FIVE HUNDRED SIXTY SIX AND 67/100----- (\$2,566.67)

Dollars on the 23RD day of JANUARY, 2003 and TWO THOUSAND FIVE HUNDRED SIXTY SIX AND 67/100----- (\$ 2,566.67) Dollars on the same day of each and every month

thereafter for FOUR successive months and final installment of TWO HUNDRED EIGHTY TWO THOUSAND FIVE HUNDRED SIXTY SIX AND 67/100----- \$ 282,566.67

Dollars on the 23RD day of JUNE, 2003 together with interest from date on the balance of the principal remaining from time to time unpaid at the rate of 11.00 % per annum. Interest shall be paid monthly concurrently with the installments of principal. All payments due under the Note shall be paid by Mortgagor to Mortgagee at its address set forth above.

NOW THEREFORE, to secure payment of the Note when the same becomes due and payable (whether by lapse of time, acceleration or otherwise) including all renewals, extensions, modifications and refinancings thereof, and the payment of all other indebtedness, obligations and liabilities which this Mortgage secures pursuant to any of its terms, Mortgagor does hereby GRANT, MORTGAGE, CONVEY AND ASSIGN to Mortgagee, its successors and assigns, the following described real estate situated in the County of COOK, State of Illinois, to wit:

SEE ATTACHED LEGAL DESCRIPTION

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9830/0044 83 003 Page 1 of 5

2002-12-26 13:24:44

Cook County Recorder

58.30



0021436126

Street Address: 2816 N. KIMBALL, CHICAGO, ILLINOIS 60618
P.I.N. 13-26-218-109-0000

Document prepared by ROBERT D. GORDON, ESQ. 11, S. LASALLE ST., SUITE 2402, CHICAGO, IL. 60603

TOGETHER WITH (1) all buildings, improvements, fixtures, appurtenances, easements and hereditaments thereto belonging; and together with all equipment and machinery now or hereafter therein or thereon used to supply heat, gas, air conditioning, electrical, sprinkler systems, plumbing, water, light, power, refrigeration and ventilation; elevators, escalators, communication and electronic monitoring equipment, tanks, pumps and together with any other fixtures, equipment, machinery or other personal property now or hereafter placed on the above described property which shall be employed in connection with the operation, use, occupancy or enjoyment thereof; (2) all right, title and interest of Mortgagor, including any after-acquired title or reversion, in and to the rights-of-way, roads, streets, avenues and alleys adjoining the Mortgaged premises; (3) all rents, issues, proceeds and profits accruing and to accrue from the Mortgaged Premises and all right, title and interest of Mortgagor in and to any and all leases approved by Mortgagee now or hereafter on or affecting the Mortgaged Premises, whether written or oral, and all other leases and agreements for the use thereof (collectively "Leases"), together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission of Mortgagee given to Mortgagor to collect the rentals to be paid pursuant thereto, provided Mortgagor shall not be in default hereunder; and (4) all proceeds heretofore or hereafter payable to Mortgagor by reason of loss or damage by fire and such other hazards, casualties and contingencies insured pursuant to the insurance policies hereinafter described and awards and other compensation heretofore or hereafter payable to Mortgagor for any taking by condemnation or eminent domain proceedings of all or any part of the Mortgaged Premises or any easement or appurtenance thereof, including severance and consequential damage. (said real estate and all of the above collectively referred to herein as the "Mortgaged Premises")

TO HAVE AND TO HOLD the Mortgaged Premises unto Mortgagee, its successors and assigns forever (Mortgagor hereby RELEASING AND WAIVING all rights under and by virtue of the homestead exemption laws of the State of Illinois and all rights of homestead created by the Federal Bankruptcy Code) provided, however, that if and when Mortgagor shall pay the principal and accrued interest on the Note and all other indebtedness hereby secured shall be paid in full and shall perform all of the terms, covenants and agreements contained herein, then this Mortgage shall be released upon the written request and expense of Mortgagor.

Mortgagor covenants that Mortgagor is lawfully seized of the real estate hereby conveyed and has the right to mortgage, grant and convey the Mortgaged Premises, that the Mortgaged Premises are unencumbered and that Mortgagor will warrant and defend generally the title to the Mortgaged Premises against all claims and demands, subject to any declarations, easements and restrictions listed in a schedule of exceptions to coverage in any title insurance policy insuring Mortgagor's interest in the Mortgaged Premises.

MORTGAGOR HEREBY FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. Mortgagor hereby agrees: (a) to pay when due all indebtedness secured by this Mortgage, all interest thereon and all other indebtedness, obligations and liabilities which this Mortgage secures; (b) not to commit or permit to exist any waste of the Mortgaged Premises and to keep the Mortgaged Premises in good condition and repair; (c) to keep the Mortgaged Premises free of any mortgage, trust deed, mechanic's lien, or other lien or encumbrance; (d) not to suffer or permit unlawful use or any nuisance to exist upon the Mortgaged Premises; (e) not to remove or demolish any part of the improvements of a structural nature which would adversely affect the value of the Mortgaged Premises; (f) not to abandon the Mortgaged premises; (g) to pay when due any indebtedness or liability which may be secured by a mortgage, lien, other encumbrance or charge on all or any part of the Mortgaged premises equal or senior in priority to this Mortgage; (h) to complete within a reasonable time any buildings or improvements now or at any time in the process of erection upon the Mortgaged Premises; (i) immediately after destruction or damage to all or any part of the Mortgaged Premises to commence and promptly complete the rebuilding or restoration of buildings, improvements and all other property now or hereafter on the Mortgaged Premises unless Mortgagee elects to apply the proceeds of insurance to the indebtedness secured by this Mortgage as hereinafter provided; (j) to comply with all laws, regulations, rulings, ordinances, orders and all other requirements imposed by any governmental or other competent authority and with all restrictions, covenants and conditions relating to the Mortgaged Premises or to the use of thereof; (k) not to make or permit, without first obtaining the written consent of the Mortgagee, the use of the Mortgaged Premises for any purpose other than that for which it was used on the date of this Mortgage or the removal, demolition or sale of any building, improvement, fixture, machinery or equipment now or hereafter upon the Mortgaged Premises; (l) to keep and maintain such books and records as required by Mortgagee and to permit Mortgagee reasonable access to and the rights of inspection of such books and records; (m) to furnish to the Mortgagee such information and data with respect to the financial condition, business affairs and operations of Mortgagor and the Mortgaged Premises as may be reasonably requested no more often than annually, unless otherwise agreed to (all such information and data to be prepared in accordance with generally accepted accounting principles consistently applied); (n) that no construction shall be commenced upon the Mortgaged

Premises unless the plans and specifications for such construction have been submitted to and approved in writing by Mortgagee to the end that such construction shall not, in the reasonable judgment of the Mortgagee, be prejudicial to the loan evidenced by the Note and this Mortgage; and (c) that if the Mortgaged Premises are now or hereafter located in an area which has been identified by the Secretary of Housing and Urban Development as a flood hazard area and in which flood insurance has been made available under the National Flood Insurance Act of 1968, as may be amended from time to time (the "Act"), the Mortgagor will keep the Mortgaged Premises covered for the term of the Note by flood insurance up to the maximum limit of coverage available under the Act.

2. Mortgagor shall keep the Mortgaged Premises continuously insured against loss or damage by fire, lightning, windstorm, malicious mischief, vandalism and extended coverage hazards, for full replacement value, and shall provide business interruption, boiler and machinery, flood and dramshop insurance if required by Mortgagee. All casualty policies shall contain a standard mortgagee clause naming Mortgagee as first Mortgagee and a loss payable endorsement in favor of Mortgagee. Mortgagor shall also provide a Comprehensive General Liability Property Damage and Workmen's Compensation Policy naming Mortgagee as an additional insured. All policies of insurance shall be written by insurers acceptable to Mortgagee and have such monetary limits as Mortgagee shall require.

3. In the event of any loss or damage sustained by casualty for which insurance policies are in effect, the Mortgagee is authorized to adjust, compromise and collect all claims thereunder without the consent of the Mortgagor and to execute and deliver on behalf of Mortgagor all necessary proofs of loss, receipts, vouchers, releases and such other documents as shall be required by the insurers to be executed. At the election of Mortgagee, the proceeds of any insurance may be applied to the reduction of the indebtedness secured by this Mortgage, whether or not then due, or may be applied to the cost of building or restoring of buildings and improvements on the Mortgaged Premises, or may be applied to both purposes in such proportion as the Mortgagee shall determine. That part of the Mortgaged Premises so damaged or destroyed shall be repaired or rebuilt, in accordance with plans and specifications therefor submitted to and approved by Mortgagee (which approval shall not be unreasonably withheld or delayed) and all life, safety and environmental regulations, laws, ordinances (including zoning), rules and regulations of governmental authorities having jurisdiction thereover, so as to be as similar, as is reasonably possible, to the condition which existed prior to such casualty.

4. Mortgagor shall pay all general real estate taxes, special taxes, special assessments, water and sewer charges and all other taxes and charges on the Mortgaged Premises before any charge for nonpayment attaches or accrues, and to furnish the Mortgagee, upon request, with the original or duplicate receipts therefor. If Mortgagor shall desire to contest any tax or special assessment, to avoid default under this Mortgage, Mortgagor shall pay such tax or assessment in full in the manner provided by law.

5. Subject to a written waiver by Mortgagee, the Mortgagor shall deposit with Mortgagee in Escrow on the day or days monthly payments are due on the Note an additional sum specified by Mortgagee and estimated to be equal to one-twelfth of (i) the yearly taxes and assessments against the real property securing the Note, and (ii) yearly hazard insurance premiums and (iii) yearly life insurance premiums if any. Until further notice, the monthly escrow deposit shall be \$ N/A. The Mortgagor agrees that no trust shall be deemed to exist by reason of mortgagor's making of the foregoing deposits, no interest shall be payable thereon and the deposits may be commingled with Mortgagee's funds. Mortgagee is hereby authorized to pay all taxes, assessments and insurance premiums without inquiry as to the accuracy or validity thereof. If the deposits made hereunder shall not be sufficient to pay the amounts billed for taxes, assessments and insurance premiums as they become due, the Mortgagor shall pay the deficiency to Mortgagee on demand. In the event the Mortgagor shall default in making the required deposits in Escrow, Mortgagee, at its option, may declare the entire unpaid balance of the Note immediately due and payable and apply the balance of the funds deposited to the unpaid balance of the Note.

6. In case of default hereunder, Mortgagee may, at its option, at any time make any payment or perform any act herein required by Mortgagor in any form and manner deemed expedient by Mortgagee, and Mortgagee may, at its option, make full or partial payments of principal or interest on prior encumbrances, if any, pay delinquent taxes and insurance premiums and purchase, discharge or settle any tax lien or any other prior lien or claim, redeem from any tax sale or forfeiture affecting the Mortgaged Premises or contest any tax or assessment. All monies paid or incurred by Mortgagee in connection therewith including costs and attorneys' fees and any other monies advanced by Mortgagee to protect the Mortgaged Premises shall be so much additional indebtedness secured hereby and shall be immediately due and payable by Mortgagor together with interest at the rate of 4% per month (the "Default Rate").

7. In the event that the Mortgaged Premises or any part thereof is taken by condemnation, Mortgagee is hereby empowered to collect and receive any awards resulting therefrom ("Awards"), which shall, at the election of Mortgagee, be applied to the payment of the Note or any other indebtedness secured hereby, or on account of rebuilding or restoring that part of Mortgaged Premises not so taken or damaged. If Mortgagee elects to permit the use of Awards for rebuilding or restoration of the Mortgaged Premises, the Mortgaged Premises shall be so rebuilt or restored in accordance with plans and specifications therefor submitted to and approved by Mortgagee (which approval shall not be unreasonably withheld or delayed) and applicable laws, so as to be as similar, as is reasonably possible, to the condition which existed prior to condemnation. In the event the Awards are insufficient to pay for all costs of rebuilding or restoration, Mortgagor shall deposit with Mortgagee an amount equal to such excess costs prior to any disbursement.

8. To further secure payment of the Note, all other indebtedness secured hereby and performance of all of the terms, covenants, conditions and agreements contained herein, Mortgagor hereby sells, assigns and transfers to Mortgagee all of his right, title and interest in and to all Leases and rentals, issues, proceeds and profits now due and which may hereafter become due pursuant thereto, it being the intention hereby to establish an absolute transfer and assignment thereof to Mortgagee. Mortgagor hereby irrevocably appoints Mortgagee its agent, in its name and stead (with or without taking possession of the Mortgaged Premises), to rent, lease or let all or any part of the Mortgaged premises to any party or parties, at such rental and upon such terms as Mortgagee shall in its discretion, determine and to collect all of said avails, rents, issues and profits arising from or accruing at any time hereafter and all presently due or which may hereafter become due pursuant to each and every Lease or any other tenancy existing or which hereafter exists on the Mortgaged Premises, with the same rights and powers and subject to the same rights and powers as Mortgagor would have. If no Event or Default under this Mortgage has occurred, Mortgagor shall have the right to collect all of the rents arising from Leases or renewals thereof. Upon an occurrence of an Event of Default, Mortgagee, at any time or times thereafter, without notice to Mortgagor may notify any and all of the tenants of the leases that the Leases have been assigned to Mortgagee and Mortgagee may direct said tenants thereafter to make all rentals and payments due from tenants under the Leases directly to Mortgagee and shall have the right to enforce the terms of the leases and obtain payment of and collect the rents, by legal proceedings or otherwise in the name of the Mortgagor. Mortgagor will at all times deliver to the Mortgagee duplicate originals or certified copies of all leases, agreements and documents relating to the Mortgaged Premises and shall permit access by the Mortgagee to its books and records, insurance policies and other papers for examination and making copies and extracts thereof.

9. Prior to execution of this Mortgage, Mortgagor shall obtain and deliver to Mortgagee a commitment for an ALTA Loan Policy in the full amount of the Note issued by a title company acceptable to Mortgagee. All objections contained in the loan commitment shall be approved by and acceptable to Mortgagee.

10. This Mortgage is given to and shall secure not only existing indebtedness, but also future advances, whether such advances are obligatory or to be made at the option of the Mortgagee, or otherwise, as are made within twenty years from the date hereof, to the same extent as if future advances were made on the date of the execution of this Mortgage, although there may be no advance made at the time of execution of this Mortgage, although there may be no indebtedness outstanding at the time any advance is made. The lien of this Mortgage shall be valid as to all such indebtedness and future advances from the time this Mortgage is filed for record in the office of the Recorder of Deeds or the Registrar of Title of the county where the Mortgaged Premises described herein are located. The total amount of indebtedness that may be so secured may increase or decrease from time to time, but the total unpaid balance so secured at any one time shall not exceed \$ N/A of principal, plus interest thereon, and any disbursements by Mortgagee made for the payment of taxes, special assessments or insurance on the Mortgaged Premises, with interest on such disbursements, and all costs of collection, including reasonable attorneys' fees.

11. If Mortgagor shall transfer, convey, alienate, pledge, hypothecate or mortgage the Mortgaged Premises or any part thereof, or shall sell, transfer or assign the shares of stock of any corporate owner of the Mortgaged Premises, Mortgagee, at its option, may accelerate the maturity of the Note and declare it to be due and payable forthwith.

12. This Mortgage shall constitute a security agreement between Mortgagor and Mortgagee with respect to that portion of the Mortgaged Premises constituting property or interests in property, whether real or personal, including any and all sums deposited by Mortgagor and held by Mortgagee which are subject to the priority and perfection provisions of the Illinois Uniform Commercial Code. Therefore, to secure payment of the Note and all other indebtedness and obligations of Mortgagor hereunder, Mortgagor hereby grants to Mortgagee a security interest in the Mortgaged Premises and in all such deposits and agrees that, upon an Event of Default, Mortgagee shall have all of the rights and remedies of a secured party under the Illinois Uniform Commercial Code.

13. Mortgagor shall not and will not apply for or avail itself of any appraisal, valuation, stay, extension or exemption laws, or any so-called "moratorium laws" now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but does hereby waive the benefit of such laws. MORTGAGOR EXPRESSLY WAIVES ANY AND ALL RIGHTS OF REDEMPTION UNDER ANY JUDGMENT OR DECREE OF FORECLOSURE OF THIS MORTGAGE, ON ITS OWN BEHALF, ON BEHALF OF THE BENEFICIARIES OF MORTGAGOR, ON BEHALF OF ALL PERSONS CLAIMING OR HAVING AN INTEREST (DIRECT OR INDIRECT) BY, THROUGH OR UNDER MORTGAGOR AND ON BEHALF OF EACH AND EVERY PERSON ACQUIRING ANY INTEREST IN OR TITLE TO THE MORTGAGED PREMISES SUBSEQUENT TO THE DATE HEREOF, IT BEING THE INTENT OF MORTGAGOR HEREBY THAT ANY AND ALL SUCH RIGHTS OF REDEMPTION OF MORTGAGOR AND OF ALL OTHER PERSONS ARE AND SHALL BE DEEMED TO BE HEREBY WAIVED TO THE FULL EXTENT PERMITTED BY APPLICABLE LAWS.

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17. All rights and remedies set forth in this Mortgage are cumulative and the holder of the Note and of every other obligation secured hereby may recover judgment herein, issue execution therefor, and resort to every other right or remedy available at law or in equity, without first exhausting and without affecting or impairing the security of any right or remedy afforded hereby.

16. When any Event of Default has occurred and is continuing (regardless of the pendency of any proceeding which has or might have the effect of preventing Mortgagee from complying with the terms of this instrument and of the adequacy of the security for the Note) and in addition to such other rights as may be available under applicable law, but subject at all times to any mandatory legal requirements: (a) Mortgagee may, by written notice to Mortgagee, declare the Note and all unpaid indebtedness of Mortgagee hereby secured, including any interest then accrued thereon, to be forthwith due and payable, whereupon the same shall become and be forthwith due and payable, without other notice or demand of any kind; (b) Mortgagee shall, with respect to any part of the Mortgaged Premises constituting property of the type in respect of which realization on a lien or security interest granted therein is governed by the Illinois Uniform Commercial Code; (c) Mortgagee may proceed to protect and enforce the rights of Mortgagee hereunder (i) by any action at law, suit in equity or other appropriate proceedings, whether for the specific performance of any agreement contained herein, or for an injunction against the violation of any of the terms hereof; or in aid of the exercise of any power granted hereby or by law; or (ii) by the foreclosure of this Mortgage in any manner permitted by law; (d) Mortgagee of Mortgagee or the then value of the Mortgaged Premises, be entitled to have a receiver appointed by the court making such appointment shall confer, and Mortgagee hereby consents to the appointment of such receiver and shall not oppose any such appointment. Any such receiver may, to the extent permitted under applicable law, without notice, enter upon and take possession of the Mortgaged Premises or any part thereof by force, summary proceedings, ejectment or otherwise, and may remove Mortgagee or other persons and all property therefrom, and may hold, operate and manage the same and receive all earnings, income, rents, issues and proceeds accruing with respect thereto or any part thereof, whether during the pendency of any foreclosure or until any right of redemption shall expire or otherwise; (e) Mortgagee may enter and take possession of the Mortgaged Premises or any part thereof and manage, operate, insure, repair and improve the same and take any action which, in Mortgagee's judgment, is necessary or proper to conserve the value of the Mortgaged Premises. Mortgagee may also take possession of, and for these purposes use, any and all personal property contained on or about the Mortgaged Premises and used in the operation, rental or leasing thereof or any part thereof. Mortgagee shall be entitled to collect and receive all earnings, revenues, rents, issues and profits of the Mortgaged Premises or any part thereof (and for such purpose Mortgagee does hereby irrevocably constitute and appoint Mortgagee its true and lawful attorney-in-fact for it and in its name, place and stead to receive, collect and receipt for all of the foregoing, Mortgagee irrevocably acknowledging that any indebtedness hereby secured. The right to enter and take possession of the Mortgaged Premises and use any personal property thereon, to manage, operate and conserve the same, and to collect the rents, issues and profits thereof, shall be in addition to all other rights or remedies or Mortgagee hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. The expense (including any receiver's fees, counsel fees, costs and agents' compensation) incurred pursuant to the powers herein contained shall be so much additional indebtedness hereby secured which Mortgagee shall not be liable to account to Mortgagee for any action taken pursuant hereto other than to account for any rents actually received by Mortgagee. Without taking possession of the Mortgaged Premises, Mortgagee may, in the event the Mortgaged Premises becomes vacant or is abandoned, take such steps as it deems appropriate to protect and secure the Mortgaged Premises (including hiring watchmen therefor) and all costs incurred in so doing shall constitute so much additional indebtedness hereby secured payable upon demand with interest thereon at the Default Rate applicable to the Note at the time such costs are incurred.

15. Any one or more of the following shall constitute an event of default ("Event of Default") hereunder: (a) default in the payment, when due, (whether by lapse of time, acceleration or otherwise) of the principal or interest on the Note or of any other indebtedness hereby secured; (b) default for more than 30 days in observance or compliance with any other covenant, warranty, term or provision of this Mortgage or of any separate assignment of leases and/or rents securing the Note or of any other instrument or document securing the Note or relating thereto; (c) any representation or warranty made by Mortgagee herein or in any separate assignment of leases and/or rents securing the Note or in any other instrument or document securing the Note or relating thereto or making thereof or in any statement or certificate furnished by it pursuant hereto or thereto proves to be untrue or misleading in any material respect as of the date of issuance or making thereof; (d) the Mortgaged Premises or any part thereof shall be assigned, sold, transferred or conveyed, whether voluntarily or involuntarily, by operation of law or otherwise, except for sales of obsolete, worn out or unusable fixtures or personal property which are concurrently replaced with similar future or personal property at least equal in quality and condition to those sold and owned by Mortgagee or free of any lien, charge or encumbrance other than the lien hereof; (e) any indebtedness secured by a lien or charge on the Mortgaged Premises or any part thereof is not paid when due or proceedings are commenced to foreclose or otherwise realize upon any such lien or charge or to have a receiver appointed for the property subject thereto or to place the holder of such indebtedness or its representative in possession thereof; (f) Mortgagee or Guarantor becomes insolvent or bankrupt or admits in writing its, his or her inability to pay its, his or her debts as they mature or makes an assignment for the benefit of creditors or applies for or consents to the appointment of a trustee, custodian or receiver for the major part within 30 days after such appointment, or bankruptcy, reorganization, arrangement, insolvency, readjustment, liquidation, dissolution or other proceedings for relief under any present or future bankruptcy laws or laws or other state law or regulation for the relief of debtors are instituted by or against Mortgagee or Guarantor and if instituted against such party are consented to or acquiesced in or are not dismissed within 30 days after such institution, or Mortgagee or Guarantor takes any action in contemplation of or on condition of any of the foregoing; (g) there shall be any execution, attachment or levy on the Mortgaged Premises not stayed or released within 30 days; (h) any event occurs or condition exists which is specified as an event of default in any separate assignment of leases and/or rents securing the Note or in any other instrument or document securing the Note or relating thereto; (i) any financial or other information submitted by Mortgagee or Guarantor to Mortgagee in any material respect; (j) the Mortgaged Premises, pollution control wastes or toxic substances, within the meaning of any applicable Federal, state or local environmental statute, ordinance, rule or regulation (collectively "Hazardous Substances") shall be installed, used, generated, manufactured, produced, stored, released, discharged or disposed of on, under or about the Mortgaged Premises, or transported to or from the Mortgaged Premises, in violation of any Federal, state or local environmental statute, ordinance, rule or regulation; or (m) Mortgagee or Guarantor shall fail or refuse voluntarily to clean up and to bear the cost of cleaning up all Hazardous Substances on, under or about the Mortgaged Premises within 60 days after their discovery, or after receipt from any environmental agency or any other governmental unit or authority that a violation of any applicable Federal, state or local environmental statute, ordinance, rule or regulation has occurred; or (n) Guarantor shall die, become incompetent, or Guarantor shall terminate, repudiate, revoke or disavow any of its obligations under the Guaranty or breach any of the terms of the Guaranty, or any bankruptcy proceeding shall be filed by or against Mortgagee or Guarantor and shall not be dismissed within sixty (60) days after the filing thereof.

14. Mortgagee expressly represents, covenants to Mortgagee the following: (a) no hazardous substances, hazardous wastes, industrial waste, pollution control waste or toxic substances, within the meaning of any applicable Federal or state statute or regulation or any local ordinance (collectively, "Hazardous Substances") presently are or have been stored or otherwise located on, about or adjoining the Mortgaged Premises and that, within the definition of such statutes, ordinances or regulations, no part of the Mortgaged Premises or the adjoining property, including the ground-water located thereon, is presently contaminated by any Hazardous Substances; (b) until the Note and all other indebtedness secured by this Mortgage are paid in full, all Hazardous Substances, which may be used by any person for any purposes upon the Mortgaged Premises or adjoining property, shall be used or stored thereon only in a safe, approved manner, in accordance with all industrial standards and all states, ordinances, regulations and requirements of any governmental authority; (c) the Mortgaged Premises and the adjoining property will not be used for the principal purpose of storing Hazardous Substances and that no such storage or use will otherwise be allowed on the Mortgaged Premises and the adjoining property will not be used for the principal purpose causing the release of Hazardous Substances onto the Mortgaged Premises; and (d) Mortgagee shall immediately notify the Mortgagee as soon as Mortgagee knows or suspects that a Hazardous Substance has been released on the Mortgaged Premises or of any violation of any Federal, state or local ordinance, status, rule or regulation dealing with the presence of any Hazardous Substance or environmentally dangerous conditions affecting the Mortgaged Premises. Mortgagee hereby indemnifies and saves Mortgagee harmless of and from any claim, loss, liability and damage including reasonable attorneys' fees incurred by Mortgagee by reason of any actual or alleged violation of any applicable statute, ordinance, rule or regulation for the recovery of the environment which occurs upon the Mortgaged Premises or any adjoining parcels or by reason of imposition of any governmental lien for the recovery of environmental cleanup costs expended by reason of such violation (collectively "Environmental Costs"); provided that, to the extent that Mortgagee is strictly liable under any such statute or ordinance, Mortgagee's obligation to Mortgagee under this indemnity shall likewise be without regard to fault on the part of Mortgagee with respect to the violation of law which results in liability to the Mortgagee. Mortgagee further agrees that this indemnity shall continue to remain in full force and effect beyond the term of the indebtedness or obligation which is secured by this Mortgage and shall be terminated only when there is no further obligation of any kind whether in law or in equity or otherwise of Mortgagee in connection with any such environmental cleanup costs. Mortgagee promises to pay to Mortgagee on demand all Environmental Costs incurred by Mortgagee. This Mortgage shall secure, in addition to the Note and all other indebtedness and obligations secured hereby, the payment of all Environmental Costs incurred by Mortgagee.

MEMBER AND TOMAS F. SASCO, MEMBER AND JEFFREY S. DIETRICH, MEMBER AND TOMAS F. SASCO, MEMBER

BER

MEMBER

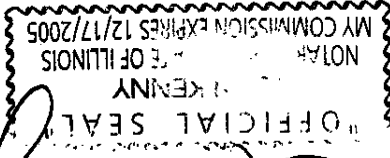
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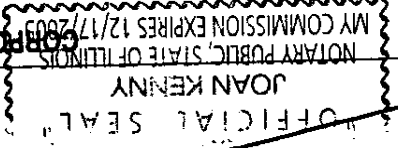
Notary Public signature and name: *Jeffrey S. Dietrich*

12/17/05

My Commission expires:

Given under my hand and notarial seal this 23RD day of DECEMBER 2002... free and voluntary act of the corporation, for the uses and purposes therein set forth... in the State aforesaid, DO CERTIFY that before me this day personally appeared JEFFREY S. DIETRICH, MEMBER AND TOMAS F. SASCO, MEMBER and JEFFREY S. DIETRICH, MEMBER AND TOMAS F. SASCO, MEMBER and JEFFREY S. DIETRICH, MEMBER AND TOMAS F. SASCO, MEMBER

CORPORATE ACKNOWLEDGMENT



Notary Public signature and name: *Joan Kenny*

My Commission expires:

Given under my hand and notarial seal this... day of... delivered the said instrument as... in the State aforesaid, DO CERTIFY that before me this day personally appeared... of Kim base

INDIVIDUAL ACKNOWLEDGMENT

By: MORTGAGOR... #1 President JEFFREY S. DIETRICH, MEMBER... Secretary TOMAS F. SASCO, MEMBER... MORTGAGOR

IN WITNESS WHEREOF, Mortgagor has executed this Mortgage the day and year first above written.

21. Mortgagor represents and agrees that the proceeds of the Note will be used for business purposes and that Note and this Mortgage are exempt from limitations upon... 22. All communications provided for herein shall be in writing and shall be deemed to have been given when delivered personally or three (3) business days after mailing... 23. This Mortgage shall be construed in accordance with and governed pursuant to the laws of the State of Illinois... 24. Whenever any of the parties hereto is referred to, such reference shall be deemed to include the successors and assigns of such party...

LEGAL DESCRIPTION

LOTS 63 TO 67 INCLUSIVE, AND THAT PART OF LOTS 48 TO 52 INCLUSIVE AND LOTS 68 TO 72 INCLUSIVE, LYING WESTERLY OF KIMBALL AVENUE, AS OPENED BY CONDEMNATION PROCEEDINGS, ORDINANCE PASSED BY THE CITY COUNCIL DECEMBER 10, 1924, ORDER OF POSSESSION JUNE 13, 1932 COUNTY COURT GENERAL NUMBER 53146, TOGETHER WITH THE VACATED PUBLIC ALLEY, VACATED BY ORDINANCE PASSED SEPTEMBER 25, 1958 AND RECORDED IN THE RECORDERS OFFICE OF COOK COUNTY, ILLINOIS, NOVEMBER 4, 1958 AS DOCUMENT NUMBER 17368258 IN STORY AND ALLEN'S SUBDIVISION OF LOT 10 OF BRAND'S SUBDIVISION OF THE NORTHEAST 1/4 OF SECTION 26, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, TAKEN AS A TRACT AND BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE NORTHWESTERLY CORNER OF LOT 63 AND SAID LINE EXTENDED ACROSS VACATED ALLEY TO THE NORTHWESTERLY CORNER OF LOT 52 AND ALONG THE SOUTHWESTERLY LINE OF LOT 52 TO THE WEST LINE OF KIMBALL AVENUE AS OPENED AS AFOREMENTIONED; THENCE NORTH ALONG THE WEST LINE OF KIMBALL AVENUE, A DISTANCE OF 308 FEET 8 AND 3/4 INCHES; THENCE NORTHWESTERLY ALONG A STRAIGHT LINE TO A POINT ON THE NORTHWESTERLY LINE OF LOT 72, 228 FEET 5 AND 5/8 INCHES NORTHEASTERLY OF THE POINT OF BEGINNING; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF LOTS 63 TO 72, A DISTANCE OF 228 FEET 5 AND 5/8 INCHES TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS

Cook County Clerk's Office