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2003-02-26 13:02:09
Cook County Recorder 38.50

RECORDATION REQUESTED BY:

Harris Bank
Glencoe-Northbrook, N.A.
333 Park Avenue
Glencoe, IL 60022



WHEN RECORDED MAIL TO:

Harris Bank/BLST
Attn: Collateral management
P.O. Box 2880
Chicago, IL 60690-2880

FOR RECORDER'S USE ONLY

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This Hazardous Substances Agreement prepared by:

Linda Perucho, Documentation Specialist
Harris Bank/BLST
311 W. Monroe St., 14th Floor
Chicago, IL 60606

HAZARDOUS SUBSTANCES CERTIFICATE AND INDEMNITY AGREEMENT

THIS HAZARDOUS SUBSTANCES AGREEMENT dated February 19, 2003, is made and executed among Walton Properties of Chicago, LLC; 375 North Morgan Street, Chicago, IL 60607 (sometimes referred to below as "Borrower" and sometimes as "Indemnitor"); and Harris Bank Glencoe-Northbrook, N.A., 333 Park Avenue, Glencoe, IL 60022 (referred to below as "Lender"). For good and valuable consideration and to induce Lender to make a Loan to Borrower, each party executing this Agreement hereby represents and agrees with Lender as follows:

PROPERTY DESCRIPTION. The word "Property" as used in this Agreement means the following Real Property located in Cook County, State of Illinois:

UNIT NUMBERS C1, C2 AND C3 IN THE 70 E. WALTON CONDOMINIUM AS DELINEATED ON THE SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE;

THE FOLLOWING PARCEL OF LAND, TAKEN AS TRACT, LYING AT AND BELOW A HORIZONTAL PLANE AT ELEVATION +51.96 FEET CHICAGO CITY DATUM, DESCRIBED AS FOLLOWS:

THE EAST 34 FEET OF THE WEST 40 FEET OF LOT 10 IN SUBDIVISION OF THE SOUTH 1/2 OF OUTLOT OF BLOCK 8 IN CANAL TRUSTEE'S SUBDIVISION OF SOUTH FRACTIONAL SECTION 3, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN;

ALSO

LOT 13 IN MOSS SUBDIVISION OF PART OF LOT 10 IN SUBDIVISION OF THE SOUTH 1/2 OF BLOCK 8 IN SUBDIVISION BY COMMISSIONER'S OF ILLINOIS AND MICHIGAN CANAL OF SOUTH FRACTIONAL 1/4 OF SECTION 3, TOWNSHIP 39 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS WHICH SURVEY IS ATTACHED AS EXHIBIT "D" TO THE DECLARATION OF CONDOMINIUM OWNERSHIP RECORDED AS DOCUMENT NO. 0021159067 ON THE RECORDER'S OFFICE OF COOK COUNTY, ILLINOIS TOGETHER WITH ITS UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS, AS AMENDED FROM TIME TO TIME.

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Handwritten signature

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(1) Any spill, release or disposal of a Hazardous Substance on any of the Property, or in connection with

Notices. Indemnitor shall immediately notify Lender upon becoming aware of any of the following:

appropriate.

such of Indemnitor's obligations under this section of the Agreement as Lender deems necessary and Indemnitor hereby irrevocably appoints Lender as Indemnitor's attorney-in-fact with full power to perform deemed to be assuming any responsibility of Indemnitor under any Environmental Law or to any third party. shall at all times be deemed to be the agent of Indemnitor and shall not by reason of such performance be any time due to Lender under this Agreement. In performing any such obligations of Indemnitor, Lender interest rate. Lender and Indemnitor intend that Lender shall have full recourse to Indemnitor for any sum at to Lender upon demand with interest at the Loan default rate, or in the absence of a default rate, at the Loan incurred by Lender under this section and otherwise under this Agreement shall be reimbursed by Indemnitor (but shall not be required to) perform such obligations at Indemnitor's expense. All such costs and expenses Indemnitor fails to perform any of Indemnitor's obligations under this section of the Agreement, Lender may Substances in connection with the Property or operations of any Occupant on the Property. In the event environment, or the threat of any such damage or injury, by releases of or exposure to Hazardous minimize property damage (including damage to Occupant's own property), personal injury or damage to the governmental authority having jurisdiction under Environmental Laws, or (b) necessary to prevent or containment and other remedial action (a) required by any applicable Environmental Laws or orders by any undertake any and all preventive, investigatory or remedial action (including emergency response, removal, Hazardous Substances if Indemnitor uses or encounters any. Indemnitor, at Indemnitor's expense, shall **Preventive, Investigatory and Remedial Action.** Indemnitor shall exercise extreme care in handling

renewals of them and shall notify Lender of any expiration or revocation of such permits or authorizations.

Indemnitor shall furnish Lender with copies of all such permits and authorizations and any amendments or permits and authorizations required by Environmental Laws with respect to such Collateral or operations. jurisdiction under any Environmental Laws and shall obtain, keep in effect and comply with all governmental on it to comply with any and all Environmental Laws and orders of any governmental authorities having **Compliance with Environmental Laws.** Indemnitor shall cause the Collateral and the operations conducted, refine, transport, treat, store, handle or dispose of any Hazardous Substances.

Use of Property. Indemnitor will not use and does not intend to use the Property to generate, manufacture, Property Report, Indemnitor covenants with Lender as follows:

AFFIRMATIVE COVENANTS. Subject to disclosures made and accepted by Lender in writing or contained in the plot, air or other natural resources.

any waters or onto any lands or where damage may have resulted to the lands, waters, fish, shellfish, wildlife, releasing, spilling, leaking, pumping, pouring, emitting, emptying or dumping of Hazardous Substances into intentional or unintentional action or omission on, under, or about the Property which has resulted in the or oral, from any agency or department of any county or state or the U.S. Government concerning any **No Notices.** Indemnitor has received no summons, citation, directive, letter or other communication, written asbestos, PCB or other Hazardous Substances, whether used in construction or stored on the Collateral.

Hazardous Substances. After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, that the Collateral, whenever and whether owned by previous Occupants, has ever contained **Use of Property.** After due inquiry and investigation, Indemnitor has no knowledge, or reason to believe, disposal, release, or threatened release of any Hazardous Substance by any person on, under, or about the Property.

that there has been any use, generation, manufacture, storage, treatment, refinement, transportation, **REPRESENTATIONS.** The following representations are made to Lender, subject to disclosures made and accepted by Lender in writing or contained in the Property Report:

The Real Property or its address is commonly known as 70 East Walton Street, Chicago, IL 60611. The Real Property tax identification number is 17-03-207-042, 17-03-207-043

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HAZARDOUS SUBSTANCES AGREEMENT

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any of its operations if such spill, release or disposal must be reported to any governmental authority under applicable Environmental Laws.

(2) Any contamination, or imminent threat of contamination, of the Property by Hazardous Substances, or any violation of Environmental Laws in connection with the Property operations conducted on the Property.

(3) Any order, notice of violation, fine or penalty or other similar action by any governmental authority relating to Hazardous Substances or Environmental Laws and the Property or the operations conducted on the Property.

(4) Any judicial or administrative investigation or proceeding relating to Hazardous Substances or Environmental Laws and to the Property or the operations conducted on the Property.

(5) Any matters relating to Hazardous Substances or Environmental Laws that would give a reasonably prudent Lender cause to be concerned that the value of Lender's security interest in the Property may be reduced or threatened or that may impair, or threaten to impair, Indemnitor's ability to perform any of its obligations under this Agreement when such performance is due.

Access to Records. Indemnitor shall deliver to Lender, at Lender's request, copies of any and all documents in Indemnitor's possession or to which it has access relating to Hazardous Substances or Environmental Laws and the Property and the operations conducted on the Property, including without limitation results of laboratory analyses, site assessments or studies, environmental audit reports and other consultants' studies and reports.

Inspections. Lender reserves the right to inspect and investigate the Property and operations on it at any time and from time to time, and Indemnitor shall cooperate fully with Lender in such inspection and investigations. If Lender at any time has reason to believe that Indemnitor or any Occupants of the Property are not complying with all applicable Environmental Laws or with the requirements of this Agreement or that a material spill, release or disposal of Hazardous Substances has occurred on or under the Property, Lender may require Indemnitor to furnish Lender at Indemnitor's expense an environmental audit or a site assessment with respect to the matters of concern to Lender. Such audit or assessment shall be performed by a qualified consultant approved by Lender. Any inspections or tests made by Lender shall be for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to any Indemnitor or to any other person.

INDEMNITOR'S WAIVER AND INDEMNIFICATION. Indemnitor hereby indemnifies and holds harmless Lender and Lender's officers, directors, employees and agents, and Lender's successors and assigns and their officers, directors, employees and agents against any and all claims, demands, losses, liabilities, costs and expenses (including without limitation attorneys' fees at trial and on any appeal or petition for review), incurred by such person (a) arising out of or relating to any investigatory or remedial action involving the Property, the operations conducted on the Property or any other operations of Indemnitor or any Occupant and required by Environmental Laws or by orders of any governmental authority having jurisdiction under any Environmental Laws, or (b) on account of injury to any person whatsoever or damage to any property arising out of, in connection with, or in any way relating to (i) the breach of any covenant contained in this Agreement, (ii) the violation of any Environmental Laws, (iii) the use, treatment, storage, generation, manufacture, transport, release, spill disposal or other handling of Hazardous Substances on the Property, (iv) the contamination of any of the Property by Hazardous Substances by any means whatsoever (including without limitation any presently existing contamination of the Property), or (v) any costs incurred by Lender pursuant to this Agreement. In addition to this indemnity, Indemnitor hereby releases and waives all present and future claims against Lender for indemnity or contribution in the event Indemnitor becomes liable for cleanup or other costs under any Environmental Laws.

PAYMENT: FULL RECOURSE TO INDEMNITOR. Indemnitor intends that Lender shall have full recourse to Indemnitor for Indemnitor's obligations under this Agreement as they become due to Lender. Such liabilities, losses, claims, damages and expenses shall be reimbursable to Lender as Lender's obligations to make payments with respect thereto are incurred, without any requirement of waiting for the ultimate outcome of any litigation, claim or other proceeding, and Indemnitor shall pay such liability, losses, claims, damages and

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No Waiver by Lender. Lender shall not be deemed to have waived any rights under this Agreement unless such waiver is given in writing and signed by Lender. No delay or omission on the part of Lender in exercising any right shall operate as a waiver of such right or any other right. A waiver by Lender of a provision of this Agreement shall not prejudice or constitute a waiver of Lender's right otherwise to demand strict compliance with that provision or any other provision of this Agreement. No prior waiver by Lender, nor any course of dealing between Lender and Indemnitor, shall constitute a waiver of any of Lender's rights or of any of Indemnitor's obligations as to any future transactions. Whenever the consent of Lender is required under this Agreement, the granting of such consent by Lender in any instance shall not constitute continuing consent to subsequent instances where such consent is required and in all cases such consent may be granted or withheld in the sole discretion of Lender. Indemnitor hereby waives notice of acceptance of this

and all references to Indemnitor shall mean each and every Indemnitor. This means that each Indemnitor signing below is responsible for all obligations in this Agreement.

Choice of Venue. If there is a lawsuit, Indemnitor agrees upon Lender's request to submit to the jurisdiction of the courts of Cook County, State of Illinois.

Governing Law. This Agreement will be governed by, considered and enforced in accordance with federal law and the laws of the State of Illinois. This Agreement has been accepted by Lender in the State of Illinois.

Joint and Several Liability. All obligations of Indemnitor under this Agreement shall be joint and several, and all references to Indemnitor shall mean each and every Indemnitor. This means that each Indemnitor signing below is responsible for all obligations in this Agreement.

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Attorneys' Fees; Expenses. If Lender institutes any suit or action to enforce any of the terms of this Agreement, Lender shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees at trial and upon any appeal. Whether or not any court action is involved, and to the extent not prohibited by law, all reasonable expenses Lender incurs that in Lender's opinion are necessary at any time for the protection of its interest or the enforcement of its rights shall become a part of the indebtedness payable on demand and shall bear interest at the Note rate from the date of the expenditure until repaid. Expenses covered by this paragraph include, without limitation, however subject to any limits under applicable law, Lender's attorneys' fees and Lender's legal expenses, whether or not there is a lawsuit, including attorneys' fees and expenses for bankruptcy proceedings (including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services, the cost of searching records, obtaining title reports (including foreclosure reports), surveys, reports, and appraisals, fees and title insurance, to the extent permitted by applicable law. Indemnitor also will pay any court costs, \$ in addition to all other sums provided by law.

Amendments. This Agreement, together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the matters set forth in this Agreement. No alteration or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

MISCELLANEOUS PROVISIONS. The following miscellaneous provisions are a part of this Agreement:

SURVIVAL. The covenants contained in this Agreement shall survive (A) the repayment of the indebtedness, (B) any foreclosure, whether judicial or nonjudicial, of the Property, and (C) any delivery of a deed in lieu of foreclosure to Lender or any successor of Lender. The covenants contained in this Agreement shall be for the benefit of Lender and any successor to Lender, as holder of any security interest in the Property or the indebtedness secured thereby, or as owner of the Property following foreclosure or the delivery of a deed in lieu of foreclosure.

expenses to Lender as so incurred within thirty (30) days after written notice from Lender. Lender's notice shall contain a brief itemization of the amounts incurred to the date of such notice. In addition to any remedy available for failure to pay periodically such amounts, such amounts shall thereafter bear interest at the Loan default rate, or in the absence of a default rate, at the Loan interest rate.

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Agreement by Lender.

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Indemnitor agrees to keep Lender informed at all times of Indemnitor's current address. Unless otherwise provided or required by law, if there is more than one Indemnitor, any notice given by Lender to any Indemnitor is deemed to be notice given to all Indemnitors.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If feasible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Successors and Assigns. Subject to any limitations stated in this Agreement on transfer of Indemnitor's interest, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns. If ownership of the Collateral becomes vested in a person other than Indemnitor, Lender, without notice to Indemnitor, may deal with Indemnitor's successors with reference to this Agreement and the Indebtedness by way of forbearance or extension without releasing Indemnitor from the obligations of this Agreement or liability under the Indebtedness.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code:

Agreement. The word "Agreement" means this Hazardous Substances Agreement, as this Hazardous Substances Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Hazardous Substances Agreement from time to time.

Collateral. The word "Collateral" means all of Indemnitor's right, title and interest in and to all the Collateral as described in the Collateral Description section of this Agreement.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste

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Authorized Signer

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LENDER:

Jerry Gedick, Manager of Walton Properties of Chicago, LLC

By:

WALTON PROPERTIES OF CHICAGO, LLC

BORROWER:

EACH PARTY TO THIS AGREEMENT ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS AGREEMENT, AND EACH AGREES TO ITS TERMS. NO FORMAL ACCEPTANCE BY LENDER IS NECESSARY TO MAKE THIS AGREEMENT EFFECTIVE. THIS AGREEMENT IS DATED FEBRUARY 19, 2003.

as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos.

The word "Indebtedness" means and includes without limitation all Loans, together with all other obligations, any premiums, debts and liabilities of Borrower to Lender, or any one or more of them, as well as all claims by Lender against Borrower, or any one or more of them; whether now or hereafter existing, voluntary or involuntary, due or not due, absolute or contingent, liquidated or unliquidated; whether Borrower may be liable individually or jointly with others; whether Borrower may be obligated as guarantor, surety, or otherwise; whether recovery upon such indebtedness may be or hereafter may become barred by any statute of limitations; and whether such indebtedness may be or hereafter may become otherwise unenforceable.

Lender. The word "Lender" means Harris Bank Glencoe-Northbrook, N.A., its successors and assigns.

Occupant. The word "Occupant" means individually and collectively all persons or entities occupying or utilizing the collateral, whether as owner, tenant, operator or other occupant.

Property. The word "Property" means all of lender's right, title and interest in and to all the Property as described in the "Collateral Description" section of this Agreement.

Property Report. The words "Property Report" mean the property inspection report dated on the Property prepared by Advance Environmental Corporation.

Real Property. The words "Real Property" mean the real property, interests and rights, as further described in this Agreement.

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guarantees, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the indebtedness.

Property of Cook County, Illinois

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LIMITED LIABILITY COMPANY ACKNOWLEDGMENT

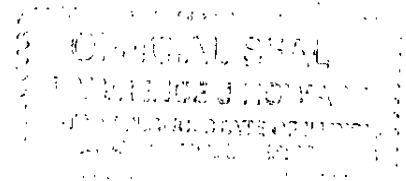
STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

On this 19th day of FEBRUARY, 2003 before me, the undersigned Notary Public, personally appeared **Jerry Cedicci, Manager of Walton Properties of Chicago, LLC**, and known to me to be a member or designated agent of the limited liability company that executed the Hazardous Substances Agreement and acknowledged the Agreement to be the free and voluntary act and deed of the limited liability company, by authority of statute, its articles of organization or its operating agreement, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this Agreement and in fact executed the Agreement on behalf of the limited liability company.

By [Signature] Residing at 201 N. KNIGHT AV., PARK RIDGE

Notary Public in and for the State of ILLINOIS

My commission expires _____



Cook County Clerk's Office

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LASER PRO Lending, Inc. 518 30 07 Copy Return Financial Institution, Inc. 1997, 2003 All Rights Reserved IL CDRPLR16210 FC TR-1017 PR 14

My commission expires _____

Notary Public in and for the State of _____

By _____ Residing at _____

of said Lender.

acknowledged said instrument to be the free and voluntary act and deed of the said Lender, duly authorized by the Lender through its board of directors or otherwise, for the uses and purposes therein mentioned, and on oath stated that he or she is authorized to execute this said instrument and that the seal affixed is the corporate seal

authorized agent for the Lender that executed the within and foregoing instrument and Public, personally appeared _____ and known to me to be the _____

On this 19th day of February, 2003 before me, the undersigned Notary

COUNTY OF Mad

)
) SS
)

STATE OF Illinois

84747203

LENDER ACKNOWLEDGMENT

[Signature]