



Eugene "Gene" Moore Fee: \$108.00
Cook County Recorder of Deeds
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Document prepared
by and after
recording to be
returned to:

Kenneth A. Latimer, Esq.
Duane Morris LLC
227 West Monroe Street
Suite 3400
Chicago, IL 60606

2.01/2003 [Signature]

**JUNIOR MORTGAGE, ASSIGNMENT OF RENTS AND LEASES, SECURITY
AGREEMENT AND FIXTURE FINANCING STATEMENT**

This Junior Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Financing Statement ("**Mortgage**") is made as of June 19, 2003, by **L.W. VAN GOGH INVESTMENT CORP.**, an Illinois corporation with a mailing address of 1738 West Addison, Chicago, Illinois 60613 Attention Donald L. Reidelberger ("**Mortgagor**") to **NEW CENTURY BANK**, an Illinois banking corporation ("**Lender**"), with a mailing address of 363 West Ontario Street, Chicago, Illinois 60510, Attention: Janel Jamison, and pertains to the real estate described in Exhibit "A" attached hereto and made a part hereof (the "**Property**").

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RECITALS

A. 2800 North Lincoln Development Corp., an Illinois corporation ("**Lincoln**") has executed and delivered to Lender, a Junior Mortgage Note of even date herewith (the "**Note**"), wherein Lincoln promises to pay to the order of Lender the principal amount of One Million Nine Hundred Eighty Thousand Dollars (\$1,980,000.00) ("**Loan**"), together with interest thereon, as set forth in the Note. Said Loan is due and payable on the Maturity Date (as defined in the Note), as such date may be accelerated in accordance with the terms of Note.

B. Lincoln is under common control with Mortgagor, and Lincoln and Mortgagor derive tangible and intangible benefits from the other and together Lincoln and Mortgagor constitute an integrated economic and business enterprise so that Lincoln and Mortgagor share an identity of interests such that any benefit received by either of them benefits the other.

C. Donald L. Reidelberger is the sole member of Lincoln and Mortgagor and has agreed to act as a Guarantor for repayment of the Loan (the "**Guarantor**") and has executed a Guaranty Agreement of even date (the Guaranty; the Note, this Mortgage, the Guaranty and all other documents executed in conjunction therewith with respect to the Loan are referred to herein as the "**Loan Documents**").

D. In consideration of advances, credit and other financial accommodations heretofore or hereinafter made to Lincoln by Lender, Lender has required Mortgagor hereby to deliver, pledge, assign, transfer, mortgage and warrant to Lender the Mortgaged Property (as that

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term is hereinafter defined) as security for the repayment of the Loan as well as any and all other amounts owed to Lender under the terms of the Loan Documents.

II

THE GRANT

To secure the payment of the principal amount of the Note and interest thereon and interest, fees and premiums, if any thereon, and all other sums due thereunder or advanced by Lender and all costs and expenses incurred by Lender in connection with any of the Loan Documents and all other indebtedness, obligations and liabilities of Mortgagor to Lender, now existing or hereafter arising, whether fixed or contingent, direct or indirect, primary or secondary, joint or several, in each case under the Loan Documents and any and all renewals, extensions, or modifications of any of the foregoing indebtedness (collectively all such obligations and payments are sometimes referred to herein as the "**indebtedness secured hereby**") and to secure the observance and performance of the agreements contained herein, in the other Loan Documents, and in all renewals, amendments, extensions and modifications of the Note and the other Loan Documents, Mortgagor hereby grants, bargains, sells, conveys, gives, releases, assigns, transfers, sets over, and mortgages to Lender, its successors and assigns, forever all of Mortgagor's estate, right, title and interest, whether now or hereafter acquired, in and to the Property, together with the following described property (the Property together with the following described property being hereinafter referred to collectively as the "**Mortgaged Property**"), all of which other property is hereby pledged on a parity with the Property and not secondarily:

(a) All improvements of every kind and description now or hereafter erected or placed on the Property and all materials intended for construction, reconstruction, alteration and repair of such improvements now or hereafter erected thereon, all of which materials shall be deemed to be included within the Mortgaged Property immediately upon the delivery thereof to the Property;

(b) All right, title and interest of Mortgagor, including any after acquired title or reversion, in and to the beds of the ways, streets, avenues, sidewalks and alleys adjoining the Property;

(c) Each and all of the tenements, hereditaments, easements, appurtenances, passages, waters, water courses, riparian rights and any and all other rights, liberties and privileges of the Property or in any way now or hereafter appertaining thereto, including homestead and any other claim at law or in equity, as well as any after acquired title, franchise or license and the reversions and remainders thereof;

(d) All leases now or hereafter on or affecting the Property, whether written or oral, and all agreements for use of the Property, together with rents, issues, deposits, profits and other benefits now or hereafter arising from or in respect of the Property accruing and to accrue from the Property and the avails thereof;

(e) All fixtures and personal property now or hereafter owned by Mortgagor and attached to, contained in or used in connection with the Property or the aforesaid

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improvements thereon, including without limitation any and all such air conditioners, antennae, appliances, apparatus, awnings, basins, bathtubs, boilers, bookcases, cabinets, carpets, coolers, curtains, dehumidifiers, disposals, doors, drapes, dryers, ducts, elevators, engines, equipment, escalators, fans, fittings, floor coverings, furnaces, furnishings, furniture, hardware, heaters, humidifiers, incinerators, lighting, machinery, motors, ovens, pipes, plumbing, pumps, radiators, ranges, recreational facilities, refrigerators, screens, security systems, shades, shelving, sinks, sprinklers, stoves, toilets, ventilators, wall coverings, washers, windows, window coverings, wiring and all renewals or replacements thereof or articles in substitution therefor, whether or not the same be attached to such improvements, it being agreed that all such property owned by Mortgagor and placed on the Property or used in connection with the operation or maintenance thereof shall, so far as permitted by law, be deemed for the purpose of this Mortgage to be part of the real estate constituting and located on the Property and covered by this Mortgage but specifically excluding any property owned by any tenant of the Property;

(f) All judgments, insurance proceeds, awards of damages and settlements which may result from any damage to all or any portion of the Property and the other Mortgaged Property, or any part thereof, or to any rights appurtenant thereto;

(g) All compensation, awards, damages, claims, rights of actions and proceeds of or on account of (i) any damage or taking, pursuant to the power of eminent domain, of the Property and the other Mortgaged Property or any part thereof, (ii) damage to all or any portion of the Property and the other Mortgaged Property by reason of the taking, pursuant to the power of eminent domain, of all or any portion of the Property and the other Mortgaged Property or of other property, or (iii) the alteration of the grade of any street or highway on or about the Property and the other Mortgaged Property or any part thereof; and Lender is hereby authorized to collect and receive said awards and proceeds and to give proper receipts and acquittances therefor and to apply the same as provided herein;

(h) All contract rights, general intangibles, actions and rights in action, including, without limitation, all rights to insurance proceeds and unearned premiums arising from or relating to damage to the Property or the other Mortgaged Property;

(i) All proceeds, products, replacements, additions, substitutions, renewals and accessions of and to the Property or the other Mortgaged Property;

(j) All building materials and goods which are procured or to be procured for use on or in connection with the Mortgaged Property, whether or not such materials and goods have been delivered to the Property;

(k) All plans, specifications, architectural renderings, drawings, licenses, permits, soil test reports, other reports of examinations or analyses, contracts for services to be rendered Mortgagor, or otherwise in connection with the Mortgaged Property and all other property, contracts, reports, proposals, and other materials now or hereafter existing in any way relating to the Property or the other Mortgaged Property or construction of additional improvements thereto; and

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(l) The proceeds from any sale, transfer, pledge or other disposition of any or all of the foregoing described Mortgaged Property.

SUBJECT, HOWEVER, to the liens, security interests and encumbrances on the Mortgaged Property held by the Lender, pursuant to (a) that certain Construction Mortgage, Assignment of Rents and Leases, Security Agreement and Fixture Financing Statement dated November 27, 2001, and recorded with the Cook County Recorder of Deeds (the "**Recorder**") on November 28, 2001 as Document No. 0011118424 (the "**Senior Mortgage**") made by the Mortgagor in favor of Lender and (b) all other agreements, assignments, instruments and documents (collectively, the "**Senior Loan Documents**") heretofore, now and/or hereafter evidencing and/or securing the loans made by Lender to the Mortgagor (the "**Senior Loan**"), and to all the rights and remedies of the Lender under the Senior Loan Documents, and to all permitted refinancings of the Senior Loan, to which the Senior Loan Documents (and any documents evidencing such renewal, extension, or permitted refinancing of the Senior Loan), the liens, security interests, encumbrances, rights and remedies of this Mortgage are and shall be and shall remain expressly subject, subordinate, secondary and inferior for all purposes. As used herein, the terms "Senior Loan" and "Senior Loan Documents" shall be deemed to include, as applicable, any renewal, extension and/or refinancing of the above described Senior Loan and all documents evidencing the same, including all permitted amendments, modifications, supplements, consolidations, restatements, extensions and renewals. As of the date of this Mortgage, the outstanding principal balance of the Senior Loan is Six Million, Five Hundred Forty Thousand Dollars (\$6,540,000).

To have and to hold the same unto Lender and its successors and assigns forever, for the purposes and uses herein set forth together with all right to possession of the Property, subject only to the schedule of exceptions, if any, listed in the title insurance policy insuring Lender's interest in the Property, including the Senior Loan ("**Permitted Encumbrances**"); the Mortgagor hereby **RELEASING AND WAIVING** all rights under and by virtue of the homestead exemption laws of the state where the Property are located.

MORTGAGOR REPRESENTS, WARRANTS AND COVENANTS, to Lender that it is lawfully seized of the Property, that the same is unencumbered except by the Permitted Encumbrances, and that it has good right, full power and lawful authority to convey and mortgage the same, and that it will warrant and forever defend said parcels and the quiet and peaceful possession of the same against the lawful claims of all persons whomsoever.

If and when the principal amount of the Note and all interest as provided thereunder have been paid, and Mortgagor has satisfied all other obligations thereunder and under the Loan Documents, then this Mortgage shall be released at the cost of Mortgagor, but otherwise shall remain in full force and effect.

III

GENERAL AGREEMENTS

3.01 Principal and Interest. Mortgagor shall pay or cause to be paid promptly when due the principal and interest on the indebtedness evidenced by the Note at the times and in the

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manner provided in the Note, this Mortgage and the other Loan Documents. Any amount not paid when due hereunder shall accrue with interest at the Default Interest Rate (as defined in the Note).

3.02 Property Taxes. Subject to Paragraph 3.03 hereof, Mortgagor shall pay when first due and owing, all general taxes, special taxes, special assessments, water charges, sewer charges, and any other charges that may be asserted against the Mortgaged Property or any part thereof or interest therein, and furnish to Lender duplicate receipts therefor within sixty (60) days of the due date therefor. Mortgagor may, in good faith and with reasonable diligence, contest the validity or amount of any such taxes or assessments, provided that:

(a) such contest shall have the effect of preventing the collection of the tax or assessment so contested and the sale or forfeiture of the Mortgaged Property or any part thereof or interest therein to satisfy the same;

(b) Mortgagor has notified Lender in writing of the intention of Mortgagor to contest the same before any tax or assessment has been increased by any interest, penalties or costs; and

(c) Mortgagor has deposited with Lender, at such place as Lender may from time to time in writing designate, a sum of money or other security acceptable to Lender that is sufficient, in Lender's reasonable judgment, to pay in full such contested tax and assessment and all penalties and interest that might become due thereon, and shall keep on deposit an amount sufficient, in Lender's reasonable judgment, to pay in full such contested tax and assessment, increasing such amount to cover additional penalties and interest whenever, in Lender's reasonable judgment, such increase is advisable. Upon the consummation of such contest, any excess funds held by Lender shall be returned to the Mortgagor.

In the event Mortgagor fails to prosecute such contest in good faith and with reasonable diligence, Lender may, at its option, apply the monies and liquidate any securities deposited with Lender in payment of, or on account of, such taxes and assessments, or any portion thereof then unpaid, including all penalties and interest thereon. If the amount of the money and any such security so deposited is insufficient for the payment in full of such taxes and assessments, together with all penalties and interest thereon, Mortgagor shall forthwith, upon demand, either deposit with Lender a sum that, when added to such funds then on deposit, is sufficient to make such payment in full, or, if Lender has applied funds on deposit on account of such taxes and assessments, restore such deposit to an amount satisfactory to Lender. Provided no Default (as hereinafter defined) exists hereunder, Lender shall, if so requested in writing by Mortgagor, after final disposition of such contest and upon Mortgagor's delivery to Lender of an official bill for such taxes, apply the money so deposited in full payment of such taxes and assessments or that part thereof then unpaid, together with all penalties and interest thereon, and any excess security shall be returned to Mortgagor.

3.03 Tax Escrow. Upon Lender's request after the occurrence of a Default hereunder, or an event or condition that with the giving of notice or passage of time would constitute a Default hereunder, Mortgagor, to provide for the payment of real estate taxes and assessments pertaining to the Premises, shall, simultaneously with Mortgagor's monthly payments of interest

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and principal to Lender, deposit monthly with Lender one-twelfth (1/12th) of one hundred ten percent (110%) of the annual real estate taxes as reasonably estimated by Lender in such manner as Lender may prescribe so as to provide for the current year's real estate tax obligation (such escrow to be waived if a tax escrow is being collected under the Senior Loan). If the amount estimated to pay said taxes is not sufficient, Mortgagor shall pay the difference within five (5) days following Lender's demand therefor. Should Mortgagor fail to deposit sufficient amounts with Lender to pay such obligations, Lender may, but shall not be obligated to, advance monies necessary to make up any deficiency in order to pay such obligations. Any monies so advanced by Lender shall become so much additional indebtedness secured hereby and shall become immediately due and payable with interest due thereon at the Default Interest Rate. Lender is not obligated to inquire into the validity or accuracy of the real estate tax obligations before making payments of the same and nothing herein contained shall be construed as requiring Lender to advance other monies for said purpose nor shall Lender incur any personal liability for anything it may do or omit to do hereunder. It is agreed that all such payments made, at the option of Lender, shall be (i) held in trust by it without earnings for the payment of the real estate tax obligations; (ii) carried in a tax account for the benefit of Mortgagor and withdrawn by Lender to pay the real estate tax obligations; or (iii) credited to the unpaid balance of said indebtedness as received, provided that Mortgagor advances upon this obligation sums sufficient to pay said items as the same accrue and become payable. If such items are held in trust or carried in a tax account for Mortgagor, the same are hereby pledged together with any other account of Mortgagor or any guarantor hereof, held by Lender to further secure the indebtedness represented by the Note and any officer of Lender is authorized to withdraw the same and apply said sums as aforesaid. Notwithstanding any provision to the contrary herein contained, so long as no Default or event which with the giving of notice and the expiration of any grace or cure period would constitute a Default exists hereunder, Lender shall apply the deposits received hereunder to the payment of real estate taxes and assessments pertaining to the Premises, provided, however, that in no event shall Lender be obligated to pay any amount in excess of the amount of deposits held by Lender pursuant hereto nor shall Lender be required to inquire as to the validity or accuracy of any real estate tax or assessment obligation before making such payments.

3.04 Payments by Lender. In the event of a Default hereunder, Lender is hereby authorized to make or advance in addition or in place of any advances under the Senior Loan in the place and stead of Mortgagor, any payment relating to taxes, assessments, water and sewer charges, and other governmental charges, fines, impositions or liens that may be asserted against the Mortgaged Property or any part thereof, and may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy thereof or into the validity of any tax, assessment, lien, sale, forfeiture or title or claim relating thereto. Lender is further authorized to make or advance, in the place and stead of Mortgagor, in addition or in place of any advances under the Senior Loan, any payment relating to any apparent or threatened adverse title, lien, statement of lien, encumbrance, claim, charge or payment, as well as take any and all actions which Lender deems necessary or appropriate on Mortgagor's behalf whenever, in Lender's sole and absolute judgment and discretion, such payments and/or actions seem necessary or desirable to protect the full security intended to be created by this Mortgage. In connection with any such advance, Lender is further authorized, at its option, to obtain a continuation report of title or title insurance policy prepared by a title insurance company of Lender's choosing. All payments, costs and other expenses incurred by Lender pursuant to this

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Paragraph 3.04, including, without limitation, reasonable attorneys' fees, expenses and court costs, shall constitute additional indebtedness secured hereby and shall be repayable by Mortgagor upon demand with interest at the Default Interest Rate as set forth in the Note.

3.05 Insurance.

(a) Hazard.

(i) Mortgagor shall keep the improvements now existing or hereafter erected on the Mortgaged Property insured under a replacement cost form of insurance policy (without depreciation) against loss, damage or destruction resulting from fire, windstorm and other hazards ("Loss") as may be required by Lender in an amount equal to the greater of (A) the amount of the Senior Loan plus the Loan or (B) one hundred percent (100%) of the replacement cost of the improvements, now existing or hereafter erected on the Property and which such policy names Lender, its successors and assignees as a Mortgage Loss Payee, and to pay promptly, when due, any premiums on such insurance. All such insurance shall be in form and of content satisfactory to Lender and shall be carried with companies approved in writing by Lender, and all such policies and renewals thereof (or certificates evidencing the same) marked "paid" shall be delivered to Lender at least thirty (30) days before the expiration of then existing policies and shall have attached thereto standard non-contributing mortgagee clauses entitling Lender to collect any and all proceeds payable under such insurance, as well as standard waiver of subrogation endorsements and shall contain provision for thirty (30) days' notice to Lender prior to any cancellation, termination, non-renewal or payment of any claims thereunder and that no termination, cancellation or non-renewal will be effective without the giving of such notice. Mortgagor shall not carry any separate insurance on such improvements concurrent in kind or form with any insurance required hereunder or contributing in the event of any Loss, unless each such policy includes a standard non-contributing mortgagee clause entitling Lender to collect any and all proceeds thereunder, as well as a standard waiver of subrogation endorsement. In the event of a change in ownership or of occupancy of the Mortgaged Property, or any portion thereof, Mortgagor shall give immediate notice thereof by mail to Lender.

(ii) Subject to Lender's rights under the Senior Loan Documents, in case of any Loss, Lender (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized to either: (1) settle, adjust or compromise any claim under any insurance policies, and Lender shall consult Mortgagor; or (2) allow Mortgagor to settle, adjust or compromise any claims for loss, damage or destruction or other casualty with the insurance company or companies on the amount to be paid upon the Loss. In either case Lender is authorized to collect and receive any such insurance proceeds and the expenses incurred by Lender in the adjustment and collection of insurance proceeds shall be additional indebtedness secured hereby and shall be reimbursed to Lender upon demand or may be deducted by Lender from said insurance proceeds prior to any other application thereof. In case of any such Loss, if, in Lender's judgment, either the improvements to the Property cannot be restored to an architectural and economic unit of substantially the same character and the same value as existed immediately prior to such casualty, after such repair or restoration, the Mortgaged Property shall in Lender's judgment not adequately secure the outstanding balance of the Loan or the funds collected from any such insurance settlements are insufficient to pay for the full restoration and repair of such damage. Lender shall have the right to collect any and all

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insurance proceeds and apply the same toward payment of the indebtedness secured hereby, after deducting all reasonable expenses and fees of collection. In the event Lender determines in its sole and absolute discretion, that the net insurance proceeds are insufficient to pay the then existing indebtedness secured hereby including, but not limited to, all accrued interest, fees and charges, and Mortgagor fails to deposit with Lender the amount of any such deficiency within thirty (30) days after Lender's demand therefor, Lender may, at its sole election, declare all indebtedness secured hereby to be immediately due and payable, and Lender may then treat the same as in the case of any other Default hereunder.

In case of any Loss after foreclosure proceedings have been instituted, all insurance proceeds shall, at Lender's option, be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid to the owner of the equity of redemption if said owner shall then be entitled to the same, or as the court may otherwise direct. In case of the foreclosure of this Mortgage, the court in its decree may provide that the mortgagor's clause attached to each of said insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditor. Any foreclosure decree may further provide that in case of any one or more redemptions made under said decree, each successive redeemer may cause the preceding loss clause attached to each insurance policy to be canceled and a new loss clause to be attached thereto, making the loss thereunder payable to such redeemer. In the event of foreclosure sale, Lender is hereby authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale, or to take such other steps as Lender may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

The insurance proceeds shall be made available to Mortgagor to repair and restore the Mortgaged Property if, and only if, all of the following conditions are satisfied:

(A) no Default, or event which with the giving of notice or passage of time would constitute a Default, shall have occurred hereunder or under any of the other Loan Documents;

(B) the insurance proceeds shall, in Lender's reasonable judgment, be sufficient to complete the repair and restoration of the buildings, structures and other improvements on the Premises to an architectural and economic unit of substantially the same character and the same value as existed immediately prior to such casualty, or, if Lender shall determine, in its reasonable discretion, that the insurance proceeds are insufficient, Mortgagor shall have deposited with Lender the amount of the deficiency in cash within fifteen (15) days after Lender's demand therefor;

(C) after such repair or restoration, the Mortgaged Property shall, in Lender's reasonable judgment, adequately secure the outstanding balance of the Loan;

(D) any and all leases of the Premises remain in full force and effect; and

(E) the insurers do not deny liability to the insureds.

In all other cases, the insurance proceeds may, at the option of Lender, be applied in the reduction of the indebtedness secured hereby, whether due or not, in such order as Lender shall

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determine in its sole and absolute discretion, or be held by Lender and used to reimburse Mortgagor for the cost of rebuilding or restoring buildings or improvements on the Premises.

Nothing contained in this Mortgage shall create any responsibility or obligation on Lender to collect any amount owing on any insurance policy, to rebuild, repair or replace any damaged or destroyed portion of the Mortgaged Property, or to perform any act hereunder.

(iii) If Lender elects to apply such insurance proceeds toward repairing, restoring, and rebuilding such improvements, such insurance proceeds shall be made available therefor, by Lender, or such other depository designated by Lender, from time to time, to Mortgagor or at Lender's option directly to contractors, subcontractors, material suppliers and other persons entitled to payment in accordance with and subject to such conditions to disbursement as Lender may impose to insure that the work is fully completed in a good and workmanlike manner and paid for and that no liens or claims arise by reason thereof, provided that Lender is furnished with evidence satisfactory to Lender of the estimated cost of such repairs, restoration and rebuilding and with architect's and other certificates, waivers of lien, certificates, contractors' sworn statements, and other evidence of the estimated cost thereof and of payments as Lender may require and approve. In addition to the foregoing, if the estimated cost of the work exceeds ten (10%) percent of the original principal amount of the indebtedness secured hereby, Mortgagor shall also deliver to Lender for its prior approval evidence satisfactory to Lender that the appraised value of the Mortgaged Property after such work will not be less than its appraised value established in the appraisal delivered to Lender on or prior to the date hereof and all plans and specifications for such repairs, restoration and rebuilding as Lender may reasonably require and approve. No payment made prior to the final completion of the work shall exceed ninety (90%) percent of the value of the repair, restoration or rebuilding work performed, from time to time, and at all times the undisbursed balance of such proceeds remaining in the custody or control of Lender shall be, in Lender's discretion, at least sufficient to pay for the cost of completion of the work, free and clear of any liens. Lender may, at any time after the occurrence of a Default hereunder or under any of the other Loan Documents and in its discretion, procure and substitute for any and all of the insurance policies so held as aforesaid, such other policies of insurance in such amounts and carried in such companies as Lender may select. Lender shall pay any interest with respect to any such funds held by or on behalf of Lender.

(iv) The Lender hereby reserves the right, in its sole discretion, to (A) require the Mortgagor to deposit one-twelfth (1/12th) of the cost of the aforescribed hazard insurance policy for the coming year each month, and (B) maintain a policy of insurance described in Section 3.05(a)(i), (1) upon receipt of notice that the existing policy has been terminated or canceled or has expired or not been renewed or (2) if Lender in its sole discretion believes the existing policy is inadequate; all amounts expended by the Lender shall be additional indebtedness hereunder secured hereby and shall be reimbursed to Lender upon demand and shall accrue with interest at the Default Interest Rate.

(b) Liability. Mortgagor shall carry and maintain such comprehensive public liability against death, bodily injury and property damage insurance as may be required from time to time by Lender in form, content, and in amounts satisfactory to, and with companies approved in writing by, Lender in its sole and absolute discretion; provided, however, that the

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amounts of coverage with respect to liability only shall not be less than TWO MILLION and NO/100 DOLLARS (\$2,000,000.00) single limit liability and that the policies shall name Lender as an additional insured party thereunder. Certificates of such insurance, premiums prepaid, shall be deposited with Lender and shall contain provision for thirty (30) days' notice to Lender prior to any cancellation, termination, non-renewal or payment of any claims thereunder and that no termination, cancellation or non-renewal will be effective without the giving of such notice.

(c) Builder's Risk. Upon the request of Lender, Mortgagor shall obtain or shall cause to be obtained builder's risk insurance on a special perils basis for 100% of the insurable value of all construction work in place or in progress from time to time insuring the Mortgaged Property and materials in storage and while in transit. Insurance shall include Replacement Cost, Agreed Amount coverage.

(d) Flood. If the Property is now or hereafter located within 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 amended (the "F.I.A."), Mortgagor shall carry and maintain flood insurance in an amount not less than the maximum limit coverage available under the F.I.A.

(e) Worker's Compensation. Evidence of worker's compensation insurance covering all persons working on or about the Mortgaged Property and death, injury and/or property damage occurring on or about the Mortgaged Property or resulting from activity therefrom, with liability insurance limits for death of or injury to persons and/or damage to property of the amounts from time to time required by statute.

(f) Other Insurance. Upon Lender's written request, Mortgagor shall carry and maintain or cause to carry and maintain such other insurance coverage(s) as Lender may, in its reasonable discretion, deem necessary or appropriate in such amounts, with such companies and in such form satisfactory to Lender, all at Mortgagor's sole expense.

(g) Collateral Insurance. Unless Borrower provides Lender with evidence of the insurance required by this Mortgage, Lender may purchase insurance at Borrower's expense to protect Lender's interests in the Mortgaged Property. This insurance may, but need not, protect Borrower's interests in the Mortgaged Property. The coverage purchased by Lender may not pay any claims that Borrower makes or any claim that is made against Borrower in connection with the Mortgaged Property. Borrower may later cancel any such insurance purchased by Lender, but only after providing Lender with evidence that Borrower has obtained insurance as required by this Mortgage. If Lender purchases insurance for the Mortgaged Property, Borrower will be responsible for the costs of that insurance, including interest and any other charges that Lender may impose in connection with the placement of the insurance, until the effective date of the cancellation or expiration of the insurance. The costs of the insurance may be added to the indebtedness secured. The costs of the insurance may be more than the cost of insurance Borrower may be able to obtain on its own.

3.06 Condemnation and Eminent Domain. Any and all awards heretofore or hereafter made or to be made to the present or any subsequent owner of the Mortgaged Property by any governmental or other lawful authority for the taking, by condemnation or eminent domain, of all

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or any part of the Mortgaged Property, (including any award from the United States government at any time after the allowance of a claim therefor, the ascertainment of the amount thereto, and the issuance of a warrant for payment thereof), are subject to the Senior Loan Documents hereby assigned by Mortgagor to Lender, which awards Lender is hereby authorized to negotiate, collect and receive from the condemnation authorities. Lender is hereby authorized to give appropriate receipts and acquittances therefor. Mortgagor shall give Lender immediate notice of the actual or threatened commencement of any condemnation or eminent domain proceedings affecting all or any part of the Mortgaged Property (including severance of, consequential damage to or change in grade of streets), and shall deliver to Lender copies of any and all papers served in connection with any such proceedings. Mortgagor further agrees to make, execute and deliver to Lender, free and clear of any encumbrance of any kind whatsoever, any and all further assignments and other instruments deemed reasonably necessary by Lender for the purpose of validly and sufficiently assigning all awards and other compensation heretofore, now and hereafter made to Mortgagor for any taking, either permanent or temporary, under any such proceeding. At Lender's option, any such award may either be applied either toward the indebtedness secured by this Mortgage or toward restoring the Mortgaged Property in which event the same shall be paid out in the same manner as is provided for insurance proceeds in **Paragraph 3.05(a)** hereof. Notwithstanding the foregoing, any expenses, including, without limitation, reasonable attorneys' fees and expenses, incurred by Lender in intervening in such action or compromising and settling such action or claim, or collecting such proceeds, shall be reimbursed to Lender first out of the proceeds.

3.07 Maintenance of Property. No portion of the Mortgaged Property shall be materially altered, removed, demolished, severed, sold or mortgaged, without the prior written consent of Lender, and in the event of the demolition or destruction in whole or in part of any of the fixtures, chattels or articles of personal property covered by this Mortgage or by any separate security agreement executed in conjunction herewith, the same shall be replaced promptly by similar fixtures, chattels and articles of personal property at least equal in quality and condition to those replaced, free from any other security interest therein, encumbrances thereon or reservation of title thereto. Mortgagor shall promptly repair, restore or rebuild any building or other improvement or any part thereof now or hereafter situated on the Property that may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for such purpose. Any such building or other improvement or any part thereof shall be repaired, restored or rebuilt so as to be of at least equal value and of substantially the same character as prior to such damage or destruction.

Mortgagor further agrees not to permit, commit or suffer any waste (i.e., physical deterioration as a result of the failure to perform necessary maintenance and repairs), impairment or deterioration of the Mortgaged Property or any part thereof, to keep and maintain the Mortgaged Property and every part thereof in good repair and condition, to effect such repairs as Lender may reasonably require, and, from time to time, to make all necessary and proper replacements thereof and additions thereto so that the Property and such buildings, other improvements, fixtures, chattels and articles of personal property will, at all times, be in good condition, fit and proper for the respective purposes for which they were originally erected or installed.

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3.08 Compliance with Laws. Mortgagor shall comply with all statutes, ordinances, regulations, rules, orders, decrees and other requirements relating to the Mortgaged Property, or any part thereof, by any federal, state or local authority, and shall observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits (including, without limitation, zoning variances, special exceptions, and nonconforming uses), privileges, franchises and concessions that are applicable to the Mortgaged Property or that have been granted to or contracted for by Mortgagor in connection with any existing or presently contemplated use of the Mortgaged Property or any part thereof. Mortgagor shall not initiate or acquiesce in any changes to or termination of any of the foregoing or of zoning design actions affecting the use of the Mortgaged Property or any part thereof without the prior written consent of Lender.

3.09 Liens and Transfers. Except for the Senior Mortgage and a Junior Mortgage in favor of Jo-Bern Ltd. to secure a Note in the amount of One Million One Hundred Thousand Dollars (\$1,100,000), Mortgagor shall not, directly or indirectly, create, suffer or permit to be created or filed or to remain against the Mortgaged Property, or any part thereof, hereafter any mortgage lien or other lien, encumbrance or charge on, pledge of, or conditional sale or other title retention agreement with respect to, the Mortgaged Property, whether superior or inferior to the lien of this Mortgage without the prior written consent of the Lender, which consent can be given or withheld in the reasonable discretion of the Lender; provided, however, that Mortgagor may, within ten (10) days after the filing thereof, contest in good faith by appropriate legal or administrative proceedings any lien claim arising from any work performed, material furnished or obligation incurred by Mortgagor upon furnishing Lender security and indemnification satisfactory to Lender, in its sole and absolute discretion, for the final payment and discharge thereof. In the event Mortgagor hereafter creates, suffers or permits any superior or inferior lien to be attached to the Mortgaged Property or any part thereof without such consent or without furnishing security as aforesaid, Lender shall have the unqualified right, at its option, to accelerate the maturity of the Note, causing the entire principal balance thereof and all interest accrued thereon to be immediately due and payable.

Except as expressly set forth herein, if Mortgagor, without Lender's prior written consent, sells, leases, transfers, conveys, assigns, pledges, hypothecates or otherwise disposes of the title to all or any portion of the Mortgaged Property, whether by operation of law, voluntarily or otherwise, or any interest (beneficial or otherwise) thereto, or enters into any agreement to do any of the foregoing, Lender shall have the unqualified right, at its option, to accelerate the maturity of the Note, causing the entire principal balance, and accrued interest to be immediately due and payable. Without limiting the generality of the foregoing, each of the following events shall be deemed a sale, transfer, conveyance, assignment, pledge, hypothecation or other disposition prohibited by the foregoing sentence:

(a) if Mortgagor is a limited liability company, any sale, conveyance, assignment or other transfer of all or any portion of the equity interest of any member of Mortgagor;

(b) if Mortgagor is a corporation, any sale, conveyance, assignment or other transfer of all or any portion of the stock of such corporation, that results in a material change in

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the identity of the person(s) or entities in control of such corporation, or any corporation which controls any of Mortgagor;

(c) if Mortgagor is a partnership, any sale, conveyance, assignment or other transfer of all or any portion of the stock, partnership interest or membership interest in Mortgagor or any entity directly or indirectly in control of Mortgagor;

(d) any hypothecation of all or any portion of any stock of, partnership interest or membership interest in Mortgagor, or of all or any portion of the stock, partnership interest or membership interest of any entity directly or indirectly in control of Mortgagor, unless expressly subordinated to the Loan and the liens created thereby; and

(e) any merger or consolidation of Mortgagor with any other entity or any sale, assignment or other transfer of substantially all the assets of Mortgagor.

Any waiver by Lender of the provisions of this **Paragraph 3.09** shall not be deemed to be a waiver of the right of Lender in the future to insist upon strict compliance with the provisions hereof.

3.10 Subrogation to Prior Lienholder's Rights. If the proceeds of the Loan secured hereby or any part thereof, or any amount paid out or advanced by Lender is used directly or indirectly to payoff, discharge or satisfy, in whole or in part, any prior lien or encumbrance upon the Mortgaged Property or any part thereof, then Lender shall be subrogated to the rights of the holder thereof in and to such other lien or encumbrance and any additional security held by such holder, and shall have the benefit of the priority of the same, to the extent permitted by law.

3.11 Lender's Dealings with Transferee. In the event of the sale or transfer, by operation of law, voluntarily or otherwise, of all or any part of the Mortgaged Property, Lender shall be authorized and empowered to deal with the vendee or transferee with regard to the Mortgaged Property, the indebtedness secured hereby and any of the terms or conditions hereof as fully and to the same extent as it might with Mortgagor, without in any way releasing or discharging Mortgagor from its covenants hereunder, specifically including those contained in **Paragraph 3.09** hereof, and without waiving Lender's right of acceleration pursuant to **Paragraph 3.09** hereof.

3.12 Stamp Taxes. If at any time the United States government or any federal, state or municipal governmental subdivision requires Internal Revenue or other documentary stamps, levies or any tax on this Mortgage or on the Note, or requires payment of the United States Interest Equalization Tax on any of the indebtedness secured hereby, then such indebtedness and all interest accrued thereon shall be and become due and payable, at the election of the Lender, thirty (30) days after the mailing by Lender of notice of such election to Mortgagor; provided, however, that such election shall be unavailing, and this Mortgage and the Note shall be and remain in effect, if Mortgagor may and does lawfully pay for such stamps or tax, including interest and penalties thereon, to or on behalf of Lender.

3.13 Change in Tax Laws. In the event of the enactment, after the date of this Mortgage, of any law of the state in which the Property is located deducting from the value of the Property, for the purpose of taxation, the amount of any lien thereon, or imposing upon

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Lender the payment of all or any part of the taxes, assessments, charges or liens hereby required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or Mortgagor's interest in the Mortgaged Property, or the manner of collection of taxes, so as to affect this Mortgage or the indebtedness secured hereby or the holder thereof, then Mortgagor, upon demand by Lender, shall pay such taxes, assessments, charges or liens, or reimburse Lender therefor; provided, however, that if, in the opinion of counsel for Lender, it might be unlawful to require Mortgagor to make such payment or the making of such payment might result in the imposition of interest beyond the maximum amount permitted by law, then Lender may elect, by notice in writing given to Mortgagor, to declare all of the indebtedness secured hereby to become due and payable ninety (90) days after the giving of such notice. Nothing contained in this **Paragraph 3.13** shall be construed as obligating Lender to pay any portion of Mortgagor's federal income tax.

3.14 Inspection of Property. Mortgagor shall permit Lender and its representatives and agents to inspect the Mortgaged Property from time to time upon reasonable prior telephonic notice during normal business hours and as frequently as Lender considers reasonable.

3.15 Inspection of Books and Records. Mortgagor shall keep and maintain full and correct books and records showing in detail the income and expenses of the Mortgaged Property and after demand therefor by Lender shall permit Lender and its agents and representatives to visit its offices, discuss its financial affairs with its officers and independent public accountants whether or not any representative of Mortgagor is present and to examine such books and records and all supporting vouchers and data, copies of any leases encumbering the Property and such other information as Lender may deem necessary or appropriate at any time and from time to time on Lender's reasonable request upon reasonable notice at Mortgagor's offices, at the address hereinabove identified or at such other location as may be reasonably requested by Lender.

3.16 Financial Information. Mortgagor shall deliver or cause to be delivered, to Lender, on at least an annual basis, not later than ninety (90) days following the close of its fiscal year, and at such other times as Lender may reasonably request, financial statements for Mortgaged Property on a form approved by Lender setting forth the information therein as of the immediately preceding calendar year, containing income and expense statements and a balance sheet, prepared and reviewed by an independent certified public accounting firm acceptable to Lender in accordance with generally accepted accounting principles consistently applied and certified to be true, complete and correct by the persons or entities to which they apply and in detail as Lender may require.

3.17 Acknowledgment of Debt. Mortgagor shall furnish from time to time, within ten (10) days after Lender's request, a written statement, duly acknowledged, specifying the amount due under the Note, this Mortgage and any of the other Loan Documents and disclosing whether any alleged offsets or defenses exist against the indebtedness secured hereby.

3.18 Other Amounts Secured. Mortgagor acknowledges and agrees that this Mortgage secures the entire principal amount of the Note and interest accrued thereon, regardless of whether any or all of the loan proceeds are disbursed on or after the date hereof, and regardless of whether the outstanding principal is repaid in part and future advances made at a later date, as

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well as any amounts owed to Lender pursuant to **Paragraphs 3.02 and 3.04** hereof, any and all litigation and other expenses pursuant to **Paragraphs 4.05 and 4.06** hereof and any other amounts as provided herein or in any of the other Loan Documents, including, without limitation, the payment of any and all loan commissions, service charges, liquidated damages, expenses and advances due to or paid or incurred by Lender in connection with the Loan. The amount secured hereby shall not exceed Four Million Dollars (\$4,000,000).

3.19 Declaration of Subordination. At the option of Lender, this Mortgage shall become subject and subordinate, in whole or in part (but not with respect to priority of entitlement to insurance proceeds or any condemnation or eminent domain award), to any and all leases of all or any part of the Mortgaged Property upon the execution by Lender and recording, at any time hereafter, in the appropriate official records of the county wherein the Property is situated, of a unilateral declaration to that effect.

3.20 Release. Lender, without notice and without regard to the consideration, if any, paid therefor, and notwithstanding the existence at that time of any inferior liens thereon, may release from the liens of Lender all or any part of the Mortgaged Property, or release from liability any person or entity obligated to repay any indebtedness secured hereby, without in any way affecting the liability of any party pursuant to the Note, this Mortgage or any of the other Loan Documents, including, without limitation, any guaranty given as additional security for the indebtedness secured hereby, and without in any way affecting the priority of the lien of this Mortgage, and may agree with any party liable therefor to extend the time for payment of any part or all of such indebtedness. Any such agreement shall not in any way release or impair the lien created by this Mortgage or reduce or modify the liability of any person or entity obligated personally to repay the indebtedness secured hereby, but shall extend the lien hereof as against the title of all parties having any interest, subject to the indebtedness secured hereby, in the Mortgaged Property.

3.21 Mortgagor's Representations. Mortgagor hereby represents and covenants to Lender that:

(a) Mortgagor is lawfully seized of the Mortgaged Property hereby mortgaged, granted and conveyed and has the right to mortgage, grant and convey the Mortgaged Property, that the Mortgaged Property is unencumbered except by the Permitted Encumbrances, if any, and that Mortgagor will warrant and defend generally the title to the Mortgaged Property, or any portion thereof, against any and all claims and demands, subject only to the Permitted Encumbrances, if any.

(b) Mortgagor (i) is a limited liability company that is existing under the laws of the State of Illinois and is in good standing in the State of Illinois; (ii) has the power and authority to own its properties and carry on its business as now being conducted; and (iii) is in compliance with all laws, regulations, ordinances and orders of public authorities applicable to it.

(c) The execution, delivery and performance of the Note and the other Loan Documents: (i) have received all necessary trust, partnership, corporate and governmental approval; (ii) do not violate any provision of any law, any order of any court or agency of government or any indenture, agreement or other instrument to which Mortgagor is a party, or by

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which it or any portion of the Property is bound; and (iii) are not in conflict with, nor will it result in breach of, or constitute (with due notice and/or lapse of time) a default under any indenture, agreement, or other instrument, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever, upon any of Mortgagor's property or assets, except as contemplated by the provisions of this Mortgage.

(d) The Note and the other Loan Documents, when executed and delivered by Mortgagor, will constitute the legal, valid and binding obligations of Mortgagor and all other obligors named therein, if any, in accordance with their respective terms.

(e) All other information, reports, papers, balance sheets, statements of profit and loss, and data given to Lender or its agents and employees regarding Mortgagor or any other party obligated under the terms of the Note or any of the other Loan Documents are accurate and correct in all material respects, and are complete insofar as completeness may be necessary to give Lender a true and accurate knowledge of the subject matter.

(f) There is not now pending against or affecting Mortgagor or any other party obligated under the terms of the Note or any of the other Loan Documents, nor, to the best of Mortgagor's knowledge, is there threatened any action, suit or proceeding at law, in equity or before any administrative agency which, if adversely determined, would materially impair or affect the financial condition or operation of Mortgagor.

3.22 Utilities. Mortgagor will pay all utility charges incurred in connection with the Property and all improvements thereon, and shall maintain all utility services now or hereafter available for use at the Property.

3.23 Hazardous Waste.

(a) Mortgagor represents, warrants, covenants and agrees that except as previously disclosed to Lender:

(i) to the best of Mortgagor's knowledge (A) there are no Hazardous Substances (as hereinafter defined) in violation of applicable Environmental Laws (as hereinafter defined) at, upon, over or under the Mortgaged Property, or, to the best of its knowledge, at, upon, over, or under those parcels of real estate adjacent to the Mortgaged Property, and (B) during the period of ownership of the Mortgaged Property by Mortgagor, and to the best of its knowledge, prior to Mortgagor's acquisition of its interest therein, there have not been any Hazardous Substances at, upon, over or under the Mortgaged Property or, to the best of its knowledge, at, upon, over or under those parcels of real estate adjacent to the Mortgaged Property; and

(ii) (A) the Mortgaged Property is in compliance with all Environmental Laws; (B) Mortgagor shall comply with all Environmental Laws and Environmental Permits (as hereinafter defined); (C) Mortgagor shall require its tenants and others operating on the Mortgaged Property to comply with Environmental Laws and Environmental Permits; (D) Mortgagor shall provide Lender immediate notice of any correspondence, notices, demands or communications of any nature whatsoever received by any of Mortgagor or any guarantor relating to any alleged or actual violation, or any investigation of

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any alleged or actual violation, of any Environmental Law or relating to any alleged or actual presence of Hazardous Substances at, under, over or under the Mortgaged Property or adjacent real estate, and to immediately provide Lender copies of any such correspondence, notices, demands or communications which are in writing; and (E) Mortgagor shall advise Lender in writing as soon as any of Mortgagor or any guarantor becomes aware of any condition or circumstance which makes any of Mortgagor's representations or warranties contained herein incomplete or inaccurate; and

(iii) all necessary Environmental Permits pertaining to the Mortgaged Property have been obtained by the appropriate party, and all reports, notices and other documents required under any Environmental Law in connection with the Mortgaged Property have been filed; and

(iv) neither Mortgagor nor any guarantor is a party to any litigation or administrative proceeding arising under any Environmental Law in connection with the Mortgaged Property or adjacent real estate, nor, to the best knowledge of Mortgagor, is there any such litigation or proceeding contemplated or threatened; and

(v) Mortgagor, any and all Guarantors and the Mortgaged Property are free from any judgment, decree, order or citation related to or arising out of any Environmental Law.

In the event Lender determines in its sole and absolute discretion that there is any evidence that any circumstance might exist, whether or not described in any communication or notice to Mortgagor or Lender, Mortgagor agrees, at its own expense and at the request of Lender, to permit an environmental audit to be conducted by Lender or an independent agent selected by Lender. This provision shall not relieve Mortgagor from conducting its own environmental audits or taking any other steps necessary to comply with any Environmental Law or Environmental Permits. If, in the opinion of Lender, there exists any uncorrected violation of any Environmental Law or Environmental Permits or any condition which requires or may require any cleanup, removal or other remedial action under any Environmental Law, and such cleanup, removal or other remedial action is not completed within one hundred twenty (120) days from the date of written notice from Lender to Mortgagor, the same shall, at the option of Lender constitute a Default hereunder, without further notice or cure period.

(b) to the best of Mortgagor's knowledge, Mortgagor hereby represents, warrants and certifies to Lender that: (i) there are no above ground storage tanks ("ASTs") or underground storage tanks ("USTs") at, upon, over or under the Mortgaged Property which are subject to the notification requirements under Section 9002 of the Solid Waste Disposal Act, as amended (42 U.S.C. §6991); (ii) there is no facility located on or at the Mortgaged Property which is subject to the reporting requirements of Section 312 of the Federal Emergency Planning and Community Right to Know Act of 1986, as amended, and the federal regulations promulgated thereunder (42 U.S.C. §11022), (iii) during the periods of ownership of the Mortgaged Property by Mortgagor, and prior to Mortgagor's acquisition of its interest therein, there have been no ASTs or USTs at, upon, over or under the Mortgaged Property, and (iv) Mortgagor will not cause or allow any ASTs or USTs to be installed at, upon, over or under the Mortgaged Property.

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(c) Mortgagor agrees to indemnify, defend and hold harmless Lender and any and all current, future or former officers, directors, employees, representatives and agents from and against any and all Environmental Losses (as hereinafter defined) in any way arising from: (i) any breach of any covenant, representation or warranty in this **Paragraph 3.23**; (ii) any Environmental Liability (as hereinafter defined); (iii) any failure to obtain or comply with any Environmental Permit; (iv) any Release (as hereinafter defined); (v) any Management (as hereinafter defined); (vi) any Environmental Condition (as hereinafter defined); (vii) the presence of any Hazardous Substance at any property other than the Mortgaged Property which is present due to either (A) any direct or indirect transportation whatsoever of a Hazardous Substance from the Mortgaged Property, or by any of Mortgagor or any guarantor, to the property at which such Hazardous Substance is present or (B) migration or other movement from the Mortgaged Property to such other property of a Hazardous Substance Released at the Mortgaged Property; and (viii) any Response (as hereinafter defined) arising out of or in connection with any of the matters described in this **Paragraph 3.23(c)**. Any and all amounts owed by Mortgagor to Lender under this **Paragraph 3.23(c)** shall constitute additional indebtedness secured hereby.

(d) The following definitions apply throughout this Mortgage:

(i) The term "**Environmental Condition**" shall mean the presence of any Hazardous Substance at, upon, over, under or emanating from the Mortgaged Property, any other real estate to which any Hazardous Substance has migrated from the Mortgaged Property or any other real estate whatsoever to which any Hazardous Substance has been transported from the Mortgaged Property.

(ii) The term "**Environmental Laws**" shall mean all federal, state, and local laws, statutes, rules, regulations, ordinances, permits, guides, orders and consent decrees relating to health, safety and environmental matters as now exist and as may be enacted or amended after the date hereof. Such laws and regulations include, but are not limited to, the Resource Conservation and Recovery Act, 42 U.S.C. §6901 et seq., as amended; the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §9601 et seq., as amended ("**CERCLA**"), the Toxic Substance Control Act, 15 U.S.C. §2601 et seq., as amended; the Clean Water Act 33 U.S.C. §1251 et seq., as amended; the Clean Air Act, 42 U.S.C. §7401 et seq., as amended; federal, state and local environmental cleanup programs; federal, state and local environmental lien programs; the Occupational Safety and Health Act of 1970, 29 U.S.C. §651 et seq., as amended ("**OSHA**"); and U.S. Department of Transportation regulations applicable to the transportation of Hazardous Substances.

(iii) The term "**Environmental Liability**" shall mean any and all liabilities, whether fixed, absolute, or contingent, arising under any Environmental Law or arising under or in connection with any Environmental Permit or Environmental Condition; any and all claims of any nature whatsoever by a third party (including but not limited to governmental agencies) arising in any way under any Environmental Law or arising under or in connection with any Environmental Permit or Environmental Condition, including but not limited to demands for environmental cleanup, investigation or corrective action; any and all Environmental Losses incurred or sustained as a direct or indirect result of alleged or actual violations of Environmental Laws or Environmental Permits; any and all alleged or actual

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Environmental Conditions; any and all Releases; any and all Management; or any and all Responses.

(iv) The terms "**Environmental Loss**" or "**Environmental Losses**" shall mean any and all costs, expenses and expenditures, including, without limitation, court costs and reasonable attorneys', experts' and consultants' fees and costs of litigation or any other losses whatsoever, including, without limitation, costs and expenses of investigation, cleanup, prevention of migration, monitoring, evaluating, assessment, removal or remediation of Hazardous Substances whether or not such costs or expenses are incurred in response to any governmental or third party action, claim or directive; damages; punitive damages actually awarded; obligations; deficiencies; liabilities, whether fixed, absolute, accrued, contingent or otherwise and whether direct, primary or secondary, known or unknown; claims; encumbrances; penalties; demands; assessments; and judgments.

(v) The term "**Environmental Permit**" shall mean authorization by any governmental entity to conduct activities governed in whole or in part by one or more Environmental Laws.

(vi) The term "**Hazardous Substance**" shall mean hazardous substances, hazardous wastes, hazardous waste constituents, by-products, hazardous materials, hazardous chemicals, extremely hazardous substances, pesticides, oil and other petroleum products and toxic substances, including, without limitation, asbestos and PCBs, as those terms are defined pursuant to or encompassed by any Environmental Law or by trade custom and usage.

(vii) The terms "**Manage**", "**Managed**" or "**Management**" shall mean the generation, handling, manufacturing, processing, treatment, storing, use, reuse, refinement, recycling, reclaiming, blending, burning, recovery, incineration, accumulation, transportation, transfer, disposal, release or abandonment of any Hazardous Substances, by any person at any property (including but not limited to facilities or properties other than the Mortgaged Property, as applicable).

(viii) The terms "**Release**", "**Released**" or "**Releases**" shall mean any actual or threatened spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing of any Hazardous Substance at, upon, over or from the Mortgaged Property, any other real estate to which any Hazardous Substance has migrated from the Mortgaged Property or any other real estate whatsoever to which any Hazardous Substance has been transported from the Mortgaged Property.

(ix) The terms "**Respond**" or "**Response**" shall mean any action taken by any person, whether or not in response to a governmental or third party action, claim or directive, to correct, remove, remediate, clean up, prevent migration of, monitor, evaluate, investigate or assess, as appropriate, any Release of a Hazardous Substance, Environmental Condition, Management or actual or alleged violation of an Environmental Law or Environmental Permit.

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(e) Any provisions of this Mortgage to the contrary notwithstanding, the representations, warranties, covenants, agreements and indemnification obligations contained in this **Paragraph 3.23** shall survive the foreclosure of the lien of this Mortgage by Lender or a third party or the conveyance thereof by deed in lieu of foreclosure and shall not be limited to the amount of any deficiency in any foreclosure sale of the Mortgaged Property) and all indicia of termination of the relationship between Mortgagor and Lender, including, but not limited to, the repayment of all amounts due under the Loan evidenced by the Note, the cancellation of the Note, satisfaction of any guaranty, and the release of this Mortgage.

3.24 Assignment of Rents. (a) As further security for the repayment of the Note, and any amounts due pursuant to this Mortgage, Mortgagor does subject to the Senior Loan hereby sell, assign and transfer to Lender all leases, rents, issues, deposits and profits now due and which may hereinafter become due under or by reason of any lease or any letting of, or any agreement for the use, sale, or occupancy of the Property or any portion thereof (whether written or verbal), which may have been heretofore or may hereafter be made or agreed to or which may be made or agreed to by Lender under the powers herein granted, including, without limitation, leases, sale contracts, escrow and other agreements, it being Mortgagor's intention hereby to establish an absolute transfer and assignment of all such leases, contracts, escrows and agreements pertaining thereto (such leases, contracts, escrows and agreements being collectively referred to hereinbelow as "agreements" and any such individual lease, contract, escrow or other agreement being referred to hereinbelow as an "agreement"), and all the avails thereof, to Lender.

Following any Default hereunder, Mortgagor does hereby irrevocably appoint Lender as its true and lawful attorney in its name and stead (with or without taking possession of the Property) to rent, lease, let, or sell all or any portion of the Property to any party or parties at such price and upon such term as Lender in its sole discretion may determine, and to collect all of such rents, issues, deposits, profits and avails now due or that may hereafter become due under any and all of such agreements or other tenancies now or hereafter existing on the Property, with the same rights and powers and subject to the same immunities, exoneration of liability and rights of recourse and indemnity as Lender would have upon taking possession of the Property pursuant to the provisions set forth hereinbelow.

This assignment confers upon Lender a power coupled with an interest and it cannot be revoked by Mortgagor.

(b) Mortgagor represents and agrees that without the prior written consent of the Lender, no rent for right of future possession will be paid by any person in possession of any portion of the Property in excess of one installment thereof paid in advance and that no payment of rents to become due for any portion of the Property has been or will be waived, conceded, released, reduced, discounted, or otherwise discharged or compromised by Mortgagor. Mortgagor waives any right of setoff against any person in possession of any portion of the Property. Mortgagor agrees that it will not assign any of such rents, issues, profits, deposits or avails.

(c) Mortgagor further agrees to assign and transfer to Lender all future leases and agreements pertaining to all or any portion of the Property and to execute and deliver to

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Lender, immediately upon demand of Lender, all such further assurances and assignments pertaining to the Property as Lender may from time to time require.

(d) Mortgagor shall, at its own cost: (i) at all times perform and observe all of the covenants, conditions and agreements of the lessor under the terms of any or all leases or similar agreements affecting all or any part of the Property; (ii) at all times enforce and secure the performance and observance of all of the material covenants, conditions and agreements of the lessees under the terms of any or all of said leases or other agreements; (iii) appear in and defend any action or other proceeding arising out of or in any manner connected with said leases and other agreements, and to pay any and all costs of Lender incurred by reason of or in connection with said proceedings, including attorneys' fees, expenses and court costs; and (iv) promptly furnish Lender with copies of any notices of default either sent or received by Mortgagor under the terms of or pursuant to any of said leases or other agreements.

(e) Although it is the intention of Mortgagor and Lender that the assignment, including, without limitation, the power of attorney appointment, contained in this **Paragraph 3.24** is a present assignment, it is expressly understood and agreed, anything herein contained to the contrary notwithstanding, that Lender shall not exercise any of the rights and powers conferred upon it under subparagraph 3.24 (a), (f) or (g) herein unless and until the occurrence of a Default hereunder, or a condition which with the passage of time or giving of notice or both, would constitute a Default hereunder.

(f) Lender, in the exercise of the rights and powers conferred upon it herein, shall have full power to use and apply the rents, issues, deposits, profits and avails of the Property to the payment of or on account of the following, in such order as Lender may, in its sole and absolute discretion determine:

(i) operating expenses of the Property (including, without limitation, all costs of management, sale and leasing thereof, which shall include reasonable compensation to Lender and its agents, if management be delegated thereto, reasonable attorneys' fees, expenses and court costs, and lease or sale commissions and other compensation and expenses of seeking and procuring tenants or purchasers and entering into leases or sales), establishing any claims for damages, and premiums on insurance authorized hereinabove;

(ii) taxes, special assessments, water and sewer charges on the Property now due or that may hereafter become due;

(iii) any and all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Property (including without limitation the cost from time to time of installing or replacing personal property therein, and of placing the Property in such condition as will, in the sole judgment of Lender, make them readily rentable or salable);

(iv) any indebtedness secured by this Mortgage or any deficiency that may result from any foreclosure sale pursuant thereto; and

(v) any remaining funds to Mortgagor or its successors or assigns, as their interests and rights may appear.

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(g) Mortgagor does further specifically authorize and instruct each and every present and future lessee or purchaser of all or any portion of the Property to pay all unpaid rentals or deposits agreed upon in any lease or agreement pertaining to the Property to Lender upon receipt of demand from Lender to pay the same without any further notice or authorization by Mortgagor, and Mortgagor hereby waives any rights or claims it may have against any lessee by reason of such payments to Lender.

(h) Lender shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases or agreement pertaining to the Property, and Mortgagor shall and does hereby agree to indemnify and hold Lender harmless from and against any and all liability, loss and damage that Lender may or might incur under any such leases or agreements or under or by reason of the assignment thereof, as well as any and all claims and demands whatsoever which may be asserted against Lender by reason of any alleged obligations or undertakings on Lender's part to perform or discharge any of the terms, covenants or conditions contained in such leases or agreements, excluding those arising out of Lender's gross negligence or willful misconduct. Should Lender incur any such liability, loss or damage under such leases or agreements, or under or by reason of the assignment thereof, or in the defense of any claims or demands relating thereto, Mortgagor shall reimburse Lender for the amount thereof (including, without limitation, attorneys' fees, expenses and court costs) immediately upon demand.

(i) Nothing herein contained shall be construed as making or constituting Lender a "mortgagee in possession" in the absence of the taking of actual possession of the Property by Lender pursuant to the provisions set forth herein. In the exercise of the powers herein granted Lender, no liability shall be asserted or enforced against Lender, all such liability being expressly waived and released by Mortgagor.

(j) Mortgagor may enter new leases or amend, modify, terminate or cancel any existing lease or waive any rights thereunder, or accept a voluntary surrender of any lease, upon the prior written consent of Lender.

3.25 Security Agreement. (a) This Mortgage shall be deemed a "Security Agreement" as defined in the Illinois Uniform Commercial Code, and creates a security interest in favor of Lender in all property including, without limitation, all personal property, fixtures and goods affecting property either referred to or described herein or in any way connected with the use or enjoyment of the Mortgaged Property. The remedies for any violation of the covenants, terms and conditions of the agreements herein contained shall be as prescribed herein or by general law or, as to such part of the security which is also reflected in any Financing Statement filed to perfect the security interest herein created, by the specific statutory consequences now or hereinafter enacted and specified in the Illinois Uniform Commercial Code, all at Lender's sole election. Mortgagor and Lender agree that the filing of such a Financing Statement in the records normally having to do with personal property shall not be construed as in any way derogating from or impairing the intention of the parties hereto that everything used in connection with the production of income from the Premises or adapted for use therein or which is described or reflected in this Mortgage is, and at all times and for all purposes and in all proceedings both legal or equitable shall be, regarded as part of the real estate irrespective of whether (i) any such item is physically attached to the improvements, (ii) serial numbers are used

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for the better identification of certain equipment items capable of being thus identified in a recital contained herein or in any list filed with Lender, or (iii) any such item is referred to or reflected in any such Financing Statement so filed at any time. Similarly, the mention in any such Financing Statement of (1) the rights in or the proceeds of any fire or hazard insurance policy, or (2) any award in eminent domain proceedings for a taking or for loss of value, or (3) Mortgage's interest as lessor in any present or future lease or rights to income growing out of the use or occupancy of the Mortgaged Property whether pursuant to lease or otherwise, shall never be construed as in any way altering any of the rights of Lender under this Mortgage or impugning the priority of the Lender's lien granted hereby or by any other recorded document, but such mention in the Financing Statement is declared to be for the protection of the Lender in the event any court or judge shall at any time hold with respect to (1), (2) and (3) that notice of Lender's priority of interest to be effective against a particular class of persons, including, but not limited to, the Federal Government and any subdivisions or entity of the Federal Government, must be filed in the Illinois Uniform Commercial Code records.

(b) Mortgagor shall execute, acknowledge and deliver to Lender, within ten (10) days after request by Lender, any and all security agreements, financing statements and any other similar security instruments reasonably required by Lender, in form and of content reasonably satisfactory to Lender, covering all property of any kind whatsoever owned by Mortgagor that, in the reasonable opinion of Lender, is essential to the operation of the Mortgaged Property and concerning which there may be any doubt whether title thereto has been conveyed, or a security interest therein perfected, by this Mortgage under the laws of the state in which the Premises are located. Mortgagor shall further execute, acknowledge and deliver any financing statement, affidavit, continuation statement, certificate or other document as Lender may request in order to perfect, preserve, maintain, continue and extend such security instruments. Mortgagor further agrees to pay to Lender all fees, costs and expenses (including, without limitation, all reasonable attorneys' fees and expenses and court costs) incurred by Lender in connection with the preparation, execution, recording, filing or refiling of any such document.

3.26 Fixtures Financing Statement. From the date of its recording, this Mortgage shall be effective as a fixture financing statement with respect to all goods constituting part of the Mortgaged Property which are or are to become fixtures related to the real estate described herein. For this purpose, the following information is set forth:

(a) Name and Address of Debtor:

L.W. Van Gogh Investment Corp.
1738 West Addison
Chicago, Illinois 60613
Attention: Donald L. Reidelberger

(b) Name and Address of Secured Party:

New Century Bank
363 West Ontario
Chicago, Illinois 60610

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- (c) This document covers goods which are or are to become fixtures.

3.27 Interest Laws. It being the intention of Lender and Mortgagor to comply with the laws of the State of Illinois, it is agreed that notwithstanding any provision to the contrary in the Note, this Mortgage or any of the other Loan Documents, no such provision shall require the payment or permit the collection of any amount ("**Excess Interest**") in excess of the maximum amount of interest permitted by law to be charged for the use or detention, or the forbearance in the collection, of all or any portion of the indebtedness evidenced by the Note. If any Excess Interest is provided for, or is adjudicated to be provided for, in the Note, this Mortgage or any of the other Loan Documents, then in such event: (a) the provisions of this **Paragraph 3.27** shall govern and control; (b) neither Mortgagor nor any other party obligated under the terms of the Note or any of the other Loan Documents shall be obligated to pay any Excess Interest; (c) any Excess Interest that Lender may have received hereunder shall, at the option of Lender, be (i) applied as a credit against the then unpaid principal balance under the Note, accrued and unpaid interest thereon not to exceed the maximum amount permitted by law, or both, (ii) refunded to the payor thereof, or (iii) any combination of the foregoing; (d) the Interest Rate (as that term is used in the Note) shall be subject to automatic reduction to the maximum lawful contract rate allowed under the applicable usury laws of the aforesaid state, and the Note, this Mortgage, and the other Loan Documents shall be deemed to be automatically reformed and modified to reflect such reduction in the Interest Rate; and (e) neither Mortgagor nor any other party obligated under the terms of the Note or any of the other Loan Documents shall have any action against Lender for any damages whatsoever arising out of the payment or collection of any Excess Interest.

IV

DEFAULTS AND REMEDIES

4.01 Events Constituting Defaults. Each of the following events shall constitute a default (a "**Default**") under this Mortgage:

- (a) Failure of Mortgagor to pay any sum secured hereby, including, but not limited to, any installment of principal or interest or both thereon, when such sum is due;
- (b) Failure of Mortgagor to comply with any of the requirements of **Paragraph 3.09**;
- (c) Failure of Mortgagor to perform or observe any other covenant, warranty or provision contained in this Mortgage and not otherwise covered in any of the other provisions of this **Paragraph 4.01**, for a period in excess of thirty (30) days after the date on which notice of the nature of such failure is given by Lender to Mortgagor; provided, if such default is capable of being cured but cannot be cured within said thirty (30) day period and Mortgagor diligently commences and prosecutes such cure during said thirty (30) day period, Mortgagor shall have an additional thirty (30) days to cure such default, but in no event shall the period to cure any such default exceed sixty (60) days after the date Lender's notice is given to Mortgagor;
- (d) Untruth or material deceptiveness or inaccuracy of any representation or warranty contained in the Note, or this Mortgage, or any other Loan Document, or any writing

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pertaining to the foregoing submitted to Lender by or on behalf of Mortgagor or any guarantor of payment of the Note;

(e) Admission by Mortgagor or any guarantor of payment of the Note in writing, including, without limitation, an answer or other pleading filed in any court, of Mortgagor's or any such guarantor's insolvency or inability to pay its debts generally as they fall due;

(f) Institution by Mortgagor, or any guarantor of payment of the Note of bankruptcy, insolvency, reorganization or arrangement proceedings of any kind under the Federal Bankruptcy Code, whether as now existing or as hereafter amended, or any similar debtors' or creditors' rights law, whether federal or state, now or hereafter existing, or the making by Mortgagor or any guarantor of payment of the Note of a general assignment for the benefit of creditors;

(g) Institution of any proceedings described in **Paragraph 4.01(f)** against Mortgagor or any guarantor of payment of the Note that are consented to by Mortgagor or any guarantor of payment of the Note or which are not dismissed, vacated, or stayed within thirty (30) days after the filing thereof;

(h) Appointment by any court of a receiver, trustee or liquidator of or for, or assumption by any court of jurisdiction of all or any part of the Mortgaged Property or all or a major portion of the property of Mortgagor or any guarantor of payment of the Note if such appointment or assumption is consented to by Mortgagor or any guarantor of payment of the Note or if, within thirty (30) days after such appointment or assumption, such receiver, trustee or liquidator is not discharged or such jurisdiction is not relinquished, vacated or stayed;

(i) Declaration by any court or governmental agency of the bankruptcy or insolvency of Mortgagor or any guarantor of payment of the Note; or

(j) The occurrence of any default or event of default under the terms of any of the Loan Documents after the expiration of the applicable notice and grace period, if any.

(k) The occurrence of any default or event of default under any of the Senior Loan Documents.

4.02 Acceleration of Maturity. Upon the occurrence of any Default, at the election of Lender, the entire principal balance then outstanding under the Note, together with all unpaid interest accrued thereon and all other sums due from Mortgagor thereunder, under this Mortgage or any other Loan Document shall become immediately due and payable with interest thereon at the Default Interest Rate without the necessity of providing any notice thereof to the Mortgagor.

4.03 Foreclosure of Mortgage. Upon the occurrence of any Default, or at any time thereafter, Lender may, at its option, proceed to foreclose the lien of this Mortgage by judicial proceedings in accordance with the laws of the state in which the Property is located and to exercise any other remedies of Lender provided herein or in the other Loan Documents, or which Lender may have at law or in equity. Any failure by Lender to exercise such option shall not constitute a waiver of its right to exercise the same at any other time.

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4.04 Lender's Continuing Options. The failure of Lender to declare a Default or exercise any one or more of its options to accelerate the maturity of the indebtedness secured hereby and to foreclose the lien hereof following any Default as aforesaid, or to exercise any other option granted to Lender hereunder in any one or more instances, or the acceptance by Lender of partial payments of such indebtedness, shall neither constitute a waiver of any such Default or of Lender's options hereunder nor establish, extend or affect any grace period for payments due under the Note, but such options shall remain continuously in force. Acceleration of maturity, once claimed hereunder by Lender, may, at Lender's option, be rescinded by written acknowledgment to that effect by Lender and shall not affect Lender's right to accelerate maturity upon or after any future Default.

4.05 Litigation Expenses. In any proceeding to foreclose the lien of this Mortgage or enforce any other remedy of Lender under the Note, this Mortgage, the other Loan Documents or in any other proceeding whatsoever in connection with the Mortgaged Property in which Lender is named as a party, there shall be allowed and included, as additional indebtedness secured hereby in the judgment or decree resulting therefrom, all expenses paid or incurred in connection with such proceeding by or on behalf of Lender, including, without limitation, reasonable attorneys' fees and expenses and court costs, appraisers' fees, outlays for documentary evidence and expert advice, stenographers' charges, publication costs, survey costs, and costs (which may be estimated as to items to be expended after entry of such judgment or decree) of procuring all abstracts of title, title searches and examinations, title insurance policies, Torrens certificates and any similar data and assurances with respect to title to the Property as Lender may deem reasonably necessary, and any other expenses and expenditures which may be paid or incurred by or on behalf of Lender and permitted by applicable law ("Foreclosure Act") to be included in the decree of sale, either to prosecute or defend in such proceeding or to evidence to bidders at any sale pursuant to any such decree the true condition of the title to or value of the Property or the Mortgaged Property. All expenses of the foregoing nature, and such expenses as may be incurred in the protection of any of the Mortgaged Property and the maintenance of the lien of this Mortgage thereon, including, without limitation, the reasonable fees and expenses of, and court costs incurred by, any counsel or attorney employed by Lender in any litigation affecting the Note, this Mortgage or any of the other Loan Documents or any of the Mortgaged Property, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding in connection therewith, shall be immediately due and payable by Mortgagor with interest thereon at the Default Interest Rate.

4.06 Performance by Lender. In the event of any Default, or in the event any action or proceeding is instituted which materially affects, or threatens to materially affect, Lender's interest in the Property, Lender may, but need not, make any payment or perform any act on Mortgagor's behalf in any form and manner deemed expedient by Lender, and Lender may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any; purchase, discharge, compromise or settle any tax lien or other prior or junior lien or title or claim thereof; redeem from any tax sale or forfeiture affecting the Mortgaged Property; or contest any tax or assessment thereon. All monies paid for any of the purposes authorized herein and all expenses paid or incurred in connection therewith, including, without limitation, attorneys' fees and expenses and court costs, and any other monies advanced by Lender to protect the Mortgaged Property and the lien of this Mortgage, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable by Mortgagor to

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Lender without notice and with interest thereon at the Default Interest Rate. Inaction of Lender shall never be construed to be a waiver of any right accruing to Lender by reason of any default by Mortgagor. Lender shall not incur any personal liability because of anything it may do or omit to do hereunder, nor shall any acts of Lender act as a waiver of Lender's right to accelerate the maturity of the indebtedness secured by this Mortgage or to proceed to foreclose this Mortgage.

4.07 Right of Possession. In any case in which, under the provisions of this Mortgage, Lender has a right to institute foreclosure proceedings, whether or not the entire principal sum secured hereby becomes immediately due and payable as aforesaid, or whether before or after the institution of proceedings to foreclose the lien hereof or before or after sale thereunder, Mortgagor shall, forthwith upon demand of Lender, surrender to Lender, and Lender shall be entitled to take actual possession of, the Mortgaged Property or any part thereof, personally or by its agent or attorneys, and Lender, in its discretion, may enter upon and take and maintain possession of all or any part of the Mortgaged Property, together with all documents, books, records, papers and accounts of Mortgagor or the then owner of the Mortgaged Property relating thereto, and may exclude Mortgagor, such owner and any agents and servants thereof wholly therefrom and may, as attorney-in-fact or agent of Mortgagor or such owner, or in its own name as Lender and under the powers herein granted:

(a) hold, operate, manage and control all or any part of the Mortgaged Property and conduct the business, if any, thereof, either personally or by its agents, with full power to use such measures, whether legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment or security of the rents, issues, deposits, profits and avails of the Mortgaged Property, including, without limitation, actions for recovery of rent, and actions in forcible detainer, all without notice to Mortgagor;

(b) cancel or terminate any lease or sublease of all or any part of the Mortgaged Property for any cause or on any ground that would entitle Mortgagor to cancel the same;

(c) elect to disaffirm any lease or sublease of all or any part of the Mortgaged Property made subsequent to this Mortgage or subordinated to the lien hereof;

(d) extend or modify any then existing leases and make new leases of all or any part of the Mortgaged Property, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Loan and the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor, all persons whose interests in the Mortgaged Property are subject to the lien hereof and the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the indebtedness secured hereby, satisfaction of any foreclosure decree or issuance of any certificate of sale or deed to any such purchaser; and

(e) make all necessary or proper repairs, decoration, renewals, replacements, alterations, additions, betterments and improvements in connection with the Mortgaged Property

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as may seem judicious to Lender, to insure and reinsure the Mortgaged Property and all risks incidental to Lender's possession, operation and management thereof, and to receive all rents, issues, deposits, profits and avails therefrom.

Without limiting the generality of the foregoing, Lender shall have all right, power, authority and duties as provided in the Foreclosure Act. Nothing herein contained shall be construed as constituting Lender as Mortgagee in possession in the absence of the actual taking of possession of the Property.

4.08 Priority of Payments. Any rents, issues, deposits, profits and avails of the Property received by Lender after taking possession of all or any part of the Mortgaged Property, or pursuant to any assignment thereof to Lender under the provisions of this Mortgage shall be applied in payment of or on account of the following, in such order as Lender or, in case of a receivership, as the court, may in its sole and absolute discretion determine:

(a) operating expenses of the Mortgaged Property (including, without limitation, reasonable compensation to Lender, any receiver of the Mortgaged Property, any agent or agents to whom management of the Mortgaged Property has been delegated, and also including lease commissions and other compensation for and expenses of seeking and procuring tenants and entering into leases, establishing claims for damages, if any, and paying premiums on insurance hereinabove authorized);

(b) taxes, special assessments, water and sewer charges now due or that may hereafter become due on the Mortgaged Property, or that may become a lien thereon prior to the lien of this Mortgage;

(c) any and all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Mortgaged Property (including, without limitation, the cost, from time to time, of installing or replacing any personal property therein, and of placing the Mortgaged Property in such condition as will, in the judgment of Lender or any receiver thereof, make it readily rentable or salable);

(d) any indebtedness secured by this Mortgage or any deficiency that may result from any foreclosure sale pursuant hereto; and

(e) any remaining funds to Mortgagor or its successors or assigns, as their interests and rights may appear.

4.09 Appointment of Receiver. Upon or at any time after the filing of any complaint to foreclose the lien of this Mortgage, the court may appoint upon petition of Lender, and at Lender's sole option, a receiver of the Mortgaged Property pursuant to the Foreclosure Act. Such appointment may be made either before or after sale, without notice; without regard to the solvency or insolvency, at the time of application for such receiver, of the person or persons, if any, liable for the payment of the indebtedness secured hereby; without regard to the value of the Mortgaged Property at such time and whether or not the same is then occupied as a homestead; without bond being required of the applicant; and Lender hereunder or any employee or agent thereof may be appointed as such receiver. Such receiver shall have all powers and duties prescribed by the Foreclosure Act, including the power to take possession, control and care of

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the Mortgaged Property and to collect all rents, issues, deposits, profits and avails thereof during the pendency of such foreclosure suit and apply all funds received toward the indebtedness secured by this Mortgage, and in the event of a sale and a deficiency where Mortgagor has not waived its statutory rights of redemption, during the full statutory period of redemption, as well as during any further times when Mortgagor or its devisees, legatees, administrators, legal representatives, successors or assigns, except for the intervention of such receiver, would be entitled to collect such rents, issues, deposits, profits and avails, and shall have all other powers that may be necessary or useful in such cases for the protection, possession, control, management and operation of the Mortgaged Property during the whole of any such period. To the extent permitted by law, such receiver may extend or modify any then existing leases and to make new leases of the Mortgaged Property or any part thereof, which extensions, modifications and new leases may provide for terms to expire, or for options to lessees to extend or renew terms to expire, beyond the maturity date of the Loan, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein, shall be binding upon Mortgagor and all persons whose interests in the Mortgaged Property are subject to the lien hereof, and upon the purchaser or purchasers at any such foreclosure sale, notwithstanding any redemption from sale, discharge of indebtedness, satisfaction of foreclosure decree or issuance of certificate of sale or deed to any purchaser.

4.10 Foreclosure Sale. In the event of any foreclosure sale of the Mortgaged Property, the same may be sold in one or more parcels. Lender may be the purchaser at any foreclosure sale of the Mortgaged Property or any part thereof.

4.11 Application of Proceeds. The proceeds of any foreclosure sale of the Mortgaged Property, or any part thereof, shall be distributed and applied in the following order of priority: (a) on account of all costs and expenses incident to the foreclosure proceedings, including, without limitation, all such items as are mentioned in Paragraphs 4.05 and 4.06 hereof; (b) all other items that, under the terms of this Mortgage, constitute secured indebtedness additional to that evidenced by the Note, with interest thereon at the Default Interest Rate; (c) all principal and interest remaining unpaid under the Note, in the order of priority specified by Lender in its sole and absolute discretion; and (d) the balance, if any, to Mortgagor or its successors or assigns, as their interests and rights may appear.

4.12 Application of Deposits. In the event of any Default, Lender may, at its option, without being required to do so, apply any monies or securities that constitute deposits made to or held by Lender or any depository pursuant to any of the provisions of this Mortgage toward payment of any of Mortgagor's obligations under the Note, this Mortgage or any of the other Loan Documents in such order and manner as Lender may elect in its sole and absolute discretion. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagor or to the then owner or owners of the Mortgaged Property. Such deposits are hereby pledged as additional security for the prompt payment of the indebtedness evidenced by the Note and any other indebtedness secured hereby and shall be held to be applied irrevocably by such depository for the purposes for which made hereunder and shall not be subject to the direction or control of Mortgagor.

4.13 Indemnification. Mortgagor will indemnify and hold Lender harmless from and against any and all liabilities, obligations, claims, damages, penalties, causes of action, losses,

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costs and expenses (including without limitation reasonable attorneys' fees, expenses and court costs) incurred by or asserted against Lender by reason of (excluding those arising due to Lender's gross negligence or willful misconduct) (a) the ownership of the Property or any interest therein or receipt of any rents, issues, proceeds or profits therefrom; (b) any accident, injury to or death of persons, or loss of or damage to property occurring in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent parking areas or streets; (c) any use, non-use or condition in, on or about the Property or any part thereof or on the adjoining sidewalks, curbs, adjacent parking areas or streets; (d) any failure on the part of Mortgagor to perform or comply with any of the terms of this Mortgage; or (e) performance of any labor or services or the furnishing of any materials or other property in respect of the Property or any part thereof. Any amounts owed to Lender by reason of this **Paragraph 4.13** shall constitute additional indebtedness which is secured by this Mortgage and shall become immediately due and payable upon demand therefor, and shall bear interest at the Default Interest Rate from the date such loss or damage is sustained by Lender until paid. The obligations of Mortgagor under this **Paragraph 4.13** shall survive any termination or satisfaction of this Mortgage.

4.14 Waiver of Right of Redemption and Other Rights. To the full extent permitted by law, Mortgagor agrees that it will not at any time or in any manner whatsoever take any advantage of any stay, exemption or extension law or any so called "Moratorium Law" now or at any time hereafter in force, nor take any advantage of any law now or hereafter in force providing for the valuation or appraisal of the Property, or any part thereof, prior to any sale thereof to be made pursuant to any provision herein contained, or to any decree, judgment or order of any court of competent jurisdiction; or after such sale claim or exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshaling thereof, upon foreclosure sale or other enforcement hereof. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights it may have to require that the Property be sold as separate tracts or units in the event of foreclosure. To the full extent permitted by law, Mortgagor hereby expressly waives any and all rights of redemption under the Foreclosure Act, on its own behalf, 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 Property subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and such other persons, are and shall be deemed to be hereby waived to the full extent permitted by applicable law. To the full extent permitted by law, Mortgagor agrees that it will not, by invoking or utilizing any applicable law or laws or otherwise, hinder, delay or impede the exercise of any right, power or remedy herein or otherwise granted or delegated to Lender, but will permit the exercise of every such right, power and remedy as though no such law or laws have been or will have been made or enacted. To the full extent permitted by law, Mortgagor hereby agrees that no action for the enforcement of the lien or any provision hereof shall be subject to any defense which would not be good and valid in an action at law upon the Note. Mortgagor acknowledges that the Property does not constitute agricultural real estate.

4.15 Compliance with the Illinois Mortgage Foreclosure Law.

(a) In the event that any provision in this Mortgage shall be inconsistent with any provisions of the Foreclosure Act, the provisions of the Foreclosure Act shall take

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precedence over the provisions of this Mortgage, but shall not invalidate or render unenforceable any other provision of this Mortgage that can be construed in a manner consistent with the Foreclosure Act.

(b) Borrower and Lender shall have the benefit of all of the provisions of the Foreclosure Act, including all amendments thereto which may become effective from time to time after the date hereof. In the event any provision of the Foreclosure Act which is specifically referred to herein may be repealed, Lender shall have the benefit of such provision as most recently existing prior to such repeal, as though the same were incorporated herein by express reference.

(c) If any provision of this Mortgage shall grant to Lender any rights or remedies upon default of Borrower which are more limited than the rights that would otherwise be vested in Lender under the Foreclosure Act in the absence of said provision, Lender shall be vested with the rights granted in the Foreclosure Act to the full extent permitted by law.

(d) Without limiting the generality of the foregoing, all expenses incurred by Lender to the extent reimbursable under any provisions of the Foreclosure Act, whether incurred before or after any decree or judgment of foreclosure shall be added to the indebtedness hereby secured or by the judgment of foreclosure.

4.16 Mortgagee's Subordination. This Mortgage is subject to the terms of a Subordination and Intercreditor Agreement dated as of June __, 2003 by and between Ohio Savings Bank and Mortgagee. Until such time as Lincoln has paid to Ohio Savings Bank all indebtedness due to it from Lincoln with respect to that certain Loan made by Ohio Savings Bank to Lincoln in the amount of Six Million Two Hundred Twenty-Five Thousand Dollars (\$6,225,000), all rights and remedies of Mortgagee hereunder shall be subject to the terms and conditions of the aforesaid Subordination and Intercreditor Agreement.

V

MISCELLANEOUS

5.01 Notices. Any notice that Lender or Mortgagor may desire or be required to give to the other shall be in writing and shall be mailed or delivered to the intended recipient thereof at its address hereinbelow set forth or at such other address as such intended recipient may, from time to time, by notice in writing, designate to the sender pursuant hereto. Any such notice shall be deemed to have been delivered two (2) business days after mailing by United States certified mail, return receipt requested, or when delivered in person or upon receipt if sent by a nationally recognized overnight air courier if addressed to a party at its address set forth below. Except as otherwise specifically required herein, notice of the exercise of any right or option granted to Lender by this Mortgage is not required to be given.

To the Mortgagor:

L.W. Van Gogh Investment Corp.
1738 West Addison
Chicago, Illinois 60613

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To Lender:

New Century Bank
363 West Ontario Street
Chicago, Illinois 60610
Attn: Lisa Callahan

5.02 Time of Essence. It is specifically agreed that time is of the essence of this Mortgage.

5.03 Covenants Run with Land. All of the covenants of this Mortgage shall run with the land constituting the Property.

5.04 Governing Law; Litigation. The creation, perfection, priority and enforcement of the lien created by this Mortgage shall be governed by and construed in accordance with the laws of the State of New Jersey and in all other respects this Mortgage shall be governed by the internal laws of the State of Illinois without regard to principles of conflicts of laws. To the extent that this Mortgage may operate as a security agreement under the Uniform Commercial Code, Lender shall have all rights and remedies conferred therein for the benefit of a secured party, as such term is defined therein. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF MORTGAGOR AND LENDER HEREBY AGREES THAT ALL ACTIONS OR PROCEEDINGS ARISING IN CONNECTION WITH THIS MORTGAGE SHALL BE TRIED AND DETERMINED ONLY IN THE STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF PASSAIC, STATE OF NEW JERSEY, OR, AT THE SOLE OPTION OF LENDER, IN ANY OTHER COURT IN THE COUNTY IN WHICH THE PROPERTY IS LOCATED, IN WHICH LENDER SHALL INITIATE LEGAL OR EQUITABLE PROCEEDINGS AND WHICH HAS SUBJECT MATTER JURISDICTION OVER THE MATTER IN CONTROVERSY. TO THE MAXIMUM EXTENT PERMITTED BY LAW, MORTGAGOR HEREBY EXPRESSLY WAIVES ANY RIGHT IT MAY HAVE TO ASSERT THE DOCTRINE OF FORUM NON CONVENIENS OR TO OBJECT TO VENUE TO THE EXTENT ANY PROCEEDING IS BROUGHT IN ACCORDANCE WITH THIS PARAGRAPH 5.04.

5.05 Rights and Remedies Cumulative. 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 hereon, 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.

5.06 Severability. If any provision of this Mortgage or any paragraph, sentence, clause, phrase or word, or the application thereof, is held invalid in any circumstance, the validity of the remainder of this Mortgage shall be construed as if such invalid part were never included herein.

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5.07 Non-Waiver. Unless expressly provided in this Mortgage to the contrary, no consent or waiver, whether express or implied, by any interested party referred to herein to or of any breach or default by any other interested party referred to herein regarding the performance by such party of any obligations contained herein shall be deemed a consent to or waiver of the party of any obligations contained herein or shall be deemed a consent to or waiver of the performance by such party of any other obligations hereunder or the performance by any other interested party referred to herein of the same, or of any other, obligations hereunder.

5.08 Headings. The headings of sections and paragraphs in this Mortgage are for convenience or reference only and shall not be construed in any way to limit or define the content, scope or intent of the provisions hereof.

5.09 Grammar. As used in this Mortgage, the singular shall include the plural, and masculine, feminine and neuter pronouns shall be fully interchangeable, where the context so requires. Whenever the words "including", "include" or "includes" are used in this Mortgage, they should be interpreted in a non-exclusive manner as though the words " , without limitation," immediately followed the same.

5.10 Successors and Assigns. This Mortgage and all provisions hereof shall be binding upon Mortgagor, its successors, assigns, legal representatives and all other persons or entities claiming under or through Mortgagor, and the word "Mortgagor," when used herein, shall include all such persons and entities and any others liable for the payment of the indebtedness secured hereby or any part thereof, whether or not they have executed the Note or this Mortgage. The word "Lender," when used herein, shall include Lender's successors, assigns and legal representatives, including all other holders, from time to time, of the Note.

5.11 No Joint Venture. Mortgagor and Lender acknowledge and agree that under no circumstances shall Lender be deemed to be a partner or joint venturer with Mortgagor or any Mortgagor of Mortgagor, including, without limitation, by virtue of its becoming a mortgagee in possession or exercising any of its rights pursuant to this Mortgage or pursuant to any of the other Loan Documents, or otherwise.

5.12 Additional Fees.

(a) Mortgagor agrees to pay on demand all out-of-pocket costs and expenses of Lender (including, without limitation, the reasonable fees and out-of-pocket expenses of Lender's counsel) in connection with the preparation, negotiation, execution, delivery and administration of the Note, this Mortgage, any of the other Loan Documents and all other instruments or documents provided for herein or delivered or to be delivered hereunder or in connection herewith (including, without limitation, all amendments, supplements and waivers executed and delivered pursuant hereto or in connection herewith).

(b) The reasonable costs and expenses which Lender incurs in any manner or way with respect to the following shall be part of the indebtedness secured hereby, payable by Mortgagor on demand if at any time after the date of this Mortgage Lender: (i) employs counsel for advice or other representation (A) with respect to the amendment or enforcement of the Note, this Mortgage or any of the other Loan Documents, (B) to represent Lender in any work-out or

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any type of restructuring of the Loan, or any litigation, contest, dispute, suit or proceeding or to commence, defend or intervene or to take any other action in or with respect to any litigation, contest, dispute, suit or proceeding (whether instituted by the Lender, Mortgagor or any other person or entity) in any way or respect relating to the Note, this Mortgage, any of the other Loan Documents, Mortgagor's affairs or any collateral securing the indebtedness secured hereby or (C) to enforce any of the rights of Lender with respect to Mortgagor; and/or (ii) seeks to enforce or enforces any of the rights and remedies of Lender with respect to Mortgagor. Without limiting the generality of the foregoing, such expenses, costs, charges and fees include: reasonable fees, costs and expenses of attorneys, accountants and consultants; court costs and expenses; court reporter fees, costs and expenses; long distance telephone charges; telegram and telecopier charges; and expenses for travel, lodging and food.

5.13 Deed in Trust. If title to the Mortgaged Property or any part thereof is now or hereafter becomes vested in a trustee, any prohibition or restriction contained herein against the creation of any lien on the Mortgaged Property shall be construed as a similar prohibition or restriction against the creation of any lien on or security interest in the beneficial interest of such trust.

5.14 **JURY WAIVER.** TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF MORTGAGOR AND LENDER HEREBY EXPRESSLY WAIVES ANY RIGHT TO TRIAL BY JURY OF ANY ACTION, CAUSE OF ACTION, CLAIM, DEMAND, OR PROCEEDING ARISING UNDER OR WITH RESPECT TO THIS MORTGAGE, OR IN ANY WAY CONNECTED WITH, RELATED TO, OR INCIDENTAL TO THE DEALINGS OF MORTGAGOR AND LENDER WITH RESPECT TO THIS MORTGAGE, OR THE TRANSACTIONS RELATED HERETO, IN EACH CASE WHETHER NOW EXISTING OR HEREAFTER ARISING, AND WHETHER SOUNDING IN CONTRACT, TORT, OR OTHERWISE. TO THE MAXIMUM EXTENT PERMITTED BY LAW, EACH OF MORTGAGOR AND LENDER HEREBY AGREES THAT ANY SUCH ACTION, CAUSE OF ACTION, CLAIM, DEMAND OR PROCEEDING SHALL BE DECIDED BY A COURT TRIAL WITHOUT A JURY AND THAT MORTGAGOR OR LENDER MAY FILE A COPY OF THIS MORTGAGE WITH ANY COURT OR OTHER TRIBUNAL AS WRITTEN EVIDENCE OF THE CONSENT OF EACH OF MORTGAGOR AND LENDER TO THE WAIVER OF ITS RIGHT TO TRIAL BY JURY.

5.15 Indemnification. In addition to the other provisions of this Mortgage, including, without limitation, **Paragraph 3.23** hereof, and as further security for the Loan, Mortgagor hereby agrees to indemnify, exonerate and hold Lender and its officers, directors, employees, representatives and agents (collectively, "Bank Parties", and individually "Bank Party") free and harmless from and against any and all actions, causes of action, suits losses, obligations, judgments, penalties, costs (including, without limitation, all documentary or other stamp taxes or duties), liabilities, claims and damages, and expenses in connection therewith of any kind or nature whatsoever (irrespective of whether such Bank Party is a party to the action for which indemnification hereunder is sought) including, without limitation, reasonable attorneys' fees and disbursements, incurred by the Bank Parties or any of them as a result of, or arising out of, or relating to:

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(a) the execution, delivery, performance, administration or enforcement of the Note, this Mortgage or any of the other Loan Documents in accordance with their respective terms by of any of the Bank Parties; or

(b) any misrepresentation or breach of warranty or covenant in the Note, this Mortgage or any of the other Loan Documents.

5.16 Recapture. To the extent Lender receives any payment by or on behalf of Mortgagor, which payment or any part thereof is subsequently invalidated, declared to be fraudulent or preferential, set aside or required to be repaid to Mortgagor or its respective estate, trustee, receiver, custodian or any other party under any bankruptcy law, state or federal law, common law or equitable cause, then to the extent of such payment or repayment, the obligation or part thereof which has been paid, reduced or satisfied by the amount so repaid shall be reinstated by the amount so repaid and shall be included within the liabilities of Mortgagor to Lender as of the date such initial payment, reduction or satisfaction occurred.



5.17 Prior Mortgage. This Mortgage is subject and subordinate in all respects to (a) the lien of the Senior Mortgage, and (b) the rights granted to Senior Lender under the Senior Mortgage. Mortgagor agrees to fully and faithfully perform all of its obligations under the Senior Mortgage.

[SIGNATURE PAGE TO FOLLOW]

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

L.W. VAN GOGH INVESTMENT CORP.

By: 
Its: 

Property of Cook County Clerk's Office

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STATE OF ILLINOIS)
) SS.
COUNTY OF COOK)

I, the undersigned a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Donald L. Reidelberger, personally known to me to be the President of L.W. Van Gogh Investment Corp., an Illinois corporation is the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his free and voluntary act as aforesaid, for the uses and purposes therein set forth.

GIVEN, under my and notarial seal this 14th day of June, 2003.

Beth Lasalle
Notary Public

My commission expires:



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EXHIBIT A

Legal Description

Commercial Property

LEGAL DESCRIPTION

THE FOLLOWING DESCRIBED PROPERTY TAKEN AS A SINGLE TRACT OF LAND: LOTS 1 THROUGH 9 BOTH INCLUSIVE ALSO LOTS 11, 12, AND 15 (EXCEPT THAT PART OF SAID LOT 15 DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST WESTERLY CORNER OF SAID LOT 15; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID LOT 15, A DISTANCE OF 7.0 FEET; THENCE NORTH 9° 39' FEET MORE OR LESS TO THE NORTHWESTERLY LINE OF SAID LOT 15; THENCE SOUTHWESTERLY ALONG THE NORTHWESTERLY LINE OF SAID LOT 15, A DISTANCE OF 7.0 FEET TO THE PLACE OF BEGINNING IN THE SUBDIVISION OF LOT 8 IN BLOCK 16 IN CANAL TRUSTEES' SUBDIVISION OF THE EAST 1/2 OF SECTION 29, TOGETHER WITH THAT PART OF LOT 6 IN THE SUBDIVISION OF BLOCK 16 IN CANAL TRUSTEES' SUBDIVISION AFORESAID DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE OF W. ALTGELD STREET, 296.26 FEET EAST OF THE CENTER LINE OF NORTH SHEFFIELD AVENUE AND RUNNING THENCE NORTH PARALLEL WITH THE CENTER LINE OF SAID SHEFFIELD AND RUNNING THENCE NORTH PARALLEL WITH THE CENTER LINE OF SAID SHEFFIELD AVENUE, A DISTANCE OF 100.0 FEET; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF 14 FOOT WIDE VACATED ALLEY TO A POINT ON THE NORTH LINE OF SAID W. ALTGELD STREET, 396.26 FEET EAST OF THE CENTER LINE OF SAID NORTH SHEFFIELD AVENUE; THENCE WEST ALONG THE NORTH LINE OF SAID W. ALTGELD STREET, 100.0 FEET TO THE PLACE OF BEGINNING, TOGETHER WITH THAT PART OF LOTS 4 AND 5 LYING EAST OF THE EAST LINE OF THAT PART OF SAID LOTS 4 AND 5 ACQUIRED BY THE NORTHWESTERN ELEVATED RAILROAD BY DOCUMENT 2769011 IN LILL AND DIVERSEY'S SUBDIVISION OF BLOCK 16 IN CANAL TRUSTEES' SUBDIVISION AFORESAID, TOGETHER WITH THAT PART OF THE VACATED NORTHWESTERLY 14 FOOT ALLEY LYING NORTHEASTERLY OF THAT PART OF LOT 8 IN THE SUBDIVISION OF BLOCK 16 IN CANAL TRUSTEES' SUBDIVISION AFORESAID DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE NORTH LINE OF W. ALTGELD STREET, 296.26 FEET EAST OF THE CENTER LINE OF N. SHEFFIELD AVENUE; THENCE NORTH PARALLEL WITH THE CENTER LINE OF NORTH SHEFFIELD AVENUE 100.0 FEET; THENCE SOUTHEASTERLY ALONG THE SOUTHWESTERLY LINE OF SAID 14 FOOT ALLEY, TO A POINT ON THE NORTH LINE OF W. ALTGELD STREET, 396.26 FEET EAST OF THE CENTER LINE OF NORTH SHEFFIELD AVENUE; THENCE WEST ALONG THE NORTH LINE OF SAID W. ALTGELD STREET, 100.0 FEET TO THE PLACE OF BEGINNING, LYING SOUTHWESTERLY OF THE SOUTHWESTERLY LINE OF LOTS 2 THROUGH BOTH INCLUSIVE, LYING NORTH OF THE NORTH LINE OF LOT 11, LYING NORTH AND NORTHEASTERLY OF THE NORTH AND NORTHEASTERLY LINES OF LOT 12, LYING SOUTHEASTERLY AND SOUTHWESTERLY OF THE SOUTHEASTERLY AND SOUTHWESTERLY LINES OF LOT 15, LYING EAST OF THE NORTHERLY EXTENSION OF THE WEST LINE OF LOT 12, LYING NORTHWESTERLY OF THE SOUTHWESTERLY EXTENSION OF THE SOUTHEASTERLY LINE OF LOT 9 ALL IN THE SUBDIVISION OF LOT 6 IN BLOCK 16 IN CANAL TRUSTEES' SUBDIVISION AFORESAID AND LYING NORTH OF THE SOUTH LINE OF LOT 6 IN THE SUBDIVISION OF BLOCK 16 AFORESAID, ALL IN TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN (EXCEPTING FROM SAID TRACT, THAT PART WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 17.0 FEET CHICAGO CITY DATUM WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 26.11 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST EASTERLY CORNER OF SAID TRACT (THE MOST EASTERLY CORNER OF SAID TRACT ALSO BEING THE MOST EASTERLY CORNER OF SAID LOT 9); THENCE NORTH 45°-05'-01" WEST ALONG THE NORTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 1.19 FEET (THE NORTHEASTERLY LINE OF SAID TRACT ALSO BEING THE SOUTHWESTERLY LINE OF LINCOLN AVENUE); THENCE SOUTH 44°-54'-59" WEST, 96.08 FEET TO THE PLACE OF BEGINNING; THENCE SOUTH

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LEGAL DESCRIPTION (CONTINUED)

43°-40'-45" WEST, 15.57 FEET; THENCE SOUTH 46°-19'-12" EAST, 0.34 FEET; THENCE SOUTH 47°-40'-48" WEST, 4.97 FEET; THENCE SOUTH 90°-00'-00" WEST, 0.09 FEET; THENCE NORTH 44°-42'-47" WEST, 24.87 FEET; THENCE NORTH 46°-55'-54" WEST 25.24 FEET; THENCE NORTH 44°-55'-54" WEST 25.24 FEET; THENCE NORTH 44°-44'-57" WEST, 99.66 FEET; THENCE NORTH 46°-55'-54" WEST 25.24 FEET; THENCE NORTH 44°-44'-57" WEST, 99.66 FEET; THENCE NORTH 44°-38'-12" EAST, 17.45 FEET; THENCE SOUTH 45°-21'-48" EAST 5.45 FEET; THENCE NORTH 44°-38'-12" EAST, 1.65 FEET; THENCE SOUTH 45°-24'-09" EAST, 20.54 FEET; THENCE NORTH 43°-47'-01" EAST, 0.40 FEET; THENCE SOUTH 45°-04'-06" EAST 24.19 FEET; THENCE NORTH 44°-55'-52" EAST 2.0 FEET; THENCE SOUTH 45°-04'-06" EAST, 24.18 FEET; THENCE NORTH 44°-55'-52" EAST 2.0 FEET; THENCE SOUTH 45°-02'-40" EAST, 25.91 FEET; THENCE NORTH 46°-08'-11" EAST, 0.04 FEET; THENCE SOUTH 44°-22'-32" EAST, 19.84 FEET; THENCE SOUTH 46°-37'-20" WEST, 2.31 FEET; THENCE SOUTH 44°-55'-06" EAST, 30.16 FEET; THENCE NORTH 43°-35'-58" EAST, 1.20 FEET; "W" + SUR OF LOT 6 IN SUBDIVISION OF BLOCK 16 OF CANAL TRUSTEES SUBDIVISION "L" SUBDIVISION OF BLOCK 16 IN CANAL TRUSTEES SUBDIVISION THENCE SOUTH 46°-12'-13" EAST, 23.11 FEET TO THE PLACE OF BEGINNING, ALSO EXCEPTING THAT PART OF SAID TRACT WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 19.75 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 27.50 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST EASTERLY CORNER OF SAID TRACT (THE MOST EASTERLY CORNER OF SAID TRACT ALSO BEING THE MOST EASTERLY CORNER OF SAID LOT 9); THENCE NORTH 45°-05'-01" WEST ALONG THE NORTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 224.84 FEET (THE NORTHEASTERLY LINE OF SAID TRACT ALSO BEING THE SOUTHWESTERLY LINE OF LINCOLN AVENUE); THENCE SOUTH 44°-54'-59" WEST, 89.87 FEET TO A POINT HEREAFTER REFERRED TO AS POINT "A"; THENCE SOUTH 45°-20'-04" WEST, 1.78 FEET TO THE PLACE OF BEGINNING; THENCE SOUTH 45°-20'-02" WEST, 17.54 FEET; THENCE NORTH 44°-06'-19" WEST 20.47 FEET; THENCE NORTH 46°-59'-25" EAST, 13.0 FEET; THENCE NORTH 66°-00'-11" EAST, 2.79 FEET; THENCE NORTH 44°-57'-35" EAST, 3.30 FEET; THENCE SOUTH 45°-13'-55" EAST, 12.67 FEET; THENCE SOUTH 44°-02'-58" WEST, 1.76 FEET; THENCE SOUTH 45°-06'-31" EAST, 6.92 FEET TO THE PLACE OF BEGINNING, ALSO EXCEPTING THAT PART OF SAID TRACT WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 18.75 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 23.95 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS; BEGINNING AT A POINT "A" AFORESAID; THENCE SOUTH 45°-20'-04" WEST, 1.78 FEET; THENCE NORTH 45°-06'-31" WEST, 6.92 FEET; THENCE NORTH 44°-02'-58" EAST, 1.76 FEET; THENCE SOUTH 45°-13'-55" EAST, 6.96 FEET TO SAID POINT "A" AND THE PLACE OF BEGINNING, ALSO EXCEPTING THAT PART OF SAID TRACT WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 26.11 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID TRACT (THE MOST SOUTHERLY SOUTHWEST CORNER OF SAID TRACT ALSO BEING THE SOUTHWEST CORNER OF SAID LOT 12); THENCE NORTH 00°-18'-25" WEST ALONG THE MOST SOUTHERLY WEST LINE OF SAID TRACT, A DISTANCE OF 92.12 FEET TO THE PLACE OF BEGINNING CONTINUED
 (SAID MOST SOUTHERLY WEST LINE ALSO BEING THE WEST LINE OF LOT 12 (AFORESAID)); THENCE CONTINUING NORTH 00°-18'-25" WEST ALONG THE SAID WEST LINE, A DISTANCE OF 37.06 FEET; THENCE NORTH 89°-48'-55" EAST, 40.72 FEET; THENCE SOUTH 00°-15'-14" EAST, 18.29 FEET; THENCE NORTH 89°-02'-12" EAST, 8.03 FEET; THENCE SOUTH

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LEGAL DESCRIPTION (CONTINUED)

00°-12'-35" EAST, 18.70 FEET; THENCE SOUTH 89°-33'-58" WEST, 48.70 FEET TO THE PLACE OF BEGINNING, ALSO EXCEPTING THAT PART OF SAID TRACT WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 24.76 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 34.71 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST EASTERLY CORNER OF SAID TRACT (THE MOST EASTERLY CORNER OF SAID TRACT ALSO BEING THE MOST EASTERLY CORNER OF SAID LOT 9); THENCE NORTH 45°-05'-01" WEST ALONG THE NORTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 20.85 FEET (THE NORTHEASTERLY LINE OF SAID TRACT ALSO BEING THE SOUTHWESTERLY LINE OF LINCOLN AVENUE); THENCE SOUTH 44°-54'-59" WEST, 16.85 FEET TO THE PLACE OF BEGINNING; THENCE SOUTH 45°-14'-45" WEST, 14.97 FEET; THENCE NORTH 44°-45'-15" WEST 9.31 FEET; THENCE NORTH 45°-14'-45" EAST, 14.97 FEET; THENCE SOUTH 44°-45'-15" EAST 9.31 FEET TO THE PLACE OF BEGINNING, ALSO EXCEPTING THAT PART OF SAID TRACT WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 24.76 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 34.71 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS COMMENCING AT THE MOST EASTERLY CORNER OF SAID TRACT (THE MOST EASTERLY CORNER OF SAID TRACT ALSO BEING THE MOST EASTERLY CORNER OF SAID LOT 9); THENCE NORTH 45°-05'-01" WEST ALONG THE NORTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 69.89 FEET (THE NORTHEASTERLY LINE OF SAID TRACT ALSO BEING THE SOUTHWESTERLY LINE OF LINCOLN AVENUE); THENCE SOUTH 44°-54'-59" WEST, 17.64 FEET TO THE PLACE OF BEGINNING; THENCE SOUTH 44°-58'-04" WEST, 15.12 FEET; THENCE NORTH 45°-01'-56" WEST, 9.82 FEET; THENCE NORTH 44°-58'-04" EAST 15.12 FEET; THENCE SOUTH 45°-01'-56" EAST, 9.82 FEET TO THE PLACE OF BEGINNING, ALSO EXCEPTING THAT PART OF SAID TRACT WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 24.76 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 34.71 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS:

COMMENCING AT THE MOST EASTERLY CORNER OF SAID TRACT (THE MOST EASTERLY CORNER OF SAID TRACT ALSO BEING THE MOST EASTERLY CORNER OF SAID LOT 9); THENCE NORTH 45°-05'-01" WEST ALONG THE NORTHEASTERLY LINE OF SAID TRACT A DISTANCE OF 120.31 FEET (THE NORTHEASTERLY LINE OF SAID TRACT ALSO BEING THE SOUTHWESTERLY LINE OF N. LINCOLN AVENUE); THENCE SOUTH 44°-54'-59" WEST, 17.72 FEET TO THE PLACE OF BEGINNING; THENCE SOUTH 44°-46'-18" WEST, 15.05 FEET; THENCE NORTH 45°-13'-42" WEST, 9.31 FEET; THENCE NORTH 44°-46'-18" EAST, 15.06 FEET; THENCE SOUTH 45°-13'-42" EAST, 9.31 FEET TO THE PLACE OF BEGINNING, ALSO EXCEPTING THAT PART OF SAID TRACT WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 24.76 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 34.71 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST EASTERLY CORNER OF SAID TRACT (THE MOST EASTERLY CORNER OF SAID TRACT ALSO BEING THE MOST EASTERLY CORNER OF SAID LOT 9); THENCE NORTH 45°-05'-01" WEST ALONG THE NORTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 170.32 FEET (THE NORTHEASTERLY LINE OF SAID TRACT) ALSO BEING THE SOUTHWESTERLY LINE OF NORTH LINCOLN AVENUE); THENCE SOUTH 44°-54'-59" WEST, 17.64 FEET TO THE PLACE OF BEGINNING; THENCE SOUTH 45°-00'-45" WEST, 15.03 FEET; THENCE NORTH 44°-59'-15" WEST, 9.29 FEET; THENCE NORTH 45°-00'-45" EAST, 15.03 FEET; THENCE SOUTH 44°-59'-15" EAST, 9.29 FEET TO THE PLACE OF BEGINNING, ALSO EXCEPTING THAT

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LEGAL DESCRIPTION (CONTINUED)

PART OF SAID TRACT WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 24.76 FEET CHICAGO CITY DATUM AND WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 34.71 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST EASTERLY CORNER OF SAID TRACT (THE MOST EASTERLY CORNER OF SAID TRACT ALSO BEING THE MOST EASTERLY CORNER OF SAID LOT 9); THENCE NORTH $45^{\circ}-05'-01''$ WEST ALONG THE NORTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 219.48 FEET (THE NORTHEASTERLY LINE OF SAID TRACT ALSO BEING THE SOUTHWESTERLY LINE OF N. LINCOLN AVENUE); THENCE SOUTH $44^{\circ}-54'-59''$ WEST, 17.68 FEET TO THE PLACE OF BEGINNING; THENCE SOUTH $44^{\circ}-53'-39''$ WEST, 9.16 FEET; THENCE NORTH $45^{\circ}-06'-21''$ WEST, 0.55 FEET; THENCE SOUTH $44^{\circ}-53'-39''$ WEST, 10.31 FEET; THENCE NORTH $45^{\circ}-06'-21''$ WEST, 10.06 FEET; THENCE NORTH $44^{\circ}-53'-39''$ EAST, 15.47 FEET; THENCE SOUTH $45^{\circ}-06'-21''$ EAST, 10.61 FEET TO THE PLACE OF BEGINNING, ALSO EXCEPTING THAT PART OF SAID WHICH LIES BELOW A HORIZONTAL PLANE HAVING AN ELEVATION OF 34.71 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: BEGINNING AT THE MOST EASTERLY CORNER OF SAID TRACT (THE MOST EASTERLY CORNER OF SAID TRACT ALSO BEING THE MOST EASTERLY CORNER OF SAID LOT 9); THENCE SOUTH $45^{\circ}-01'-23''$ WEST ALONG THE SOUTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 66.01 FEET (THE SOUTHEASTERLY LINE OF SAID TRACT ALSO BEING THE SOUTHEASTERLY LINE OF SAID LOT 9); THENCE NORTH $45^{\circ}-11'-09''$ WEST, 251.0 FEET; THENCE NORTH $45^{\circ}-01'-21''$ EAST, 66.45 FEET TO THE NORTHEASTERLY LINE OF SAID TRACT; THENCE SOUTH $45^{\circ}-05'-01''$ EAST ALONG THE NORTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 251.0 FEET TO THE PLACE OF BEGINNING, ALSO EXCEPTING THAT PART OF SAID TRACT WHICH LIES ABOVE A HORIZONTAL PLANE HAVING AN ELEVATION OF 36.65 FEET CHICAGO CITY DATUM AND IS BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT THE MOST EASTERLY CORNER OF SAID TRACT (THE MOST EASTERLY CORNER OF SAID TRACT ALSO BEING THE MOST EASTERLY CORNER OF SAID LOT 9); THENCE SOUTH $45^{\circ}-01'-23''$ WEST, ALONG THE SOUTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 66.01 FEET TO THE PLACE OF BEGINNING (THE SOUTHEASTERLY LINE OF SAID TRACT ALSO BEING THE SOUTHEASTERLY SOUTHEASTERLY LINE OF SAID TRACT, A DISTANCE OF 50.41 FEET TO THE SOUTH LINE OF SAID TRACT; THENCE SOUTH $90^{\circ}-00'-00''$ WEST ALONG THE SOUTH LINE OF SAID TRACT, A DISTANCE OF 14.02 FEET (THE SOUTH LINE OF SAID TRACT ALSO BEING THE NORTH LINE OF W. ALTGELD STREET AFORESAID) THENCE NORTH $44^{\circ}-31'-10''$ WEST, 228.37 FEET; THENCE NORTH $45^{\circ}-01'-23''$ EAST, 11.06 FEET; THENCE NORTH $45^{\circ}-11'-09''$ EAST, 245.50 FEET TO THE PLACE OF BEGINNING) ALL IN COOK COUNTY, ILLINOIS.

Property commonly known as:

2518 - 2544 N. Lincoln Avenue
Chicago, Illinois

P.I.N. 14-29-419-010-0000
P.I.N. 14-29-419-011-0000
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P.I.N. 14-29-419-030-0000