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*This instrument was prepared by
and, after recording, return to
Deborah S. Bussert
MELTZER, PURTILL & STELLE
1515 East Woodfield Rd., 2nd
Floor
Schaumburg, IL 60173-5431*



Doc#: 0335739059
Eugene "Gene" Moore Fee: \$42.50
Cook County Recorder of Deeds
Date: 12/23/2003 03:25 PM Pg: 1 of 10

Address: 10150 Franklin Ave.
Franklin Park
Cook County, Illinois

PIN: See Exhibit "A"

FOURTH MORTGAGE

THIS FOURTH MORTGAGE ("Mortgage") is given on this 31st day of October, 2003, by THOMAS J. PAOLI, individually ("Mortgagor"), whose address is 8257 E. Arroyo Hondo Road, Scottsdale, Arizona 85262, to and in favor of DAVID and ROSEMARY DEAHL, whose address is 1450 N. Dayton, Chicago, Illinois 60622 ("Mortgagee").

WITNESSETH

WHEREAS, PAOLI WOODWORK INCORPORATED, an Illinois corporation ("Corporation") is indebted to Mortgagee in the amount of One Hundred Thirty-seven Thousand Five Hundred and No/100 Dollars (\$137,500.00) ("Debt") pursuant to the terms of a certain Settlement Agreement dated July 10, 2003 ("Settlement Agreement") by and between Corporation and Mortgagee. The Settlement Agreement evidences the debt, and provides for an initial payment of Fifty Thousand and No/100 Dollars (\$50,000.00) and for the balance to be paid in equal monthly installment payments of Three Thousand Six Hundred Forty-five and No/100 Dollars (\$3,645.00) (each a "Monthly Payment"), commencing on September 15, 2003 and continuing on the 15th day of each month thereafter until the debt, if not paid earlier, is paid in full on August 15, 2005 ("Maturity").

WHEREAS, Mortgagor is the president, director and owner of a controlling interest in the Corporation, and Mortgagor desires to hypothecate and grant the mortgage lien provided under the Mortgage, and acknowledges that he receives direct and measurable benefit by the grant and hypothecation of a mortgage lien upon the Real Estate (as defined herein) to secure the obligations of the Corporation under the Settlement Agreement.

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WHEREAS, Mortgagor has made and delivered this Mortgage to secure the repayment of the Debt.

NOW, THEREFORE, in consideration of the foregoing, the sum of ten dollars (\$10.00) in hand paid and the mutual covenants and agreements herein, Mortgagor hereby mortgages, grants, hypothecates, and conveys for collateral purposes, to Mortgagee the following described property located in Cook County, Illinois ("Real Estate");

SEE EXHIBIT A

which Real Estate has the address commonly known as 10150 Franklin Ave., Franklin Park, Cook County, Illinois ("Property Address"), together with all the improvements now or hereafter erected on the property, and all easements and appurtenances now or hereafter a part of the property. All replacements and additions shall also be covered by this Mortgage. All of the foregoing is referred to in this Mortgage as the "Property."

MORTGAGOR COVENANTS that Mortgagor is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant, hypothecate and convey the Property and that the Property is unencumbered, except (i) covenants, conditions, restrictions and easements of record, (ii) that certain mortgage dated as of August 1, 2000 and recorded as Document Number 00592918 (the "First Mortgage") in favor of American Chartered Bank ("Superior Mortgagee") to secure a note in the amount of \$347,000.00, (iii) that certain mortgage dated as of August 1, 2000 and recorded as Document Number 00592920 (the "Second Mortgage") in favor of American Chartered Bank ("Superior Mortgagee") to secure a note in the amount of \$125,000.00, and (iv) that certain mortgage dated as of March 29, 2001 recorded on March 30, 2001 as Document Number 0010252541 (the "Third Mortgage") in favor of Michael Proksa ("Superior Mortgagee") to secure a note in the amount of \$217,210.00 (each of the First Mortgage, the Second Mortgage and the Third Mortgage being herein referred to as "Permitted Liens"), all of which are prior and superior to this Mortgage.

Mortgagor and Mortgagee covenant and agree as follows:

1. Payment. Mortgagor shall be responsible for the payment of each Monthly Payment as set forth in the Settlement Agreement.
2. Charges; Liens. Mortgagor shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Mortgage.

Except with regard to the Permitted Liens, Mortgagor shall promptly discharge any lien which has priority over this Mortgage unless Mortgagor: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Mortgagee; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Mortgagee's opinion operates to prevent the enforcement of the lien; or (c) secures from the holder of the lien an agreement satisfactory to Mortgagee subordinating the lien to this Mortgage. If Mortgagee

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determines that any part of the Property is subject to a lien which may attain priority over this Mortgage, Mortgagee may give Mortgagor a notice identifying the lien. Mortgagor shall satisfy the lien or take one or more of the actions set forth above within 30 days of the giving of notice.

3. Hazard or Property Insurance. Mortgagor shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards, which insurance shall be in an amount equal to the current value of the Property. If Mortgagor fails to maintain coverage described above, Mortgagee may, at Mortgagee's option, obtain coverage to protect Mortgagee's rights in the Property in accordance with paragraph 5.

All insurance policies and renewals shall include a standard mortgage clause. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Mortgagee. Mortgagee may make proof of loss if not made promptly by Mortgagor.

Unless Mortgagee and Mortgagor otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Mortgagee's security is not materially lessened. If restoration and repair is not economically feasible or Mortgagee's security would be materially lessened, the insurance proceeds shall be applied to the sums then due secured by this Mortgage, with any excess paid to Mortgagor. If Mortgagor abandons the Property, or does not answer within 30 days notice from Mortgagee that the insurance carrier has offered to settle a claim, then Mortgagee may collect the insurance proceeds. Mortgagee may use the proceeds to repair or restore the Property or to pay sums then due secured by this Mortgage. The 30-day period will begin when the notice is given.

4. Preservation, Maintenance and Protection of the Property. Mortgagor shall not destroy, damage or impair the Property, allow the Property to deteriorate, or commit waste on the Property, other than to rehabilitate and improve the Property, and otherwise increase the market value of the Property.

5. Protection of Mortgagee's Rights in the Property. At any time, when an Event of Default shall exist hereunder, then Mortgagee may take reasonable and necessary action to protect the value of the Property and Mortgagee's rights in the Property. Mortgagee's actions may include paying any sums secured by a lien which has priority over this Mortgage, appearing in court, paying reasonable attorneys' fees and entering on the Property to make necessary repairs. Although Mortgagee may take action under this Paragraph, Mortgagee does not have to do so.

Any amounts disbursed by Mortgagee under this paragraph shall become additional debt of Mortgagor secured by this Mortgage. Unless Mortgagor and Mortgagee agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the then current prime rate as announced in the Wall Street Journal on the date of disbursement, and shall be payable, with interest, upon notice from Mortgagee to Mortgagor requesting payment.

6. Condemnation. If any Event of Default exists hereunder, the proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of

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any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Mortgagee, subject, however, to the rights of the Superior Mortgagee; provided however, that if no Event of Default exists hereunder, and such proceeds are necessary for the restoration, repair, or modification of the Property, then such proceeds shall be remitted to Mortgagor.

7. Mortgagor Not Released; Forbearance by Mortgagee Not a Waiver. Extension of the time for payment or modification of amortization of the sums secured by the Mortgage granted by Mortgagee to any successor in interest of Mortgagor shall not operate to release the liability of the Mortgagor or its successors in interest. Mortgagee shall not be required to commence proceedings against any successor in interest or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the Mortgagors or its successors in interest. Any forbearance by Mortgagee in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

8. Successors and Assigns Bound. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Mortgagee and Mortgagor, subject to the provisions of paragraph 14.

9. Notices. Unless applicable law requires a different method, any notice that must be given under this Mortgage will be given by personal delivery or by first class mail to Mortgagor at the Property Address above or at a different address if notice is given to Mortgagee by Mortgagor. Any notice that must be given to the Mortgagee under this Mortgage will be given by mailing it by first class mail to the Mortgagee at the address stated herein, or at a different address if notice is given to Mortgagor of the address.

10. Governing Law; Severability. This Mortgage shall be governed by the law of the State of Illinois. In the event that any provision or clause of this Mortgage or the Settlement Agreement conflicts with applicable law, such conflict shall not affect other provisions of the Mortgage or the Settlement Agreement which can be given effect without the conflicting provision. To this end the provisions of the Mortgage and the Settlement Agreement are declared to be severable.

11. Transfer of the Property. If all or any part of the Property or any interest in it is sold or transferred without Mortgagee's prior written consent, Mortgagee may, at its option, require immediate payment in full of all sums secured by this Mortgage; provided, however, Mortgagor may transfer the property to a trust which is for the benefit of Mortgagor or one or more members of Mortgagor's immediate family or to another entity which is wholly owned or controlled by Mortgagor without triggering the acceleration provision in this sentence. However, this option shall not be exercised by Mortgagee if exercise is prohibited by federal law as of the date of this Mortgage.

If Mortgagee exercises this option, Mortgagee shall give Mortgagor notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Mortgagor must pay all sums secured by this Mortgage. If Mortgagor fails to pay these sums prior to the expiration of this period, Mortgagee may invoke any remedies permitted by this Mortgage without further notice or demand on Mortgagor.

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12. Hazardous Substances. Mortgagor shall not cause or permit the presence, use, disposal, storage, or release of any Hazardous Substances on or in the Property, other than as necessary for the normal operation of the business on the Property and any maintenance required to the Property. Mortgagor shall not do, nor allow anyone else to do, anything affecting the Property that is in violation of any Environmental Law. The aforementioned language shall not apply to the presence, use or storage on the Property of reasonable quantities of Hazardous Substances that are generally recognized in the industry to be appropriate for the operation of the business on the Property.

13. Acceleration; Remedies. Mortgagee shall give notice to Mortgagor as required in the Settlement Agreement prior to acceleration following Mortgagor's breach of any covenant or agreement in this Mortgage or the Settlement Agreement. If either of the foregoing documents require a notice, the notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. In the absence of any designated time for cure, Mortgagor shall effect such cure within thirty (30) days after receipt of the written notice, unless such default cannot be reasonably cured within such 30 days, and Mortgagor has commenced cure, then Mortgagor then no Event of Default shall exist during such period of attempted cure so long as no other Event of Default shall exist. If the default is not cured, then it shall constitute an Event of Default hereunder, and Mortgagee at its option may require immediate payment in full of all sums secured by the Mortgage without further demand and may foreclose this Mortgage by judicial proceedings. Mortgagee shall be entitled to collect all expenses incurred in pursuing the remedies provided in this Mortgage, including, but not limited to, reasonable attorneys' fees and costs of title evidence.

14. Release. Upon payment of all sums secured by this Mortgage, Mortgagee shall release this Mortgage without charge to Mortgagor and shall promptly execute and record all documents necessary or advisable to effect such release.

15. Consent to Jurisdiction. TO INDUCE MORTGAGEE TO ACCEPT THIS MORTGAGE, MORTGAGOR IRREVOCABLY AGREES THAT, SUBJECT TO MORTGAGEE'S SOLE AND ABSOLUTE ELECTION, ALL ACTIONS OR PROCEEDINGS IN ANY WAY ARISING OUT OF OR RELATED TO THIS MORTGAGE WILL BE LITIGATED IN COURTS HAVING SITUS IN CHICAGO, ILLINOIS. MORTGAGOR HEREBY CONSENTS AND SUBMITS TO THE JURISDICTION OF ANY COURT LOCATED WITHIN CHICAGO, ILLINOIS, WAIVES PERSONAL SERVICE OF PROCESS UPON MORTGAGOR, AND AGREES THAT ALL SUCH SERVICE OF PROCESS MAY BE MADE BY REGISTERED MAIL DIRECTED TO MORTGAGOR AT THE ADDRESS STATED IN THE SETTLEMENT AGREEMENT AND SERVICE SO MADE WILL BE DEEMED TO BE COMPLETED UPON ACTUAL RECEIPT.

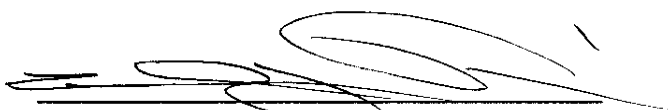
16. Subordination. This grant and any liens or security interests created hereby, as well as all rights and remedies of Mortgagee set forth herein, are subject and subordinated to the liens of the

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Permitted Liens and the rights and remedies of the Superior Mortgagee thereunder. To the extent that there are any inconsistencies between Mortgagor's obligations under the First Mortgage, Second Mortgage, and Third Mortgage and Mortgagor's obligations under this Mortgage, Mortgagor shall be deemed to be in compliance with such provisions of this Mortgage if Mortgagor shall then be in compliance with similar provisions contained in the First Mortgage, Second Mortgage, and Third Mortgage.

BY SIGNING BELOW, Mortgagor accepts and agrees to the terms and covenants contained in this Mortgage executed by Mortgagor.

MORTGAGOR:

A handwritten signature in black ink, appearing to read "Thomas J. Paoli", written over a horizontal line.

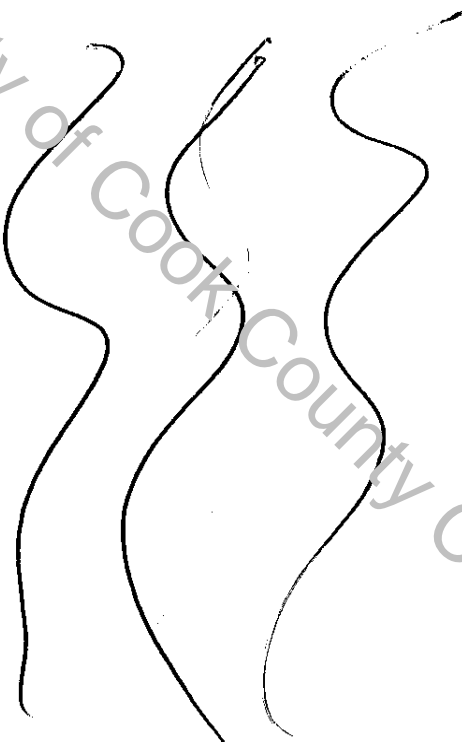
Thomas J. Paoli, individually

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A large, stylized handwritten signature in black ink is written across the center of the page, overlapping the diagonal watermark text.

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STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

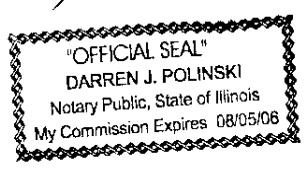
I, DARREN J. POLINSKI, a Notary Public in and for said county and state do hereby certify that THOMAS J. PAOLI, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person, and acknowledged that he signed and delivered the said instrument as his free and voluntary act, for the uses and purposes therein set forth.

Given under my hand and official seal, this 2nd day of December, 2003.



(Notary Public)

My commission expires: 8/05/06



Property of Cook County Clerk's Office

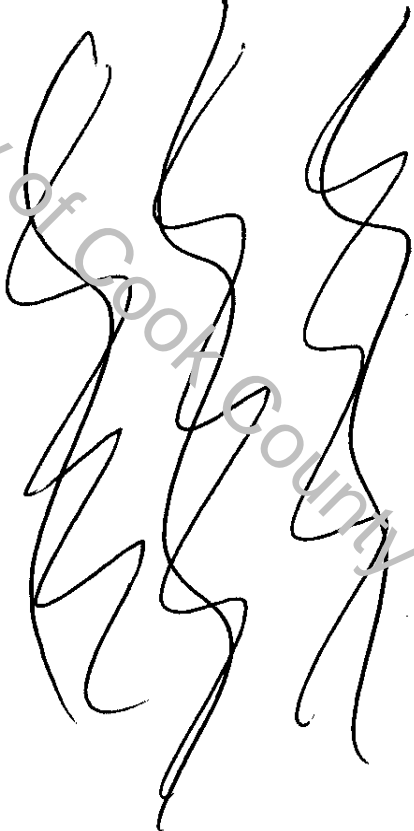
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EXHIBIT A

Legal Description of the Property

Attached

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A large, illegible handwritten scribble in black ink, consisting of several overlapping, loopy lines that obscure any text underneath. It is positioned in the center of the page, overlapping the diagonal watermark.

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Legal Description:

PARCEL 1: LOTS 6 TO 13 INCLUSIVE IN BLOCK 50 IN THIRD ADDITION TO FRANKLIN PARK, A SUBDIVISION IN THE SOUTHWEST 1/4 AND THE WEST 1/2 OF THE SOUTHEAST 1/4 OF SECTION 21, TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN.

ALSO

PARCEL 2: THE EAST 1/2 OF THAT PART OF DORA STREET LYING NORTHERLY OF A LINE EXTENDED FROM THE SOUTHWESTERLY CORNER OF BLOCK 50 TO THE SOUTHEASTERLY CORNER OF BLOCK 49 IN THIRD ADDITION TO FRANKLIN PARK, AFORESAID (SAID LINE BEING ALSO THE NORTHERLY LINE OF FRANKLIN AVENUE) AND SOUTHERLY OF THE NORTH LINE OF THE SOUTH 1/2 OF THE VACATED ALLEY LYING NORTHERLY OF LOTS 6 TO 13 IN BLOCK 50 AFORESAID IN COOK COUNTY, ILLINOIS.

ALSO

PARCEL 3: THE SOUTH 1/2 OF THE VACATED ALLEY LYING NORTHERLY OF AND ADJOINING LOTS 6 TO 13 IN BLOCK 50 IN AFORESAID SUBDIVISION OF COOK COUNTY, ILLINOIS.

ALSO

PARCEL 4: THE SOUTHERLY 36 FEET (MEASURED AT RIGHT ANGLES) OF LOT "S" LYING WEST OF THE EAST LINE OF LOT 6, EXTENDED NORTH, IN BLOCK 50 IN THE THIRD ADDITION TO FRANKLIN PARK, ALSO THAT PART OF THE EAST 1/2 OF VACATED DORA STREET WHICH LIES NORTH OF THE NORTHWESTWARDLY EXTENSION OF THE SOUTH LINE OF THE NORTH 1/2 OF VACATED ALLEY LYING SOUTHERLY OF AND ADJOINING LOT "S" AFORESAID, AND WHICH LIES SOUTH OF A LINE DRAWN PARALLEL WITH AND 36.00 FEET) MEASURED AT RIGHT ANGLES) NORTHEASTERLY OF SAID NORTHWESTWARDLY EXTENSION OF THE SOUTHWESTERLY LINE OF LOT "S" ALL IN THE SOUTHWEST 1/4 OF SECTION 21; TOWNSHIP 40 NORTH, RANGE 12 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

ALSO

PARCEL 5: THE NORTH HALF OF VACATED ALLEY LYING SOUTHERLY OF AND ADJOINING PARCEL 4 AFORESAID IN COOK COUNTY, ILLINOIS.

P.I.N.#: 12-21-311-018-0000
12-21-311-022-0000

Address of premises: 10160 Franklin Avenue, Franklin Park, Illinois

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