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THIS INSTRUMENT PREPARED BY
AND AFTER RECORDING SHOULD
BE RETURNED TO:

Doc#: 0436249068
Eugene "Gene" Moore Fee: \$52.00
Cook County Recorder of Deeds
Date: 12/27/2004 10:15 AM Pg: 1 of 15

Scott & Kraus, LLC
Suite 2900
150 South Wacker Drive
Chicago, Illinois 60606
Attention: Drew J. Scott, Esq.

Permanent Index Numbers:

14-16-303-025-0000
14-16-303-040-0000

Common Address:

4180 North Marine Drive
Chicago, Illinois 60613

AMENDED AND RESTATED SECURITY AGREEMENT

THIS AMENDED AND RESTATED SECURITY AGREEMENT (this "Agreement") is made and delivered as of December 1, 2004, by 4180 NORTH MARINE DRIVE, L.L.C., an Illinois limited liability company, with its executive offices located at 399 Wall Street, Unit H, Glendale Heights, Illinois 60139 ("Debtor") to and for the benefit of PARKWAY BANK AND TRUST COMPANY, with its principal place of business at 4800 North Harlem Avenue, Harwood Heights, Illinois 60706 ("Lender"). This Agreement amends and restates that certain Security Agreement dated as of July 16, 2004 executed by Debtor in favor of Lender

RECITALS:

A. Debtor has executed and delivered to Lender that certain Loan Agreement dated as of July 16, 2004, as amended by that certain First Amendment to Loan Agreement dated as of September 23, 2004, and as amended by that certain Second Amendment to Loan Agreement of even date herewith (together, the "Loan Agreement") under the terms of which Lender has extended credit facilities as represented by the (i) Term Note dated as of July 16, 2004 made by Debtor and payable to Lender in the original principal amount of Twelve Million Eight Hundred Fifty Thousand and No/100 Dollars (\$12,850,000) ("Term Note"), (ii) Revolving Note dated as of September 23, 2004 made by Debtor and payable to Lender in the original principal amount of Seven Hundred Fifty Thousand Dollars (\$750,000) ("Revolving Note"), (iii) Capital Expenditure Note of even date herewith made by Debtor and payable to Lender in the original principal amount of One Million Five Hundred Thousand Dollars (\$1,500,000) ("Capital Expenditure Note", together with the Term Note and Revolving Note, and any and all extensions and renewals thereof, amendments thereto and substitutions or replacements therefore, are herein referred to as the "Notes"). Capitalized terms used, but not otherwise defined herein, shall have the meanings ascribed thereto in the Loan Agreement.

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B. Debtor is willing, on the terms and conditions contained herein, in the Loan Agreement and the "Other Agreements" as defined in the Loan Agreement (collectively referred to herein as the "Loan Documents") to secure its Obligations.

C. Lender has required as a condition to making credit available to Debtor under the terms of the Loan Agreement that Debtor secure the Obligations with all of the assets of the Debtor.

NOW, THEREFORE, for and in consideration of the making of the loans and the extensions of credit as contemplated under the Loan Agreement and as an inducement to Lender to do so, and for and in consideration of the mutual promises, covenants and agreements hereinafter set forth, Debtor and Lender hereby agree as follows:

1. **Creation of Security Interest.** Debtor hereby grants to Lender a lien on and security interest in and does hereby collaterally assign, pledge, mortgage, convey and set over unto Lender all of the assets of Debtor, including without limitation the following, whether now owned or hereafter acquired by or on behalf of Debtor (hereinafter referred to collectively as the "Collateral"):

(a) All accounts, receivables, health-care-insurance receivables, contract rights, general intangibles, chattel paper, instruments, documents, acceptances, notes, drafts, inventory, goods, tax refunds, books, records, customer and supplier lists, ledgers, invoices, purchase and sales orders, data processing, computer and telecommunications systems, including software systems incidental thereto, insurance policies and certificates, guaranties, liens, and other personal property, including all right, title and interest of Debtor in and to the Operative Documents as further described in Schedule 1 attached hereto and by this reference incorporate herein;

(b) All right, title and interest of Debtor in and to Chapter 7 Case No. 04B23758 appearing in United States Bankruptcy Court; and Case 03 CH 12252 consolidated with Case 03 CH 18046 filed in the Circuit Court for Cook County, Illinois County Department, Chancery Division;

(c) All monies, reserves, deposits, deposit accounts and interest or dividends thereon, securities, investment properties, cash, and cash equivalents and other property now or at any time or times hereafter in the possession or under the control of Lender or its bailee;

(d) All machinery, equipment, apparatus, appliances, furniture, furnishings, fixtures and supplies, whether now owned or hereafter acquired;

(e) Any and all goodwill, trademarks, trade names, copyrights, patent rights and option rights of Debtor;

(f) Any and all rights of Debtor under any contracts executed by Debtor with any provider of goods or services for or in connection with any construction undertaken on or services performed or to be performed in connection with any property;

(g) All proceeds, products, renewals, substitutions, replacements, additions and accessions to any of the other categories of Collateral contained in this definition; and

(h) All other assets or property with respect to which Debtor has or may hereafter grant to Lender a lien or security interest.

For purposes hereof, the term "receivables" shall mean and include all of Debtor's present and future rights to payment for goods, merchandise or inventory sold or leased or for services

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rendered, including, without limitation, those which are not evidenced by instruments or chattel paper, and whether or not they have been earned by performance, whether or not the same are listed on any schedules, reports or assignments furnished to Lender from time to time, or any letters of credit on which Debtor is named as beneficiary, contract rights, chattel paper, instruments, documents, insurance proceeds, and all such obligations whatsoever owing to Debtor, together with all instruments and all documents of title representing any of the foregoing, all rights in any goods, merchandise or Inventory which any of the same may represent, all rights in any returned or repossessed goods, merchandise and Inventory, and all right, title, security and guaranties with respect to each of the foregoing, including, without limitation, any right of stoppage in transit, replevin and reclamation and all other rights and remedies of an unpaid vendor or lienor, and any liens held by Debtor as a mechanic, contractor, subcontractor, processor, materialman, machinist, manufacturer, artisan or otherwise.

2. Debtor's Obligations.

(a) Payment of Indebtedness. The security interest created herein is given as additional security for: the payment to Lender of all indebtedness evidenced by and according to the terms of each of the Notes, the Loan Agreement and the other Loan Documents; the payment of all sums hereafter loaned, paid out, expended or advanced by Lender under the terms of this Agreement or otherwise, to or for the account of Debtor or the underlying Borrower under the Operative Documents, together with interest thereon; all extensions or renewals of the Notes, the Loan Agreement and the other Loan Documents evidencing sums hereafter loaned, paid out, expended or advanced by Lender, its successors or assigns, to or for the account of Debtor; and the discharge and performance of all agreements and obligations under each of the Notes, the Loan Agreement and the other Loan Documents (all of the foregoing are hereinafter collectively called the "Indebtedness").

(b) Protection of Collateral. Debtor shall take any and all steps required in the reasonable judgment of Lender to protect the Collateral and in pursuance thereof Debtor agrees that the Collateral:

(i) Each item of Collateral shall be kept at the principal place of business of Debtor or as disclosed in writing to Lender and shall be used only in the conduct in the ordinary course of Debtor's business;

(ii) Shall not be misused, wasted or allowed to deteriorate, except for the ordinary wear and tear resulting from its use, as aforesaid;

(iii) Shall at all times be insured against loss, damage, theft and such other risks as Lender may require in such amounts, with such companies, with such deductibles, under such policies, in such form and for such periods as shall be satisfactory to Lender, and each such policy shall provide that the loss thereunder and the proceeds payable thereunder shall be payable to Lender as its interest may appear, and Lender may apply any proceeds of such insurance which may be received by Lender toward the payment of the Indebtedness whether due or not due, in such order as Lender may determine;

(iv) Shall not be used in violation of any applicable statute, law, rule, regulation or ordinance; and

(v) May be examined and inspected by Lender at any time, wherever located.

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(c) Protection of Security Interest. Debtor shall take any and all steps necessary to protect the priority of the security interest granted herein, and in pursuance of this obligation, Debtor agrees that:

(i) Debtor shall not, without the prior written consent of Lender: create any other security interest in, mortgage, pledge, or otherwise encumber the Collateral, or any part thereof, or permit the same to be or become subject to any lien, attachment, execution, sequestration, other legal or equitable process, or any encumbrance of any kind or character and in furtherance thereof Debtor agrees that Lender shall hold the originals of all of the Operative Documents and that counsel for the Lender shall continue the present and future or related default and foreclosure matters relating to the Operative Documents and any other matters arising in connection therewith; and Debtor hereby waives any rights or issues arising from such representation, including without limitation, the potential for one or more conflicts of interest that could arise between Debtor and Lender.

(ii) Debtor shall not sell, transfer, lease or otherwise dispose of any of the Collateral or any interest therein or offer to do so or permit anything to be done that may impair the value of any of the Collateral or the security intended to be afforded by this Agreement; provided, however, that Debtor may in the ordinary course of its business sell condominiums constituting collateral so long as the proceeds of such sales are remitted by the title company directly to the Lender to pay principal of, and/or interest on, the Indebtedness;

(iii) Debtor will comply with all applicable statutes and governmental regulations and pay and discharge, when due, before any penalty attaches thereto for nonpayment thereof, all taxes, assessments and governmental charges of any kind now or hereafter levied upon or assessed against Debtor, the Collateral, any income therefrom or upon the subject of the security interest of Lender; provided, however, that Debtor shall not be required to pay any such taxes, assessments, or other governmental charges so long as Debtor shall in good faith contest the validity thereof, and if such contest is made, Debtor will provide for the payment of the taxes, assessments or other governmental charges so contested. In the event Debtor, at any time, fails to pay such taxes, assessments and charges, or to obtain discharges, subject to the provision of the preceding sentence relative to contesting such items, Debtor shall so advise Lender thereof in writing and Lender may, in its sole discretion, without waiving or releasing any of the Obligations or liability of Debtor or any Event of Default, make such payment, or any part thereof, or obtain such discharge or take other action with respect thereto which Lender deems advisable. All sums so paid by Lender and any expenses incurred by Lender in connection therewith, including, without limitation, attorneys' fees, shall be immediately due and payable from Debtor to Lender.

(iv) Debtor shall sign and execute alone or with Lender any financing statement or other document or procure any documents and pay all connected costs, expenses and fees, including, without limitation, attorneys' fees, necessary to protect the security interest under this Agreement against the rights, interests or claims of third persons;

(v) Debtor shall reimburse Lender for all costs, expenses and fees, including, without limitation, court costs and reasonable attorneys' fees, incurred for any action taken by Lender to remedy a default of Debtor under this Agreement;

(vi) Debtor shall (A) from time to time promptly execute and deliver to Lender all such other assignments, certificates, supplemental writings, and financing statements, and do all other acts or things as Lender may request in order to more fully evidence and perfect the

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security interest created herein, including placing additional agreements, documents and instruments of record with the applicable recorder's office; (B) punctually and properly perform all of Debtor's agreements and obligations under this Agreement, the Notes, the Loan Agreement and the other Loan Documents and under any other security agreement, mortgage, deed of trust, collateral pledge, agreement or contract of any kind now or hereafter existing as security for and in connection with payment of the Indebtedness, or any part thereof; (C) pay the Indebtedness in accordance with the terms thereof and in accordance with the terms of this Agreement, the Notes, the Loan Agreement and the other Loan Documents or other writings evidencing the Indebtedness, or any part thereof; (D) promptly furnish Lender with any information or writings which Lender may reasonably request concerning the Collateral; (E) prior to an Event of Default and five (5) days notice, allow Lender to inspect all records of Debtor relating to the Collateral, the Indebtedness and the business and operation of Debtor, and to make and take away copies of such records; (F) promptly notify Lender of any change in any material facts or circumstances warranted or represented by Debtor in this Agreement or in any other writing furnished by Debtor to Lender in connection with the Collateral, the Indebtedness and the business and operation of Debtor; (G) promptly notify Lender of any claim, action or proceeding affecting title to the Collateral, or any part thereof, or the security interest created herein, and, at the request of Lender, appear in and defend, at Debtor's sole cost and expense, any such action or proceeding; and (H) promptly, after being requested by Lender, pay to Lender the amount of all expenses, including, without limitation, reasonable attorneys' fees, court costs and other legal expenses, incurred by Lender in enforcing the security interest created herein:

(vii) Debtor shall not, without the prior written consent of Lender: create any other security interest in, mortgage, pledge, or otherwise encumber the Collateral, or any part thereof, or permit the same to be or become subject to any lien, attachment, execution, sequestration, other legal or equitable process, or any encumbrance of any kind or character and in furtherance thereof Debtor agrees that Lender shall hold the originals of all of the Operative Documents and that counsel for the Lender shall continue to represent Debtor in all present and future or related default and foreclosure matters relating to the Operative Documents and any other matters arising in connection therewith;

(viii) Should the Collateral, or any part thereof ever be in any manner converted by its issuer or maker into another type of property or any money or other proceeds ever be paid or delivered to Debtor as a result of Debtor's rights in the Collateral, then, in any such event, all such property, money and other proceeds shall become part of the Collateral, and Debtor covenants to forthwith pay or deliver to Lender all of the same which is susceptible of delivery and, at the same time, if Lender deems it necessary and so requests, Debtor will properly endorse or assign the same. With respect to any of such property of a kind requiring any additional security agreement, financing statement or other writing to perfect a security interest therein in favor of Lender, Debtor will forthwith execute and deliver to Lender whatever Lender shall deem necessary or proper for such purpose; and

(ix) In the event that Debtor fails to perform any covenant, duty or agreement of Debtor to be performed in accordance with its terms hereunder, Lender may, but shall never be obligated to, perform or attempt to perform such covenant, duty or agreement on behalf of Debtor, and any amount reasonably expended by Lender in such performance or attempted performance shall become a part of the Indebtedness, and, at the request of Lender, Debtor agrees to pay such amount promptly to Lender at Lender's address set forth opposite its name below, or at such other place as Lender may designate, together with interest thereon at the Default Rate plus three percent (3%) (as such term is defined in each of the Notes) from the date of such expenditure by Lender until paid.

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3. Default. The occurrence of any one or more of the following shall be an "Event of Default" for purposes of this Agreement:

(a) Untrue Representations and Warranties: The breach of any of the representations or warranties of Debtor as set forth in this Agreement in any material respect;

(b) Non-performance of Obligations: If any default shall occur in the due and punctual performance of or compliance with any of the terms, covenants, conditions or agreements contained herein;

(c) Assignment for Benefit of Creditors: The execution of an assignment for the benefit of creditors by Debtor;

(d) Process Against the Collateral: The levy of any execution, attachment, sequestration or other writ against the Collateral or any part thereof not dismissed within thirty (30) days after such levy; or

(e) Default under Loan Documents: The occurrence of any Event of Default under any of the other Loan Documents.

4. Consequences of Default. Upon the occurrence of any such Event of Default, or at any time thereafter while such Event of Default continues to exist, Lender may, at its option, declare all Indebtedness secured hereby to be immediately due and payable to Lender without demand or notice of any kind whatsoever, and such Indebtedness thereupon shall immediately become due and payable to Lender without demand or notice, but with such adjustments, if any, with respect to interest or other charges as may be provided for herein or in the Notes, the Loan Agreement, the other Loan Documents or any other written agreements between Debtor and Lender.

5. Lender's Rights and Remedies. Lender shall have available to it the following rights and remedies:

(a) Right to Assign. From and after the occurrence of an Event of Default or an unmatured Event of Default, Lender may assign this Agreement, and if Lender does assign this Agreement, the assignee shall be entitled to the performance of all of Debtor's agreements and obligations under this Agreement, and the assignee shall be entitled to all the rights and remedies of Lender under this Agreement.

(b) Right to Discharge Debtor's Obligations. Lender may, at its option, discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral or the real or personal property relating thereto, may remedy or cure any default of Debtor under the terms of any lease, rental agreement or other document which in any way pertains to or affects Debtor's title to or interest in any of the Collateral, may pay for insurance on the Collateral, and may pay for the maintenance and preservation of the Collateral, and Debtor agrees to reimburse Lender, on demand, for any payment made or any reasonable expense incurred by Lender, including, without limitation, attorneys' fees, pursuant to the foregoing authorization, together with interest at the Default Rate from the date so paid or incurred by Lender, which payments, expenses and interest shall be secured by the security intended to be afforded by this Agreement and/or by the Loan Agreement and the other Loan Documents.

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(c) Right of Enforcement. Lender shall have and may exercise any and all rights of enforcement and remedies before or after default afforded to a Lender under the Uniform Commercial Code in force in the State of Illinois (the "Uniform Commercial Code"), together with any and all other rights and remedies otherwise provided and available to Lender at law or in equity, as of the date of this Agreement or the date of Debtor's default; and, in conjunction with, in addition to, or substitution for those rights and remedies, at Lender's discretion, Lender may:

(i) To the extent permitted by law, enter upon Debtor's premises to take possession of, assemble and collect the Collateral or to render it or any portion of the Collateral unusable; and/or

(ii) Remedy any default in any reasonable manner, without waiving its rights and remedies upon default and without waiving any other prior or subsequent default; and/or

(iii) in its own name, have the absolute right to exercise all remedies available at law or equity or otherwise under the Operative Documents in its sole discretion, including without limitation any action to foreclose under the Operative Documents.

(d) Right of Sale.

(i) Debtor agrees that should it fail to make payments as provided in each of the Notes, the Loan Agreement or the other Loan Documents, or if a default be made on any obligation or promise of Debtor contained herein or hereby secured or contained in or secured by the Notes, the Loan Agreement or the other Loan Documents, then Lender may, at its option, sell or dispose of the Collateral at public or private sale without any previous demand of performance or notice to Debtor of any such sale whatsoever, except as provided under the Uniform Commercial Code, and from the proceeds of sale retain: (A) all costs and charges incurred by Lender in taking and causing the removal and sale of said property, including such attorneys' fees as shall have been incurred by Lender; and (B) all sums due pursuant to the Notes, the Loan Agreement, the other Loan Documents and this Agreement, and all accrued interest thereon. Any surplus of such proceeds remaining shall be paid to Debtor.

(ii) At any sale or sales made pursuant to this Agreement or in a suit to foreclose the same, the Collateral may be sold in masse or separately, at the same or at different times, at the option of Lender or its assigns. Such sale may be public or private, with notice as required by the Uniform Commercial Code, and the Collateral need not be present at the time or place of sale. At any such sale, Lender or the holder of the Notes hereby secured may bid for and purchase any of the property sold, notwithstanding that such sale is conducted by Lender or its attorneys, agents, or assigns, and no irregularity in the manner of sale or of giving notice shall operate to preclude Lender from recovering the Indebtedness.

(iii) If any notification of intended sale or other disposition of the Collateral or any part thereof is required under the Uniform Commercial Code or other law, such notification, if mailed, shall be deemed reasonably and properly given if mailed to Debtor at least ten (10) days before such sale or disposition.

(e) Miscellaneous. Lender shall have the right at all times to enforce the provisions of this Agreement in strict accordance with the terms hereof, notwithstanding any conduct or custom on the part of Lender in refraining from so doing at any time or times. The failure of Lender at any time or times to enforce its rights under said provisions strictly in accordance with the same shall not be construed or operate as a waiver of any of the rights and remedies granted

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Lender hereunder or as having created a custom in any way or manner contrary to the specific provisions of this Agreement or as having in any way or manner modified the same. All rights and remedies of Lender are cumulative and concurrent, and the exercise of one right or remedy by Lender shall not be deemed a waiver or release of any other right or remedy. Except as otherwise specifically required herein, notice of the exercise of any right, remedy or power granted to Lender by this Agreement is not required to be given.

6. Representations and Warranties. Debtor represents and warrants that:

- (a) Debtor has authority to execute and deliver this Agreement;
- (b) other than in favor of Lender, no financing statement covering the Collateral, or any part thereof, has been filed with any filing officer;
- (c) other than in favor of Lender, no other security agreement covering the Collateral, or any part thereof, has been made and no security interest, other than the one herein created, has attached or been perfected in the Collateral or in any part thereof;
- (d) no dispute, right of set-off, counterclaim or defenses exist with respect to any part of the Collateral;
- (e) all information supplied and statements made in any financial or credit statement or application for credit heretofore delivered to Lender by or on behalf of Debtor or any guarantor of the Notes prior to the execution of this Agreement are true and correct in all material respects as of the date hereof; and
- (f) at the time Lender's security interest created herein and/or by virtue of any of the other Loan Documents attaches to any of the Collateral or its proceeds, Debtor will be the lawful owner with the right to transfer any interest therein, and Debtor will make such further assurances so as to prove title to the Collateral in Debtor as may be required and will defend the Collateral and its proceeds against the lawful claims and demands of all persons whomsoever.

The delivery at any time by Debtor to Lender of the Collateral shall constitute a representation and warranty by Debtor under this Agreement that, with respect to such Collateral, and each item thereof, Debtor is owner of the Collateral and the matters heretofore represented and warranted in this Paragraph 6 are true, complete and correct. Further Debtor, at the request of Lender, agrees to amend this Agreement and any and all financing statements filed in connection therewith for the purpose of setting forth in said Agreement and said financing statements an accurate and itemized list, when known, of the Collateral now generally described herein and in said financing statements and to include in said accurate and itemized list an identification of the Collateral by make, model, serial number and other appropriate descriptive data.

7. Subrogation. If the Indebtedness, or any part thereof, be given in renewal or extension, or applied toward the payment of indebtedness secured by mortgage, pledge, security agreement or other lien, Lender shall be and is hereby subrogated to all of the rights, titles, security interests and other liens securing the indebtedness so renewed, extended or paid.

8. Mutual Agreements. Debtor and Lender mutually agree as follows:

- (a) "Debtor" and "Lender" as used in this Agreement include the successors and permitted assigns of those parties.

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(b) This Agreement includes all amendments and supplements thereto and all assignments thereof. This Agreement shall not be amended, modified or supplemented without the written agreement of Debtor and Lender at the time of such amendment, modification or supplement.

(c) It is expressly intended, understood and agreed that this Agreement, the Notes, the Loan Agreement and the other Loan Documents are made and entered into for the sole protection and benefit of Lender and Debtor, and their respective successors and assigns (but in the case of assigns of Debtor, only to the extent permitted hereunder), and no other person or persons shall have any right of action hereunder or rights to the Loan proceeds at any time; that the Loan proceeds do not constitute a trust fund for the benefit of any third party; that no third party shall under any circumstances be entitled to any equitable lien on any undisbursed Loan proceeds at any time; and that Lender shall have a lien upon and right to direct application of any undisbursed Loan proceeds as additional security for this Agreement, the Notes, the Loan Agreement and the other Loan Documents. The relationship between Lender and Debtor is solely that of a lender and borrower, and nothing contained herein, or in the Notes, the Loan Agreement or the other Loan Documents shall in any manner be construed as making the parties hereto partners, joint venturers or creating any other relationship other than lender and borrower.

(d) This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois. All provisions of this Agreement shall be deemed valid and enforceable to the extent permitted by law. Any provision or provisions of this Agreement which are held unenforceable, invalid or contrary to law by a court of competent jurisdiction, or the inclusion of which would affect the validity or enforceability of this Agreement, shall be of no force or effect, and in such event each and all of the remaining provisions of this Agreement shall subsist and remain and be fully effective according to the tenor of this Agreement as though such invalid, unenforceable or unlawful provision or provisions had not been included in this Agreement.

(e) To the extent permitted by law, Debtor hereby waives any and all rights to require marshalling of assets by Lender.

(f) Any and all notices given in connection with this Agreement shall be delivered in accordance with the procedures set forth in the Loan Agreement.

(g) Debtor hereby agrees that no liability shall be asserted or enforced by Debtor against Lender in its exercise of the powers and rights herein granted, all such liability being hereby expressly waived and released by Debtor. Debtor hereby agrees to indemnify, defend and hold Lender harmless from and against any and all liability, expense, cost or damage which may be incurred by, asserted against or imposed upon Lender at any time which relate to or arise from the use, operation or lease of any of the Collateral or the exercise by Lender of the powers and rights herein granted; provided, however, that Debtor shall not so indemnify Lender for any acts or omissions of Lender that constitute gross negligence or willful misconduct.

(h) This Agreement shall inure to the benefit of Lender, its successors and assigns and shall be binding upon Debtor and its successors and permitted assigns.

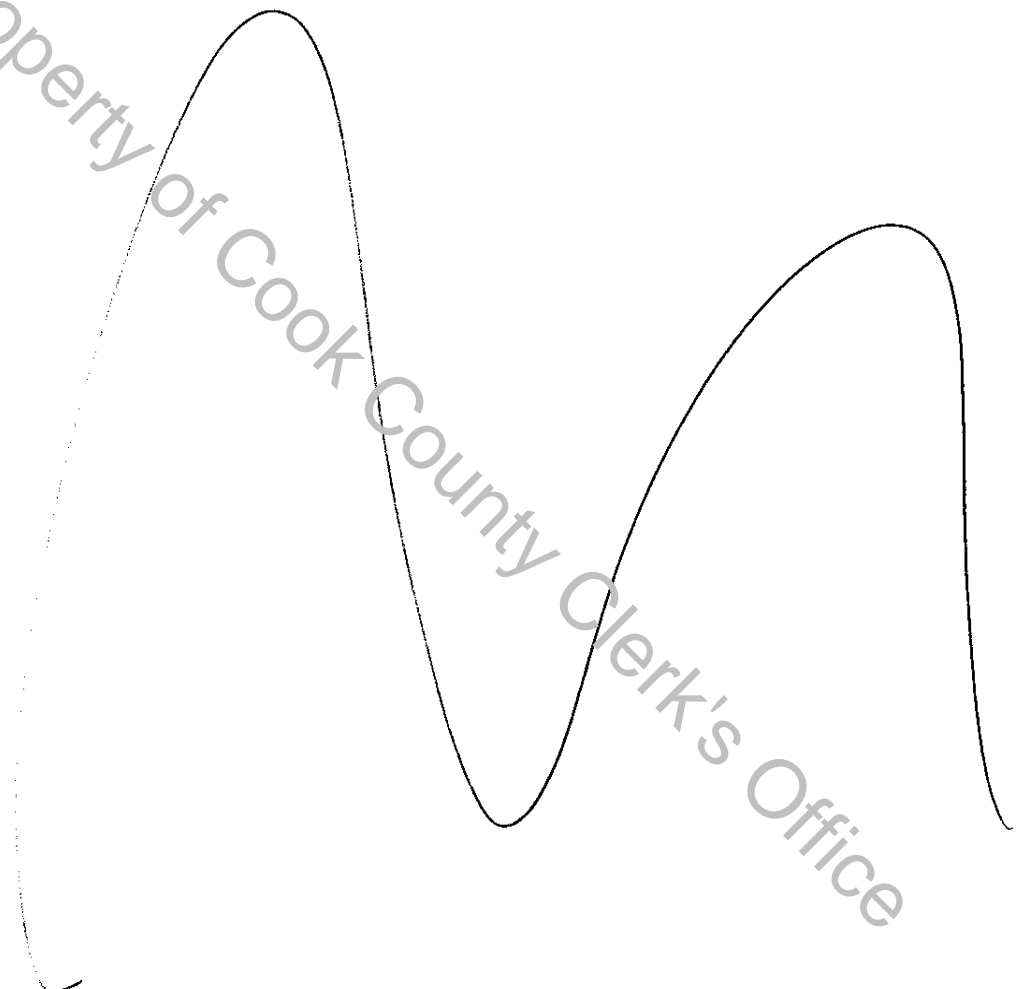
(i) Lender is hereby authorized to rely upon and accept as an original this Agreement or any communication which is sent to the Lender by facsimile, telegraphic or other electronic transmission (each, a "Communication") which the Lender in good faith believes has been signed by Debtor and has been delivered to Lender by a properly authorized representative of the

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Debtor, whether or not that is in fact the case. Notwithstanding the foregoing, Lender shall not be obligated to accept any such Communication as an original and may in any instance require that an original document be submitted to the Lender in lieu of, or in addition to, any such Communication.

[SIGNATURE PAGE FOLLOWS]

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IN WITNESS WHEREOF, Debtor has executed this Agreement as of the date first above written.

DEBTOR:

4180 NORTH MARINE DRIVE, L.L.C.
an Illinois limited liability company

By: 

Name: Rick E. Heider, President

Title: Manager

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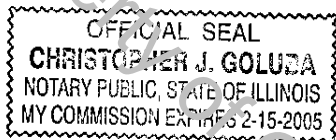
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STATE OF ILLINOIS)
)
COUNTY OF DuPage) SS

The undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that Rick E. Hecker Pres. of Home Properties Inc. AS Manager of 4180 North Marine Drive, L.L.C., an Illinois limited liability company, whose name is subscribed to the within instrument, appeared before me this day in person and acknowledged that as such authorized officer, he/she signed and delivered the said instrument as his/her free and voluntary act and as the free and voluntary act of said company for the uses and purposes therein set forth and pursuant to such company's authority.

GIVEN under my hand and Notarial Seal on December 14, 2004.

Christopher J. Goluba
Notary Public



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SCHEDULE 1

Operative Documents

1. Promissory Note dated January 25, 2001, made by M.G. International, LLC, in the original principal amount of \$13,416,395.91 and payable to Parkway Bank & Trust Co.;
2. Mortgage made by M.G. International, LLC, dated as of January 25, 2001, and recorded as document number 0010102675 with the Cook County Recorder on February 7, 2001;
3. Assignment of Rents dated as of January 25, 2001 and recorded as document number 0010102676 with the Cook County Recorder on February 7, 2001;
4. Promissory Note dated July 13, 2001, made by M.G. International, LLC, in the original principal amount of \$2,250,000 and payable to Parkway Bank & Trust Co.;
5. Construction Mortgage made by M.G. International, LLC, dated as of July 13, 2001, and recorded as document number 0010681141 with the Cook County Recorder on July 27, 2001;
6. Assignment of Rents dated as of July 13, 2001 and recorded as document number 0010681142 with the Cook County Recorder on July 27, 2001;
7. Mortgage made by M.G. International, LLC, dated as of April 12, 2002, and recorded as document number 0020682098 with the Cook County Recorder on June 19, 2002;
8. Assignment of Rents dated as of April 12, 2002 and recorded as document number 0020682099 with the Cook County Recorder on June 19, 2002;
9. Promissory Note dated January 23, 2003 made by M.G. International, LLC, in the original principal amount of \$400,000, as amended and restated by that certain Promissory Note dated as of April 23, 2003 in the original principal amount of \$400,000 and payable to Parkway Bank & Trust Co.;
10. Mortgage made by M.G. International, LLC, dated as of January 23, 2003, and recorded as document number 0030249917 with the Cook County Recorder on February 21, 2003;
11. Assignment of Rents dated as of January 23, 2003 and recorded as document number 0030249918 with the Cook County Recorder on February 21, 2003;
12. Promissory Note dated January 26, 2003 made by M.G. International, LLC, in the original principal amount of \$249,561.49, as amended and restated by that certain Promissory Note dated as of March 12, 2003 in the original principal amount of \$235,063.49 and payable to Parkway Bank & Trust Co.;
13. Commercial Guaranty of Hasan Merchant in favor of Parkway Bank and Trust Company:
 - a. dated as of January 25, 2001 in the amount of \$7,950,000;
 - b. dated as of July 13, 2001, in an unlimited amount; and
 - c. dated as of January 23, 2003, in the amount of \$400,000.

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14. Commercial Guaranty of Sheri Merchant in favor of Parkway Bank and Trust Company:
 - a. dated as of January 25, 2001 in the amount of \$7,950,000;
 - b. dated as of July 13, 2001, in an unlimited amount; and
 - c. dated as of January 23, 2003, in the amount of \$400,000.
15. Commercial Guaranty of Narendra K. Gupta in favor of Parkway Bank and Trust Company:
 - a. dated as of January 25, 2001 in the amount of \$7,950,000;
 - b. dated as of July 13, 2001, in an unlimited amount; and
 - c. dated as of January 23, 2003, in the amount of \$400,000.
16. Commercial Guaranty of Geeta Gupta in favor of Parkway Bank and Trust Company:
 - a. dated as of January 25, 2001 in the amount of \$7,950,000;
 - b. dated as of July 13, 2001, in an unlimited amount; and
 - c. dated as of January 23, 2003, in the amount of \$400,000.
17. Survey delivered to Parkway Bank and Trust Company prepared by United Survey Service Co. dated as of January 11, 2001 as No. 2001-6452;
18. All insurance certificates naming Parkway Bank and Trust Company as a lender loss payee with respect to the insurance policies of M.G. International, LLC;
19. Mortgage dated as of January 15, 2003 made by Parkway Bank and Trust Company, as trustee, under trust agreement dated as of June 1, 2000 and known as Trust 12603, and recorded as document number 2003K014060 with the Kane County Recorder on January 27, 2003; and
20. Promissory Note dated January 15, 2003, made by Parkway Bank and Trust Company, as trustee, under trust agreement dated as of June 1, 2000 and known as Trust 12603, in the original principal amount of \$2,900,000 and payable to Broadway Bank, now known as Parkway Bank & Trust Co.

as any of the foregoing may from time to time have been amended, modified, supplemented or restated.

UNOFFICIAL COPY**Legal Description**

UNIT NUMBERS 101, 102, 103, 104, 105, 106, 110, 111, 112, 201, 202, 203, 204, 206, 207, 208, 209, 210, 211, 212, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 401, 402, 403, 404, 406, 407, 408, 409, 410, 411, 412, 501, 502, 503, 504, 507, 508, 509, 510, 511, 512, 601, 602, 605, 606, 607, 608, 609, 610, 611, 612, 701, 702, 703, 704, 708, 709, 710, 711, 712, 801, 802, 803, 804, 805, 807, 808, 809, 810, 811, 812, 901, 902, 903, 904, 905, 906, 908, 909, 910, 911, 912, 1001, 1002, 1003, 1004, 1006, 1008, 1009, 1010, 1011, 1012, 1101, 1102, 1103, 1104, 1105, 1108, 1109, 1110, 1111, 1112, 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1301, 1302, 1303, 1304, 1308, 1309, 1310, 1311, 1312, 1401, 1402, 1406, 1408, 1409, 1410, 1412, 1501, 1502, 1508, 1509, 1510, 1511, 1512, 1601, 1602, 1603, 1605, 1606, 1607, 1608, 1609, 1610, 1611, 1612, P1, P2, P3, P5, P8, P11, P13, P14, P17, P18, P23, P26, P28, P29, P30, P32, P33, P35, P36, P37 IN THE POLO TOWER CONDOMINIUM AS DELINEATED ON A SURVEY OF THE FOLLOWING DESCRIBED REAL ESTATE: THE EAST 25 FEET OF LOT 3, ALL OF LOTS 4, 5, AND 6 AND LOT "A" (EXCEPT THE WEST 125 FEET) IN COUNTY CLERK'S DIVISION OF LOTS 12 AND 13 AND LOT 25 (EXCEPT THE WEST 550 FEET THEREOF) TOGETHER WITH ACCRETIONS THERETO IN SIMMONS AND GORDONS ADDITION TO CHICAGO IN SECTION 16, TOWNSHIP 40 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS, WHICH SURVEY IS ATTACHED TO THE DECLARATION OF CONDOMINIUM RECORDED AS DOCUMENT 0011054423, TOGETHER WITH AN UNDIVIDED PERCENTAGE INTEREST IN THE COMMON ELEMENTS.

County Clerk's Office