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***This Document Prepared By And  
When Recorded Return To:***

Richard C. Jones, Jr., Esq.  
Tina M. Jacobs, Esq.  
JONES & JACOBS  
77 West Washington Street  
Suite 2100  
Chicago, Illinois 60602  
(312) 419-0700



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Cook County Recorder of Deeds  
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**COLLATERAL ASSIGNMENT OF THE CITY OF CHICAGO  
MORTGAGE AND NOTE**

Borrower: TWG FUNDING XXII LLC  
c/o The Wolcott Group LLC  
1144 West Fulton Street  
Suite 210  
Chicago, Illinois 60607  
Attn: Messrs. Victor F. Michel and  
Ari H. Golson

Lender: HERITAGE COMMUNITY BANK  
18301 South Halsted  
Glenwood, Illinois 60425  
Attn: Mr. Patrick G. Fanning  
President

THIS COLLATERAL ASSIGNMENT OF THE CITY OF CHICAGO MORTGAGE AND NOTE is entered into as of the 7<sup>th</sup> day of June, 2006, by and between TWG FUNDING XXII LLC, an Illinois limited liability company ("**Borrower**") and HERITAGE COMMUNITY BANK, an Illinois banking corporation ("**Lender**").

**ASSIGNMENT.** For valuable consideration, Borrower assigns and grants to Lender a security interest in the Collateral, including, without limitation, the Mortgage and Promissory Note described below, to secure the Indebtedness and agrees that Lender shall have the rights stated in this Agreement with respect to the Collateral, in addition to all other rights which Lender may have by law.

**DEFINITIONS.** The following words shall have the following meanings when used in this Agreement. Terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. All references to dollar amounts shall mean amounts in lawful money of the United States of America.

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“**Agreement**” means this Collateral Assignment of The City of Chicago Mortgage and Note, which may be amended or modified from time to time, together with all exhibits and schedules attached to this Collateral Assignment of The City of Chicago Mortgage and Note from time to time.

“**Borrower**” means TWG FUNDING XXII LLC, an Illinois limited liability company.

“**Collateral**” means the following described Mortgage, Note, and other Related Documents as defined herein and all of which are legally described on Exhibit A attached hereto:

Junior Mortgage and Security Agreement dated September 25, 1992, made by SSG Limited Partnership, as Mortgagor, to The City of Chicago, as Mortgagee, recorded in the Office of the Recorder of Deeds of Cook County, Illinois, on September 25, 1992, as Document No. 92715967 against the real property commonly known as 4433-37 South Greenwood, Chicago, Illinois, and given to secure a Note in the principal amount of \$345,000.00;

together with (a) all interest, whether now accrued or hereafter accruing; (b) any and all proceeds from the Mortgage and Note; and (c) all renewals, replacements and substitutions for any of the foregoing.

“**Event of Default**” means and includes, without limitation, any of the Events of Default set forth below in the section titled “Events of Default.”

“**Guarantor**” means and includes, without limitation, each and all of the Guarantors, sureties, and accommodation parties in connection with the Indebtedness.

“**Indebtedness**” means any and all indebtedness from Borrower and Guarantors to Lender, howsoever and whensoever arising or created.

“**Lender**” means HERITAGE COMMUNITY BANK, an Illinois banking corporation, its successors and assigns.

“**Related Documents**” mean and include without limitation all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Indebtedness.

**BORROWER’S WAIVERS AND RESPONSIBILITIES.** Except as otherwise required under this Agreement or by applicable law, Borrower assumes the responsibility for being and keeping informed about the Collateral; and Borrower agrees to remain liable under the Mortgage and Note no matter what action Lender takes or fails to take under this Agreement. In the absence of an event of Default, Lender shall not take any action to prosecute any foreclosure.

**BORROWER’S REPRESENTATIONS AND WARRANTIES WITH RESPECT TO THE COLLATERAL.** With respect to the Collateral, Borrower represents and warrants to Lender that:

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**Ownership.** Borrower is the lawful owner of the Collateral free and clear of all loans, liens, encumbrances, and claims except as disclosed to and accepted by Lender in writing.

**Right to Grant Security Interest.** Borrower has the full right, power and authority to enter into this Agreement and to assign the Collateral to Lender.

**No Further Transfer.** Borrower will not sell, assign, encumber, or otherwise dispose of any of Borrower's rights in the Collateral except as necessary to complete any foreclosure of the Mortgage.

**Proceeds.** Any and all replacement or renewal certificates, instruments, or other benefits or proceeds related to the Collateral that are received by Borrower shall be held by Borrower in trust for Lender and immediately shall be delivered by Borrower to Lender to be held as part of the Collateral.

## **LENDER'S RIGHTS AND OBLIGATIONS WITH RESPECT TO THE COLLATERAL.**

While this Agreement is in effect, Lender retains the right to possession of the Collateral, together with any and all evidence of the Collateral. This Agreement will remain in effect until (a) there no longer is any Indebtedness owing to Lender; and (b) all other obligations secured by this Agreement have been fulfilled.

**EXPENDITURES BY LENDER.** If not discharged or paid when due, Lender may (but shall not be obligated to) discharge or pay any amounts required to be discharged or paid by Borrower under this Agreement, including, without limitation, all taxes, liens, security interests, encumbrances, and other claims, at any time levied or placed on the Collateral. Lender also may (but shall not be obligated to) pay all costs for insuring, maintaining and preserving the Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses shall become a part of the Indebtedness and, at Lender's option, will (a) be payable on demand, or (b) be added to the balance of the Indebtedness. This Agreement will also secure payment of these amounts. Such right shall be in addition to all other rights and remedies to which Lender may be entitled upon the occurrence of an Event of Default.

**LIMITATIONS ON OBLIGATIONS OF LENDER.** Lender shall use ordinary reasonable care in the physical preservation and custody of the Collateral but shall have no other obligation to protect the Collateral or its value. In particular, but without limitation, Lender shall have no responsibility (a) for the collection or protection of any income on the Collateral, (b) for the preservation of rights against issuers of the Collateral or against third persons; (c) for ascertaining any maturities, conversions, exchanges, offers, tenders, or similar matters relating to the Collateral; nor (d) for informing Borrower about any of the above, whether or not Lender has or is deemed to have knowledge of such matters.

**REINSTATEMENT OF SECURITY INTEREST.** If payment is made by Borrower, whether voluntarily or otherwise, or by guarantor or by any third party, on the Indebtedness and thereafter Lender is forced to remit the amount of that payment (a) to Borrower's trustee in bankruptcy or to any similar person under any federal or state bankruptcy law or law for the relief of debtors, (b) by reason of any judgment, decree or order of any court or administrative body having jurisdiction over

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Lender or any of Lender's property, or (c) by reason of any settlement or compromise of any claim made by Lender with any claimant (including, without limitation, Borrower), the Indebtedness shall be considered unpaid for the purpose of enforcement of this Agreement and this Agreement shall continue to be effective or shall be reinstated, as the case may be, notwithstanding any cancellation of this Agreement or of the Note or other instrument or agreement evidencing the Indebtedness and the Collateral will continue to secure the amount repaid or recovered to the same extent as if that amount never had been originally received by Lender, and Borrower shall be bound by any judgment, decree, order, settlement or compromise relating to the Indebtedness or to this Agreement.

**EVENTS OF DEFAULT.** Each of the following shall constitute an Event of Default under this Agreement:

**Default on Indebtedness.** Failure of Borrower to make any payment when due on the Indebtedness.

**Other Defaults.** Failure of Borrower to comply with or to perform any other term, obligation, covenant or condition contained in this Agreement or in any of the Related Documents or failure of Borrower to comply with or to perform any term, obligation, covenant or condition contained in any other agreement between Lender and Borrower.

**Default in Favor of Third Parties.** Should Borrower or any Guarantor default under any loan, extension of credit, security agreement, purchase or sales agreement, or any other agreement, in favor of any other creditor or person that may materially affect any of Borrower's property or Borrower's ability to repay the Loan or perform their respective obligations under this Agreement or any of the Related Documents.

**False Statements.** Any warranty, representation or statement made or furnished to Lender by or on behalf of Borrower is false or misleading in any material respect, either now or at the time made or furnished.

**Insolvency.** The dissolution or termination of Borrower's existence as a going business, the Insolvency of Borrower, the appointment of a receiver for any part of Borrower's property, any assignment for the benefit of creditors, any type of creditor workout, or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Borrower.

**Creditor or Forfeiture Proceedings.** Commencement of foreclosure or forfeiture proceedings, whether by judicial proceedings, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against the Collateral or any other collateral securing the Indebtedness. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender.

**Events Affecting Guarantor.** Any of the preceding events occurs with respect to any Guarantor of any of the Indebtedness, or any such Guarantor dies or becomes incompetent.

**Adverse Change.** A material adverse change occurs in Borrower's financial condition, or Lender believes the prospect of payment or performance of the Indebtedness is impaired.

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**Insecurity.** Lender, in good faith, deems itself insecure.

**RIGHTS AND REMEDIES ON DEFAULT.** Upon the occurrence of an Event of Default, as defined in the Loan Agreement, or at any time thereafter, Lender may exercise any one or more of the following rights and remedies, in addition to any rights or remedies that may be available at law, in equity, or otherwise:

**Accelerate Indebtedness.** Lender may declare all Indebtedness of Borrower to Lender immediately due and payable, with notice to Borrower as specified in the Loan Agreement.

**Application of Proceeds of the Note.** Lender may demand payment on the Note and apply the proceeds to the Indebtedness in such order and manner as set forth in the Note. Any excess funds remaining after application of the proceeds of the Note to the Indebtedness will be paid to Borrower. Lender also shall have all of the rights of a secured party under the Illinois Uniform Commercial Code, even if the Account is not otherwise subject to such Code concerning security interests, and the parties to this Agreement agree that the provisions of the Code giving rights to a secured party shall nonetheless be a part of this Agreement.

**Collect the Collateral.** Lender may collect any of the Collateral and, at Lender's option and to the extent permitted by applicable law, may retain possession of the Collateral while suing on the Indebtedness.

**Sell the Collateral.** Lender may sell the Collateral upon default where notice has been given pursuant to the Loan Agreement. At Lender's discretion, the Collateral may be sold as a unit or in parcels, at one or more public sales. Unless the Collateral is perishable or threatens to decline speedily in value, Lender shall give or mail to Borrower, or any of them, notice at least ten (10) days in advance of the time and place of public sale, or of the date after which private sale may be made. Borrower agrees that any requirement of reasonable notice is satisfied if Lender mails notice by ordinary mail addressed to Borrower, or any of them, at the last address Borrower has given Lender in writing. If such notice is mailed by certified mail and is returned unclaimed or refused, it shall be deemed received seven (7) days after the date upon which it was mailed. If public sale is held, there shall be sufficient compliance with all requirements of notice to the public by a single publication in any newspaper of general circulation in the county where the Collateral is located, setting forth the time and place of sale and a brief description of the property to be sold. Lender may be a purchaser at any public sale.

**Transfer Title.** Lender may affect transfer of title upon sale of all or part of the Collateral. For this purpose, Borrower irrevocably appoints Lender as its attorney-in-fact to execute endorsements, assignments and instruments in the name of Borrower and each of them (if more than one) as shall be necessary or reasonable.

**Application of Proceeds.** Lender may apply any cash which is part of the Collateral, or which is received from the collection or sale of the Collateral, (a) to reimbursement of any expenses, including any costs or any securities registration, commissions incurred in

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connection with a sale, attorney fees as provided below and court costs, whether or not there is a lawsuit and including any fees on appeal, incurred by Lender in connection with the collection and sale of such Collateral, and (b) to the payment of the Indebtedness of Borrower to Lender.

**Other Rights and Remedies.** Lender shall have and may exercise any or all of the rights and remedies of a secured creditor under the provisions of the Illinois Uniform Commercial Code, at law, in equity, or otherwise.

**Deficiency Judgment.** If permitted by applicable law, Lender may obtain a judgment for any deficiency remaining in the Indebtedness due to Lender after application of all amounts received from the exercise of the rights provided in this section.

**Cumulative Remedies.** All of Lender's rights and remedies, whether evidenced by this Agreement or by any other writing, shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower under this Agreement, after Borrower's failure to perform, shall not affect Lender's right to declare a default and to exercise its remedies.

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

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

**Applicable Law.** This Agreement has been delivered to Lender and accepted by Lender in the State of Illinois. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Cook County, State of Illinois. This Agreement shall be governed by and construed in accordance with the laws of the State of Illinois.

**Attorneys' Fees; Expenses.** Borrower agrees to pay upon demand all of Lender's costs and expenses, including attorneys' fees and Lender's legal expenses, incurred in connection with the enforcement of this Agreement. Lender may pay someone else to help enforce this Agreement, and Borrower shall pay the costs and expenses of such enforcement. Costs and expenses include Lender's attorneys' fees and legal expenses whether or not there is a lawsuit, including attorneys' fees and legal expenses for bankruptcy proceedings (and including efforts to modify or vacate any automatic stay or injunction), appeals, and any anticipated post-judgment collection services. Borrower also shall pay all court costs and such additional fees as may be directed by the court.

**Multiple Parties; Corporate Authority.** All obligations of Borrower under this Agreement shall be joint and several, and all references to Borrower shall mean each and every Borrower. This means that each of the persons signing below is responsible for all obligations in this Agreement.

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**Notices.** All notices required to be given under this Agreement shall be given in writing, may be sent by telefacsimile (unless otherwise required by law), and shall be effective when actually delivered or when deposited with a nationally recognized overnight courier or deposited in the United States mail, first class, postage prepaid, addressed to the party to whom the notice is to be given at the address shown above. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. To the extent permitted by applicable law, if there is more than one Borrower, notice to any Borrower will constitute notice to all Borrowers. For notice purposes, Borrower will keep Lender informed at all times of Borrower's current address(es).

**Severability.** If a court of competent jurisdiction finds any provision of this Agreement to be invalid or unenforceable as to any person or circumstance, such finding shall not render that provision invalid or unenforceable as to any other persons or circumstances. If feasible, any such offending provision shall be deemed to be modified to be within the limits of enforceability or validity; however, if the offending provision cannot be so modified, it shall be stricken and all other provisions of this Agreement in all other respects shall remain valid and enforceable.

**Successor Interests.** Subject to the limitations set forth above on transfer of the Collateral, this Agreement shall be binding upon and inure to the benefit of the parties, their successors and assigns.

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

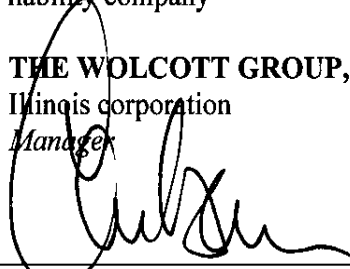
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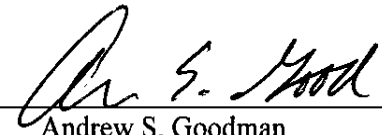
IN WITNESS WHEREOF, Borrower has executed this Instrument as of the day and year first above written.

**TWG FUNDING XXII LLC**, an Illinois limited liability company

By: **THE WOLCOTT GROUP, INC.**, an Illinois corporation

Its: *Manager*

By:   
Ari H. Golson  
President

By:   
Andrew S. Goodman  
Secretary

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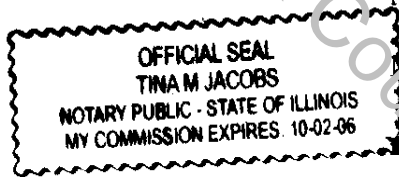
STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

I, the undersigned, a Notary Public in and for said County, in the State aforesaid, DO HEREBY CERTIFY that ARI H. GOLSON and ANDREW S. GOODMAN, personally known to me to be the President, and Secretary, respectively, of THE WOLCOTT GROUP, INC., an Illinois corporation, acting in its capacity as the Manager of TWG FUNDING XXII LLC, an Illinois limited liability company, and the same persons whose names are subscribed to the foregoing instrument as such President and Secretary, appeared before me this day in person and acknowledged to me that they signed and delivered the said instrument as their own free and voluntary act and as the free and voluntary act of said LLC, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal this 7<sup>th</sup> day of June, 2006.

*Tina M Jacobs*

NOTARY PUBLIC



My Commission Expires:

10-2-06

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## EXHIBIT A

### PROPERTY

#### PARCEL 1:

LOT 3 IN WILLIAM D. EWARTS SUBDIVISION OF LOTS 10, 11, 12 AND 13 INCLUDING THE VACATED ALLEY LYING WEST AND SOUTH OF SAID LOT 13 (EXCEPT THE EAST 16 FEET OF LOT 13 DEDICATED FOR ALLEY) OF BLISS AND WAITTS SUBDIVISION OF THAT PART LYING WEST OF HYDE PARK AVENUE OF THE NORTH ½ OF BLOCK 4 IN THE SUBDIVISION OF E. K. HUBBARD'S EXECUTORS OF THE EAST ½ OF THE SOUTHWEST ¼ OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN No: 20-02-309-007

#### PARCEL 2:

LOTS 15 AND 16 IN MEDILLS SUBDIVISION OF THE SOUTH ½ OF BLOCK 4 (EXCEPT THE NORTH 16.5 FEET THEREOF) IN A SUBDIVISION BY EXECUTORS OF E. K. HUBBARD OF THE EAST ½ OF THE SOUTHWEST ¼ OF SECTION 2, TOWNSHIP 38 NORTH, RANGE 14 OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN Nos.: 20-02-309-008  
20-02-309-009

Common Address 4433-37 South Greenwood, Chicago, Illinois 60653