

FIRST  
MORTGAGE, ASSIGNMENT OF RENTS, LEASES  
AND LEASEHOLD INTERESTS, SECURITY AGREEMENT  
AND FINANCING STATEMENT

THIS AGREEMENT (herein called this "Mortgage") is made as of the 1st day of February, 1989, between 2470 NORTH MILWAUKEE CORP., a corporation duly organized and validly existing under the laws of the State of Illinois and having its principal office at 2464 North Milwaukee Avenue, Chicago, Illinois (herein, together with its successors and assigns, called "Mortgagor"), and THE EXCHANGE BANK OF DUPAGE, an Illinois banking corporation and having an office at 2221 Camden Court, Oak Brook, Illinois 60521 (herein, together with its successors and assigns, called "Mortgagee").

R E C I T A L S

A. Agreement. Mortgagor is the owner of the real estate or leaseholds or both described on Exhibit A attached hereto, and is the owner or lessee of other property now or hereafter acquired and used or useful in connection therewith. Mortgagor and Mortgagee have entered into a certain Loan and Security Agreement dated as of February 1, 1989 (herein, as it may be from time to time amended, supplemented, extended, renewed or otherwise modified, referred to as the "Agreement"). Pursuant to the Agreement, Mortgagor has agreed, *inter alia*, to deliver to Mortgagee a security interest, lien or mortgage on certain property of Mortgagor, including, without limitation, the real estate or leaseholds or both described on Exhibit A hereto, and Mortgagor has granted to Mortgagee a security interest in certain personal property, including, without limitation, all equipment located on such real estate or leaseholds or both, certain general intangibles used in connection with the business conducted on such real estate or leaseholds or both and all insurance covering such real estate or leaseholds or both and real or personal property located thereon, which secure the obligations described in Recital C below as the "Secured Obligations".

B. Defined Terms. Any term capitalized, but not specifically defined in this Mortgage, which is defined in the Agreement, shall have the same meaning in this Mortgage as in the Agreement.

C. Secured Obligations. The obligations secured by this Mortgage consist at any time of:

(1) Payment of the Liabilities of Mortgagor to Mortgagee under and as defined in the Agreement, with respect to obligations incurred in connection with or arising out of the Term

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Loan, evidenced by a certain Term Loan Note dated February L, 1989 in the original principal amount of Three Million Dollars (\$3,000,000), and the Revolving Loan, evidenced by a certain Revolving Loan Note dated February L, 1989 in the original principal amount of Three Million Dollars (\$3,000,000) and any promissory notes issued in substitution therefor pursuant to the Agreement (the promissory notes evidencing the Term Loan, and the Revolving Loan and any promissory note issued in substitution therefor pursuant to the Agreement are herein collectively called the "Notes") and any extensions, modifications, amendments, substitutions or renewals thereof (including, without limitation, extensions or renewals at different rates of interest and/or new additional notes and/or loan agreements); and

(ii) all sums payable and all other obligations to be performed from time to time by Mortgagor under this Mortgage (including, without limitation, any advances or other payments made by Mortgagee on behalf of Mortgagor pursuant to any provision hereof).

All such obligations secured hereby being herein called the "Secured Obligations."

The maximum amount of all obligations secured by this Mortgage is Ten Million Dollars (\$10,000,000). The various Secured Obligations mature, in accordance with the provisions of the respective agreements, instruments and documents creating, evidencing, securing or otherwise relating to them, on various dates.

NOW, THEREFORE, to secure the Secured Obligations, to induce Mortgagee to enter into the Agreement and for and in consideration of the mutual agreements contained herein and in the Agreement, any release by Mortgagee of any collateral (hereinafter defined) and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

## 1. GRANT OF SECURITY

Mortgagor hereby, as continuing security for payment and performance of the Secured Obligations in accordance with the terms hereof, MORTGAGES, WARRANTS, CONVEYS, TRANSFERS, GIVES, GRANTS, BARGAINS, SELLS, CONFIRMS, ALIENS, RELEASES, ENFEOFFS, PLEDGES, SETS OVER and ASSIGNS to Mortgagee, with power of sale as herein provided, and GRANTS to Mortgagee and its successors and assigns a continuing security interest in and to, all of Mortgagor's right, title, estate and interest in, to and under the following, in all cases whether now or hereafter existing or

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acquired (herein the following are collectively called the "Collateral"):

(a) Real Estate. All of the real estate which is described on Exhibit A hereto, together with all and singular tenements, rights, easements, hereditaments, rights of way, privileges, liberties, appendages and appurtenances now or hereafter belonging or in anywise appertaining to said real estate (including, without limitation, all rights relating to storm and sanitary sewer, water, gas, electric, railway and telephone services); all gas, oil, minerals, coal and other substances of any kind or character underlying such real estate; all estate, claim, demand, right, title or interest of Mortgagor in and to any street, road, highway or alley (vacated or otherwise) adjoining said real estate or any part thereof; all strips and gores belonging, adjacent or pertaining to said real estate (herein together called the "Real Estate").

(b) Improvements and Fixtures. All buildings, structures, replacements, furnishings, fixtures, and fittings and other improvements and property of every kind and character, now or hereafter erected on the Real Estate; together with all equipment, appliances, machinery, plant equipment, machine tools, tools, dies, jigs, accessories, apparatus, building or construction materials, and other articles of any kind or nature whatsoever, now or hereafter affixed or intended to be affixed to or attached to or located on the Real Estate (including, without limitation, all motors, boilers, engines and devices for the operation of pumps, and all heating, electrical, lighting, power, plumbing, air conditioning, refrigeration and ventilation equipment), but excluding all inventory (as defined in the Uniform Commercial Code, as in effect in the state in which the Real Estate is located) (herein together called the "Improvements").

(c) Leaseholds. All rights (including, without limitation, all rights to possession and use, and all options and other rights to purchase and/or renew or extend) of Mortgagor, as lessee, under all leases or other arrangements, whether written or oral, of any Real Estate or Improvements, including, without limitation, those, if any, described on Exhibit A (herein collectively called the "Leaseholds").

(d) Leases and Rents. All rights of Mortgagor under all leases, licenses, occupancy agreements, concessions or other arrangements, whether written or oral, whereby any person has agreed to pay to Mortgagor money or any consideration for the use, possession or occupancy of the Real Estate or any part thereof (herein collectively called the "Leases"), and all rents, income, profits, benefits, avails, advantages and claims against guarantors under any thereof (herein collectively called the "Rents").

(e) Contracts for Sale. All rights of Mortgagor as seller under any agreement, contract, understanding or arrangements pursuant to which Mortgagor has obtained the agreement of any

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person to purchase any of the Collateral or any interest therein (herein collectively called "Contracts for Sale"), and all income, profits, benefits, avails, advantages and claims against guarantors under any thereof.

(f) Other Property. All other property or rights of Mortgagor of any kind or character related to the Real Estate or the Improvements.

(g) Proceeds. All proceeds of the foregoing.

All of the Real Estate and the Improvements and any other property which is real estate under applicable law and the Leaseholds are sometimes herein collectively called the "Premises."

TO HAVE AND TO HOLD the Collateral unto Mortgagee, its successors and assigns, forever.

Mortgagor hereby covenants and warrants with Mortgagee and with the purchaser at any foreclosure sale that at the execution and delivery hereof the Collateral is owned (or possessed under lease) by Mortgagor, and possessed (other than after-acquired property) free from all encumbrances whatsoever other than permitted encumbrances as described on Exhibit B attached hereto and made a part hereof (herein called "Permitted Exceptions"); that it has good and lawful right to mortgage, sell and convey the Collateral; and that it and its successors and assigns will forever warrant and defend, subject to the Permitted Exceptions, the Collateral against all claims and demands whatsoever.

## 2. COVENANTS, WARRANTIES AND AGREEMENTS

And the Mortgagor further, to protect the security while any of the Secured Obligations remain unpaid or unperformed, covenants, warrants and agrees with the Mortgagee as follows:

(a) Payment of Secured Obligations. Mortgagor agrees that it will pay promptly the principal of and interest on the Secured Obligations (including fees and charges) at the times and in the manner provided in the Agreement.

(b) Payment of Taxes. Mortgagor agrees that it will pay before delinquent all taxes and assessments, general or special, and any and all levies, claims, charges, expenses and liens, ordinary or extraordinary, governmental or non-governmental, statutory or otherwise, due or to become due, that may be levied, assessed, made, imposed or charged on or against the Collateral or any property used in connection therewith and pay before delinquent any tax or other charge on the interest or estate in lands created or represented by this Mortgage or by the Secured Obligations levied against the Mortgagor or the Mortgagee or otherwise,

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and submit to the Mortgagee promptly after payment all receipts showing payment of all of such taxes, assessments and charges.

(c) Maintenance and Repair. Mortgagor agrees that it will: not abandon the Premises; not do or suffer anything to be done which would depreciate or impair the value of the Collateral or the security of this Mortgage, ordinary wear and tear excepted; not remove or demolish any improvements; pay promptly for all labor and materials for all construction, repairs and improvements to or on the Premises; maintain, preserve and keep the improvements in good, safe and insurable condition and repair and make promptly any needful and proper repairs, replacements, renewals, additions or substitutions required by wear, damage, obsolescence or destruction; promptly restore and replace any improvements which are destroyed or damaged; and not commit, suffer, or permit waste of any part of the Premises; provided, however, that Mortgagor's obligations under this subparagraph (c) to repair, restore and replace improvements that are damaged or destroyed shall be reduced to the extent of the insurance proceeds, if any, received on account of such damage or destruction and applied by Mortgagee toward payment of the Secured Obligations.

(d) Sale; Liens. Mortgagor agrees that it will not sell, assign, transfer or convey or permit to be transferred or conveyed the Collateral or any part thereof; not remove any Collateral from the Premises or any jurisdiction in which it is now located; and will not create, suffer or permit to be created or exist any lien, claim, security interest, encumbrance or any other right or claim of any person attaching the Collateral or any part thereof, except the Permitted Exceptions.

(e) Access by Mortgagee. Mortgagor agrees that it will at all times permit access by Mortgagee to its books and records, construction progress reports, tenant registers, offices, insurance policies and other papers for examination and making of copies and extracts; prepare such schedules, summaries, reports and progress schedules as Mortgagee may request; and permit the Mortgagee and its agents, at all reasonable times, to enter on and inspect the Premises and the Collateral.

(f) Taxes and Impositions. Mortgagor agrees that if any state, federal or municipal government, or any of its subdivisions having jurisdiction, shall levy, assess or charge any tax, assessment or imposition upon this Mortgage or the Secured Obligations or the interest of Mortgagee in the Collateral or any thereof or upon Mortgagee (excepting therefrom any income tax on interest payments on the principal portion of the indebtedness secured hereby), Mortgagor shall pay all such taxes, assessments and impositions to or for Mortgagee as they become due and payable.

(g) Insurance. Mortgagor agrees that it will maintain on the buildings and other improvements now or hereafter on the Real Estate and on all other Collateral (other than Accounts (as defined in the Agreement), cash and other items not generally



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insured) constant fire and extended-coverage insurance for the benefit of the Mortgagee against loss or damage (whether to such Collateral buildings or improvements or by loss of rentals, business interruption, loss of occupancy or other damage therefrom) from such hazards as may be requested by the Mortgagee from time to time, including, without limitation, fire, windstorm, tornado, hail, disaster, earthquake, vandalism, riot, malicious mischief (and including plate-glass and boiler insurance and war-risk insurance if then available), insurance against flood as required by the Federal Flood Disaster Protection Act of 1973 and regulations issued thereunder, and, during construction, builder's completed-value risk insurance against "all risks of physical loss" (including collapse and transit coverage), and business interruption insurance, and all other insurance commonly or, in the judgment of the Mortgagee, prudently maintained by those whose business, improvement to, and use of real estate is similar to that of the Mortgagor, all of such insurance to be in such amounts which shall provide for payment (subject to a deductible approved by Mortgagee) of at least 100% of the full replacement cost of such buildings and improvements notwithstanding the application of any coinsurance provisions), and that it will maintain comprehensive public-liability, host liquor liability, employer's liability and worker's-compensation insurance in amounts satisfactory to the Mortgagee, all of such insurance to be maintained in such form and with such companies as shall be approved by the Mortgagee, and to deliver to and keep deposited with the Mortgagee all policies of such insurance and renewals thereof, with premiums prepaid, and with (except for liability policies) mortgagee and loss-payable and non-cancellation clauses (providing for not less than 30 days' prior written notice) satisfactory to the Mortgagee, attached thereto in favor of the Mortgagee, its successors and assigns.

(h) Damage and Destruction. If the Improvements are destroyed (in whole or in part) or are damaged by fire or other casualty, the Mortgagor shall be obligated to continue to make the payments toward the Secured Obligations but, provided no Event of Default shall then exist hereunder, shall have the right to elect to either (a) repair or rebuild the said Improvements to substantially the same condition as existed prior to the event causing such damage or destruction, with such changes, alterations and modifications which may be desired by the Mortgagor, all in accordance with such plans and specifications approved by Mortgagee and which will not impair the operating unity or productive capacity or materially reduce the value of the Collateral or (b) apply the insurance proceeds toward the payment of the Secured Obligations. Mortgagor shall give written notice of such election within thirty (30) days following the date of the damage or destruction. All net proceeds of insurance resulting from such claims for losses shall be paid to and held by Mortgagee.

In the event Mortgagor elects to repair, rebuild or restore the Improvements, Mortgagor shall deliver to Mortgagee, for Mortgagee's review and approval, plans and specifications for the repairs or reconstruction within ninety (90) days following

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the date of the damage or destruction. In the event Mortgagee does not approve of said plans or specifications, Mortgagee shall promptly so notify Mortgagor in writing, specifying the items therein to be corrected and the plans and specifications shall be so corrected and resubmitted to Mortgagee for approval prior to the commencement of any work. Mortgagor shall commence construction in accordance with said approved plans and specifications within one hundred twenty (120) days following the date of said damage or destruction and all such construction shall be completed within two hundred seventy (270) days following the date of said damage or destruction.

Mortgagee shall apply so much as is necessary of the net proceeds of insurance to payment of the costs of such work as it progresses. All payments for the repairs, rebuilding or restoration shall be made upon receipt by the Mortgagee of a written draw request in form reasonably acceptable to Mortgagee, signed by the Mortgagor and certifying: (i) that none of the items for which the payment is proposed to be made has formed the basis for any payment theretofore made from the fund; and (ii) that each item for which the payment is proposed to be made is or was necessary in connection with the repairing, rebuilding or restoration; provided, however, that each payment shall at the option of the Mortgagee, be made only (i) upon a complete cost basis, verified by an inspection of the repairs, rebuilding or restoration made by an independent architect and (ii) upon receipt the Mortgagee of such other showings (including contractor's statements, affidavits, lien waivers, title policy dated endorsements and attorney's opinions) as may be reasonably requested by Mortgagee or as are customarily required by prudent lenders for disbursements under commercial real estate financings.

Such certificate shall also with respect to each payment to be made:

(i) State the name and address of the person, firm or corporation to whom payment is due or has been made;

(ii) State the amount to be or which has been paid;

(iii) State that each obligation mentioned has been properly incurred, is a proper cost of repairing, rebuilding or restoring and has not been the basis of any previous requisition;

(iv) State that construction and/or installation of the portion of the Improvements for which payment or reimbursement is being required has been satisfactorily completed and that the Mortgagor has good and marketable title thereto, and the same if constituting real property is subject to the lien and security interest of this Mortgage, free and clear of any lien, claim or encumbrance other than Permitted Exceptions;

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(v) State that except for the amount, if any, pursuant to the foregoing clause (iii) in such certificate to be due for services or materials to the particular supplier, there is no outstanding indebtedness to the particular supplier known to the person signing such certificate, after due inquiry, which is then due for labor, wages, materials, supplies or services in connection with such construction which, if unpaid, might become the basis of any lien upon the Improvements;

(vi) State that there has not been filed with respect to the Improvements or any part thereof any vendor's, mechanic's, laborer's, materialman's or other lien which has not been discharged of record, except such as will be discharged by payment of the amount then requested or are being contested in accordance with the Mortgage; and

(vii) State that no Event of Default exists under this Mortgage or the Agreement.

In the event said net proceeds are not sufficient to pay in full the costs of such repairing, rebuilding or restoration, Mortgagor will nonetheless cause such repairing, rebuilding or restoration to be completed and will pay that portion of the costs thereof in excess of the amount of said net proceeds by depositing such amount with Mortgagee prior to commencement of construction. Mortgagor shall not, by reason of the payment of such excess costs, be entitled to any reimbursement from Mortgagee or any abatement or diminution of the amounts payable on the Secured Obligations.

Completion of the repair, rebuilding or restoration of the Improvements shall be evidenced to the Mortgagor by (i) the inspecting architect's certificate stating that all work has been completed in accordance with the plans and specifications and (ii) the issuance of a certificate of occupancy by the local municipality.

(i) Eminent Domain. In case the Collateral, or any part thereof, is taken by condemnation, the Mortgagee is hereby empowered to collect and receive all compensation which may be paid for any property taken or for damages to any property not taken (all of which are hereby assigned to the Mortgagee). Mortgagor hereby empowers Mortgagee, in its discretion, to settle, compromise and adjust any and all claims or rights arising under any condemnation or eminent domain proceeding relating to the Collateral or any portion thereof. In the event of a partial condemnation or eminent domain proceeding, Mortgagor shall have the same right to elect to either repair or restore the Improvements or apply the condemnation proceeds to the payment of the Secured Obligations as set forth in Paragraph 2(h) above and, in the event Mortgagor so elects to repair, rebuild or restore, Mortgagor and Mortgagee shall each proceed in accordance with the terms of said Paragraph 2(h).

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(j) Governmental Requirements. Mortgagor agrees that it will comply with, and cause the Collateral and the use and condition thereof to comply fully with, all statutes, ordinances, requirements, regulations, orders and decrees relating to the Mortgagor or the Collateral or the use thereof by any federal, state, county, or other governmental authority and observe and comply with all conditions and requirements necessary to preserve and extend any and all rights, licenses, permits, privileges, franchises and concessions (including without limitation those relating to land use and development, construction, access, water rights and use, noise and pollution) which are applicable to the Mortgagor or have been granted for the Collateral or the use thereof.

(k) Agreements Affecting the Collateral. Mortgagor shall pay promptly and shall keep, observe, perform and comply with all covenants, terms and provisions of the Permitted Exceptions and any operating agreements or other writing relating to the Collateral. And all leases, instruments and documents relating thereto or evidencing or securing any indebtedness secured thereby and shall observe all covenants, conditions and restrictions affecting the Premises.

(l) Future Leases. Mortgagor agrees that no Rents, issues, or profits, Leases or other contracts relating to the Premises shall be assigned to any party other than the Mortgagee without first obtaining the written consent of the Mortgagee to any such assignment. After the date hereof, Mortgagor shall not lease, and shall not permit the leasing, within the meaning of that word in the law of landlord and tenant, of all or any portion of the Premises, except for leases approved by the Mortgagee or permitted under the Agreement. Each such lease shall contain, at Mortgagee's election, either (i) a provision to the effect that the tenant shall, at the request of Mortgagee, deliver to Mortgagee an instrument, in form and substance satisfactory to the Mortgagee, in which the tenant agrees that no action taken by Mortgagee to enforce this Mortgage by foreclosure, or by accepting a deed in lieu of foreclosure, or by resorting to any other remedies available to Mortgagee, shall terminate the lease or invalidate any of the terms thereof and that tenant will attorn to Mortgagee, the purchaser at a foreclosure sale, or to a grantee in a voluntary conveyance, and recognize such entity as landlord for the balance of the term of the lease, provided that Mortgagee will agree with the tenant that, as long as the tenant is not in default under the terms of its lease or this Mortgage, the tenant's possession will not be disturbed by the Mortgagee or (ii) a subordination clause providing that the lease and the interest of the lessee in the demised real estate are in all respects subject and subordinate to this Mortgage.

(m) Collections. Until the occurrence of an Event of Default (as defined in Paragraph 3 hereof) or the occurrence of any other event or existence of any condition which, upon the giving of notice or lapse of time, or both, would constitute an

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Event of Default, the Mortgagor will, at its own expense, endeavor to collect as and when due, all amounts due with respect to any of the Rents, Leases, Contracts for Sale, and other Collateral, including the taking of such action with respect to such collection as the Mortgagee may reasonably request or, in the absence of such request, as the Mortgagor may deem advisable. Following the occurrence of an Event of Default or any other event or existence of any condition which, upon the giving of notice or lapse of time, or both, would constitute an Event of Default, the Mortgagee may at any time notify any parties obligated on any of the Rents, Leases, Contracts for Sale, and other Collateral to make payment to the Mortgagee of any amounts due or to become due thereunder and enforce collection of any of the Rents, Leases, Contracts for Sale, or other Collateral by suit or otherwise and surrender, release or exchange all or any part thereof, or compromise or extend or renew for any period (whether or not longer than the original period) any indebtedness thereunder or evidenced thereby. Upon request of the Mortgagee following the occurrence of an Event of Default any other event or existence of any condition which, upon the giving of notice or lapse of time, or both, would constitute an Event of Default, the Mortgagor will, at its own expense, notify any parties obligated on any of the Rents, Leases, Contracts for Sale, or other Collateral to make payment to the Mortgagee of the amounts due or to become due thereunder. Thereafter, except as the Mortgagee may otherwise consent in writing, the Mortgagor will forthwith, upon receipt, transmit and deliver to the Mortgagee, in the form received, all cash, checks, drafts, chattel paper and other instruments or writings for the payment of money (properly endorsed, where required, so that such items may be collected by the Mortgagee) which may be received by Mortgagor at any time in full or partial payment or otherwise as proceeds of any of the Collateral. Any such items which may be received by Mortgagor will not be commingled with any other of its funds or property, but will be held separate and apart from its own funds or property and upon express trust for the Mortgagee until delivery is made to the Mortgagee. All items or amounts which are delivered by the Mortgagor to the Mortgagee on account of partial or full payment or otherwise as proceeds of any of the Collateral shall be deposited to the credit of a deposit account (herein called the "Assignee Deposit Account") in the name of the Mortgagor with the Mortgagee, as security for payment of the Secured Obligations. Mortgagor shall have no right to withdraw any funds deposited in the Assignee Deposit Account. The Mortgagee may, from time to time, in its discretion and shall, upon request of the Mortgagor made not more than once in any one-week period, apply all or any of the then balance, representing collected funds, in the Assignee Deposit Account, toward payment of the Secured Obligations, whether or not then due, in such order of application as the Mortgagee may determine, and the Mortgagee may, from time to time, in its discretion, release all or any of such balance to Mortgagor. The Mortgagee is authorized to endorse, in the name of the Mortgagor, any item, howsoever received by it, representing any payment on or other proceeds (including insurance and condemnation proceeds) of any

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of the Collateral and to endorse and deliver, in the name of the Mortgagor any instrument, chattel paper or other item of Collateral held by the Mortgagee hereunder, in connection with the sale or collection of Collateral.

(n) Mortgagee's Performance. Mortgagor agrees that if it shall fail to pay or perform any of its obligations herein contained (including payment of expenses of foreclosure, reasonable legal fees and court costs) or under the Agreement with respect to any Collateral, Mortgagee may, but need not, make any such payment or perform (or cause to be performed) any such obligation of Mortgagor hereunder or thereunder, in any form and manner deemed reasonably expedient by Mortgagee as agent or attorney-in-fact of Mortgagor, and any amount so paid or expended shall be added to the Secured Obligations and shall be repaid to Mortgagee upon demand. By way of illustration and not in limitation of the foregoing, Mortgagee may, but need not, make payments of principal or interest or otherwise on any obligations secured by a Permitted Exception or other lien or charge; purchase, discharge, compromise or settle any tax lien or any other lien or encumbrance; pay any premium owing on any insurance policy covering the Collateral; or redeem from any tax sale or forfeiture affecting the Premises or contest any tax or assessment. In making any payment or securing any performance relating to any such obligation of Mortgagor hereunder or thereunder, Mortgagee, so long as it acts reasonably and in good faith, shall be the sole judge of the legality, validity and amount of any lien or encumbrance and of all other matters necessary to be determined in satisfaction thereof. No such action of Mortgagee shall ever be considered as a waiver of any right accruing to it on account of the occurrence of any default or Event of Default under this Mortgage or any default or "Event of Default" under any other instrument or document evidencing or securing any of the Secured Obligations.

(o) Subrogation. To the extent that Mortgagee, after the date hereof, pays any sum due under any provision of law or any instrument or documents creating any lien prior or superior to the lien of this Mortgage, Mortgagee shall have and be entitled to a lien on the Collateral equal in priority to that discharged, and Mortgagee shall be subrogated to, and receive and enjoy all rights and liens possessed, held or enjoyed by, the holder of such lien which shall remain in existence for the benefit of Mortgagee to secure the Secured Obligations. Mortgagee shall be subrogated, notwithstanding its release of record, to mortgages, trust deeds, superior titles, vendor's liens, liens, charges, encumbrances, rights and equities on the Collateral to the extent that any obligation under any thereof is paid or discharged with proceeds of disbursements or advances under any instrument evidencing Secured Obligations.

(p) No Merger. Unless Mortgagee shall otherwise expressly consent beforehand in writing, the fee title to any part of the Premises devised by any lease and the leasehold estates thereunder shall not merge but shall always remain separate and

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distinct, notwithstanding the union of said estates either in the lessor or in the lessee, or in a third party by purchase or otherwise, and in the event the owner or holder of the leasehold estate created by any such lease becomes the owner of the fee title to the property demised thereby, this Mortgage, without further act, deed, conveyance, mortgage, deed of trust or other assurance on behalf of said owner or holder, shall be deemed to have covered and spread to the fee estate of the property demised thereby and in the event thereof, upon request of Mortgagee without cost or expense to Mortgagee or any other secured party, the then owner or holder of said lease will execute, acknowledge and deliver all and every such further acts, conveyances, deeds, mortgages, deeds of trust and assurances as Mortgagee shall reasonably require for purposes of accomplishing the subjection of the fee estate to this Mortgage and the spread of this Mortgage thereto.

(g) Payment and Performance of Obligations. Mortgagor agrees that he will pay and perform, or cause to be paid and performed, all of the Secured Obligations, including, without limitation, all obligations under the Term Loan, the Revolving Loan and this Mortgage.

### 3. EVENT OF DEFAULT; REMEDIES

(a) Event of Default. As used herein, "Event of Default" shall mean the occurrence of any of the following events:

(1) failure of Mortgagor to make timely payment of any of the Notes;

(2) failure of Mortgagor to make any other payment required to be made by this Mortgage or the Agreement, including, without limitation, the payment of taxes, insurance premiums or any other expenses relating to the Premises;

(3) failure of Mortgagor to perform, keep or observe any other covenant or agreement in this Mortgage or the Agreement and such failure is not cured to Mortgagee's satisfaction within fifteen (15) days after Mortgagee gives Mortgagor written notice identifying such failure;

(4) occurrence of any of the following events with respect to the Mortgagor, or any guarantor ("Guarantor"), if any, guaranteeing the payment of the Secured Obligations:

(i) dissolution or death (as the case may be) of Mortgagor or Guarantor and, in the case of dissolution, is not in connection with a reorganization, merger or consolidation approved in writing by Mortgagee;

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(ii) admission in writing of insolvency or inability to pay debts generally as they become due;

(iii) commission of an act of bankruptcy including, but not limited to, assignment for the benefit of creditors, calling a meeting of creditors, appointment of a committee of creditors or liquidating agent, or offer of a composition or extension to creditors;

(iv) commencement of any proceeding, suit or action (at law or in equity, or under any of the provisions of the Bankruptcy Code, as amended) for reorganization, composition, extension, arrangement, receivership, liquidation or dissolution, by or against Mortgagor or any Guarantor or appointment of or application for a receiver, conservator, rehabilitator or similar officer or committee for Mortgagor or any Guarantor or any property of Mortgagor or any Guarantor, unless the same is discharged within sixty (60) days from the date such proceedings are commenced;

(v) entry of a judgment or issuance of a warrant of attachment or injunction before or after the date of this Mortgage against Mortgagor or any Guarantor or against any property of Mortgagor or any Guarantor or commencement of any proceedings supplementary to execution relating to any judgment against Mortgagor or any Guarantor, which judgment, warrant of attachment, injunction or supplementary proceedings is not stayed, satisfied, vacated, enjoined or bonded off within thirty (30) days from the entry, issuance or commencement thereof.

(5) cessation of a material portion of the business or businesses being conducted upon the Premises or suspension thereof and failure to resume such business within thirty (30) days after notice from Mortgagee;

(6) if any financial report, financial statement or certificate made or delivered to Mortgagee by Mortgagor or any of its partners or any Guarantor is not materially accurate and correct or is materially misleading;

(7) if any representation, warranty or statement made by Mortgagor or any of Mortgagor's partners directors or officers to Mortgagee shall be incorrect or misleading in any material respect;

(8) failure of Mortgagor or of any parent, subsidiary or affiliate or Mortgagor to make any payment or



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performance of any other obligation that Mortgagor may now or hereafter have to Mortgagee;

(9) transfer or further encumbrance of the Premises or any part thereof by operation of the law or otherwise;

(10) sale, conveyance or other transfer or encumbrance of all or part of any Guarantor's interest in the Mortgagor;

(11) change of the Mortgagor's business structure, corporate identity, name or addition of new fictitious names or merger, consolidation or liquidation with or into any person, entity, firm or corporation;

(12) creation of any direct or indirect subsidiary, or divestiture of any material assets by transferring them to any subsidiary, or by entering into a partnership, joint venture, or similar arrangement, or making any material change in its capital structure.

(b) Remedies Cumulative. No remedy or right of Mortgagee hereunder, under the Agreement, the Notes, or otherwise, or available under applicable law, shall be exclusive of any other right or remedy, but each such remedy or right shall be in addition to every other remedy or right now or hereafter existing at law or in equity under any such document or under applicable law. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee. All obligations of Mortgagor, and all rights, powers and remedies of Mortgagee expressed herein shall be in addition to, and not in limitation of, those provided by law or in the Agreement, the Notes or any other written agreement or instrument relating to any of the Secured Obligations or any security therefor.

(c) Possession of Premises. Mortgagor hereby waives, while an Event of Default shall exist and be continuing, all right to the possession, income, and Rents, and Mortgagee is hereby expressly authorized and empowered, while an Event of Default shall exist and be continuing: (i) to enter into and upon and take possession of, and operate all facilities on, the Premises or any part thereof, personally, or by its agent or attorneys, and exclude Mortgagor therefrom; (ii) to enter upon and take and maintain possession of all of the documents, books, records, papers and accounts of Mortgagor relating thereto; (iii) to conduct, either personally or by its agents, the business of the Premises, including, without limitation, the manufacturing, processing or assembly of goods; (iv) to exercise all rights of Mortgagor with respect to the Collateral; (v) to complete any construction in progress on the Premises at the expense of Mortgagor; and (vi) to apply all income of the Premises less the necessary or appropriate expenses of collection thereof, either for the operation, care and preservation of the Premises, or, at

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the election of Mortgagee in its sole discretion, to deposit such income into the Assignee Deposit Account to be applied to the Secured Obligations in accordance with the Agreements. Mortgagee is also hereby granted full and complete authority, while an Event of Default shall exist and be continuing: (i) to employ watchmen to protect the Collateral; (ii) to continue any and all outstanding contracts for the erection and completion of Improvements to the Premises; (iii) to make all necessary or proper repairs, renewals, replacements, alterations, additions, betterments and improvements to the Premises that, in its discretion, may seem appropriate; (iv) to insure and reinsure the Collateral for all risks incidental to Mortgagee's possession, operation and management thereof; (v) to make and enter into any contracts and obligations wherever necessary in its own name; and (vi) to pay and discharge all debts, obligations and liabilities incurred thereby, all at the expense of Mortgagor. All such expenditures by Mortgagee shall be Secured Obligations hereunder.

(d) Foreclosure; Receiver. While an Event of Default shall exist and be continuing, Mortgagee shall also have the right immediately to foreclose this Mortgage. Upon the filing of any complaint for that purpose, the court in which such complaint is filed may, upon application of Mortgagee or any time thereafter, either before or after foreclosure sale, and without notice to Mortgagor or to any party claiming under Mortgagor, without regard to the solvency or insolvency at the time of such application of any person then liable for the payment of any of the Secured Obligations, without regard to the then value of the Premises, and without requiring any bond from the complainant in such proceedings, appoint a receiver for the benefit of Mortgagee (which may be Mortgagee), with power to take possession, charge, and control of the Premises and all other Collateral, to operate or lease the same, to keep the buildings thereon insured and in good repair, and to collect any revenues of operation or Rents during the pendency of such foreclosure suit, and, in case of foreclosure sale and a deficiency, during any period of redemption. The court may, from time to time, authorize said receiver to pay the net amounts remaining in his hands, after deducting reasonable compensation for the receiver and his counsel to be allowed by the court, to Mortgagee for deposit into the Assignee Deposit Account to be applied to the Secured Obligations in accordance with the Agreement. This Mortgage and the right of foreclosure hereunder shall not be impaired or exhausted by one or any foreclosure or by one or any sale, and may be foreclosed successively and in parts, until all of the Premises have been foreclosed against and sold.

(e) Costs of Enforcement. In case of any foreclosure (or commencement thereof or preparation therefor) of this Mortgage in any court or by power of sale, all expenses of every kind paid or incurred by Mortgagee for the enforcement, protection or collection of this security, including reasonable costs, attorneys' fees, stenographers' fees, costs of advertising, costs of documen-

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tary evidence of title (including title insurance) and all other related charges and costs, shall be paid by Mortgagor.

(f) Power of Sale. While an Event of Default shall exist and be continuing, Mortgagee may sell, assign, transfer and deliver the whole or, from time to time, any part of the Collateral, or any interest in any part thereof, at any private sale or at public auction, with or without demand, advertisement or notice of the time or place of sale or adjournment thereof or otherwise, for cash, on credit or for other property, for immediate or future delivery, and for such price or prices and on such terms as Mortgagee in its uncontrolled discretion may determine, or as may be required by law.

(g) Mortgagee Authorized To Execute Deeds, etc. Mortgagor irrevocably appoints Mortgagee as true and lawful attorney of Mortgagor, in its name and stead and on its behalf, for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of this Mortgage, whether pursuant to foreclosure or power of sale or otherwise, to execute and deliver all such deeds, bills of sale, assignments and other instruments as Mortgagee may consider necessary or appropriate, with full power of substitution, Mortgagor hereby ratifying and confirming all that its said attorney or any substitute shall lawfully do by virtue hereof. Nevertheless, if so requested by Mortgagee or any purchaser, Mortgagor shall ratify and confirm any such sale, assignment, transfer or delivery by executing and delivering to Mortgagee or such purchaser all proper deeds, bills of sale, assignments, releases and other instruments as may be designated in any such request.

(h) Purchase of Property by Mortgagee. Mortgagee may be a purchaser of the Collateral or of any part thereof or of any interest therein at any sale thereof, whether pursuant to foreclosure or power of sale or otherwise hereunder, and may apply upon the purchase price thereof any Secured Obligations owing to Mortgagee. Mortgagee shall, upon any such purchase, acquire good title to the Collateral so purchased, free of the lien of this Mortgage and free of all rights of redemption in Mortgagor.

(i) Receipt a Sufficient Discharge to Purchaser. Upon any sale of the Collateral or any part thereof or any interest therein, whether pursuant to foreclosure or power of sale or otherwise hereunder, the receipt of the officer making the sale under judicial proceedings or of Mortgagee shall be sufficient discharge to the purchaser for the purchase money and such purchaser shall not be obliged to see to the application thereof.

(j) Waiver of Appraisalment, Valuation, etc. Mortgagor hereby waives, to the full extent it may lawfully do so, the benefit of all appraisalment, valuation, stay, extension and redemption laws now or hereafter in force and all rights of marshalling in the event of any sale of the Collateral or any part thereof or any interest therein.

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(k) Sale a Bar Against Mortgagor. Any sale of the Collateral or any part thereof or any interest therein, whether pursuant to foreclosure or power of sale or otherwise hereunder, shall forever be a perpetual bar against Mortgagor.

(l) Remedies for Leases and Rents. While an Event of Default shall exist and be continuing, whether before or after institution of legal proceedings to foreclose the lien of this Mortgage or before or after the sale thereunder, Mortgagee shall be entitled, in its discretion, to do any of the following: (i) as attorney-in-fact or agent of Mortgagor, or in its own name as Mortgagee and under the powers herein granted, hold, operate, manage and control the Premises and all other Collateral and conduct the business, if any, thereof either personally or by its agents, contractors or nominees, with full power to use such measures, legal or equitable, as in its discretion may be deemed proper or necessary to enforce the payment of any Rents, the Leases and other Collateral relating thereto (including actions for the recovery of Rent, actions in forcible detainer and actions in distress of Rent); (ii) cancel or terminate any Lease or sublease for any cause or on any ground which would entitle Mortgagor to cancel the same; (iii) elect to disaffirm any Lease or sublease made subsequent hereto or subordinated to the lien hereof; and (iv) receive all Rents and proceeds, and perform such other acts in connection with the management and operation of the Collateral as Mortgagee in its discretion may deem proper. Mortgagor hereby granting full power and authority to exercise each and every of the rights, privileges and powers contained herein at any and all times while an Event of Default shall exist and be continuing without notice to Mortgagor, Mortgagee, in the exercise of the rights and powers conferred upon it hereby, shall have full power to use and apply the Rents to the payment of or on account of or for deposit into the following, in such order as it may determine: operating expenses of the Premises, taxes, charges and special assessments, the costs of all repairs, renewals, replacements, alterations, additions or betterments, and improvements of the Premises, and the Assignee Deposit Account to be applied to the Secured Obligations in accordance with the Agreement.

(m) Performance of Contracts. While an Event of Default shall exist and be continuing, Mortgagee may notify any person obligated to Mortgagor on a Contract for Sale to tender performance directly to Mortgagee at the expense of Mortgagor and advance such sums as are necessary or appropriate to satisfy Mortgagor's obligations thereunder.

(n) No Liability on Mortgagee. Notwithstanding anything contained herein, this Mortgage is only intended as security for the Secured Obligations and Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor under or pursuant to any of the Collateral, and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which Mortgagee may or

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might incur under any of the Collateral or under or by reason of Mortgagee's exercise of rights hereunder and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings or Mortgagee's part to perform or discharge any of the terms, covenants or agreements contained in any of the Collateral. Mortgagee shall not have responsibility for the control, care, management or repair of the Collateral nor shall Mortgagee be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Collateral resulting in loss or injury or death to any licensee, employee, tenant or stranger. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Should Mortgagee incur any such liability, loss or damage, under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the amount thereof, including costs, expenses and reasonable attorneys' fees.

## 4. GENERAL

(a) Security Agreement. This Mortgage, to the extent that it grants a security interest in personal property (including items of personal property which are to become fixtures), shall also be construed as a security agreement and financing statement under the Uniform Commercial Code as in effect in the state in which the Real Estate is located, and, while an Event of Default shall exist and be continuing, Mortgagee shall be entitled with respect to such personal property to all remedies hereunder, thereunder, under the Agreement and to all other applicable remedies and Mortgagee may proceed as to all Collateral in accordance with the rights and remedies of Mortgagee in respect to real property, as provided in Section 9-501(a) of the Uniform Commercial Code as adopted in the state where the Real Estate is located.

(b) Permitted Acts. Mortgagor agrees that, without affecting or diminishing in any way the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of the Secured Obligations or for performance of any obligation contained herein or affecting the lien hereof upon the Collateral or any part thereof, Mortgagee may at any time and from time to time, without notice to or consent of any person: release any person liable for payment or for performance of any of the Secured Obligations; extend the time or agree to alter the terms of payment of such indebtedness, modify or waive any obligation, subordinate, modify or otherwise deal with the lien hereof, accept additional security of any kind; release any Collateral or other property securing the Secured Obligations; make releases of any portion of the Premises; consent to the making of any map or plat of the Premises, the creation of any easements thereon or

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any covenants restraining use or occupancy thereof; or exercise or refrain from exercising or waive any right Mortgagee may have.

(c) Defeasance. Upon the full and complete payment and satisfaction of the Secured Obligations, in accordance with their respective terms and at the times and in the manner provided, this conveyance shall be null and void, and upon demand therefor following such payment and satisfaction an appropriate instrument of reconveyance or release shall promptly be made by Mortgagee to Mortgagor at Mortgagor's expense.

(d) Notices. Any notice hereunder to Mortgagor or Mortgagee shall be in writing and shall be deemed to have been validly served, given, or delivered, upon deposit in the United States mails, registered or certified, with postage prepaid, and addressed to such party at its address shown above, or at such other address as it may, by written notice received by the other party to this Mortgage, have designated as its address for such purpose.

(e) Mortgagor; Gender. All provisions hereof shall inure to and bind the respective successors, vendees and assigns of the parties hereto. The word "Mortgagor" shall include all persons claiming under or through Mortgagor. Wherever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

(f) Care by Mortgagee. Mortgagee shall be deemed to have exercised reasonable care in the custody and preservation of any of the Collateral in its possession if it takes such action for that purpose as Mortgagor requests in writing, but failure of Mortgagee to comply with any such request shall not of itself be deemed a failure to exercise reasonable care, and no failure of Mortgagee to preserve or protect any rights with respect to such Collateral against prior parties, or to do any act with respect to the preservation of such Collateral not so requested by Mortgagor, shall be deemed a failure to exercise reasonable care in the custody or preservation of such Collateral.

(g) No Waiver; Writing. No delay on the part of Mortgagee in the exercise of, or omission to exercise, any right or remedy shall operate as a waiver thereof or otherwise impair any such right or remedy, and no single or partial exercise by Mortgagee of any right or remedy shall preclude other or further exercise thereof or the exercise of any other right or remedy or the exercise of any right or remedy with respect to any subsequent default of the same or a different nature. No amendment, waiver or supplement in any way affecting this Mortgage shall in any event be effective unless contained in a writing signed by Mortgagee.

(h) Governing Law. This Mortgage shall be construed, enforced, and governed by, the laws of the State of Illinois, except as to matters pertaining to the validity, enforcement, or

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foreclosure of the lien of this Mortgage, or as to title to the Premises, which shall be governed by the laws of the State of Illinois. Whenever possible each provision of this Mortgage shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Mortgage shall be prohibited by or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Mortgage.

(i) Successors and Assigns. The rights and privileges of Mortgagee hereunder shall inure to the benefit of its successors and assigns and be binding upon the successors and assigns of Mortgagor.

(j) Waiver. Mortgagor waives, on behalf of itself and all persons now or hereafter interested in the Premises or the Collateral to the fullest extent permitted by applicable law, all rights under all appraisal, homestead, moratorium, valuation, exemption, stay, extension and marshalling statutes, laws or equities now or hereafter existing and agrees that no defense based on any thereof will be asserted in any action enforcing this Mortgage.

(k) No Redemption. Mortgagor hereby waives, to the fullest extent permitted by applicable law, any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage or under any power contained herein on its own behalf and on behalf of each and every person acquiring any interest in or title to the Premises subsequent to the date of this Mortgage.

(l) Application of Proceeds. In the case of any sale of the Collateral or of any part thereof, whether under the power of sale herein granted, assent to decree or through other judicial proceedings, the purchase money, proceeds and avails thereof, together with any other sums which may then be held as security hereunder or be due under any of the provisions hereof as a part of the Collateral, shall be deposited into the Assignee Deposit Account to be applied to the Secured Obligations as provided in the Agreement.

(m) Right to Contest. Notwithstanding anything herein to the contrary, Mortgagor shall have the right to contest in good faith and by appropriate proceedings any taxes as set forth in Paragraph 2(b) or any lien, claim, security interest, encumbrance or any right or claim of any person attaching to the Collateral or any part thereof as set forth in Paragraph 2(d) (collectively the "Charges") if in respect to any such Charges so contested in excess of Ten Thousand Dollars (\$10,000.00) Mortgagor provides Mortgagee with a bond or indemnity insuring the payment of such Charge.

(o) All notes secured by this mortgage are equally secured thereby without any preference or priority of one over the other by reason of priority of maturity, negotiation or otherwise.


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The undersigned individuals executing this Mortgage on behalf of Mortgagor represent and certify that they are duly elected officers of Mortgagor and have been fully empowered, by proper resolution of the board of directors or by the by-laws of Mortgagor, to execute and deliver this Mortgage; that Mortgagor has full corporate capacity to enter into this Mortgage and grant the encumbrances described herein; and that all necessary corporate action for the making of this Mortgage and granting of such encumbrances has been taken and done.


IN WITNESS WHEREOF, Mortgagor has executed this Mortgage on the day and year first above written.

The Mortgagor hereby declares and acknowledges that the Mortgagor has received, without charge, a true copy of this Mortgage.

2470 NORTH MILWAUKEE CORP.

By   
Name: Isaac Silver  
Title: President

Attest:

  
Name: Nathan Silver  
Title: Secretary

[Corporate Seal]

This instrument was prepared by  
(When recorded, return to):

Keck, Mahin & Cate  
3300 Sears Tower  
233 South Wacker Drive  
Chicago, Illinois 60606

Attention: John R.F. Baer

(1530/A)

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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 Isaac Silver, personally known to me to be the President of 2470 NORTH MILWAUKEE CORP., an Illinois corporation, and Nathan Silver, personally known to me to be the Secretary of said corporation, and personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and severally acknowledged that as such President and Secretary, they signed and delivered the said instrument as President and Secretary of said corporation, and caused the corporate seal of said corporation to be affixed thereto, pursuant to authority given by the Board of Directors of said corporation, as their free and voluntary act, and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth.

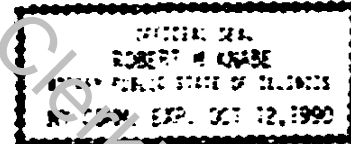
GIVEN under my hand and notarial seal this 1st day of February, 1989.

*R. H. K. H.*

Notary Public

My commission expires:

\_\_\_\_\_  
(1990/A)



Notary's Office

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## EXHIBIT A LEGAL DESCRIPTION

PARCEL 1: LOTS 6, 7 AND 8 IN BLOCK 1 IN INGHAM'S SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2456 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number: 13-25-314-026

PARCEL 2: LOTS 2, 3, 4 AND 5 (EXCEPT THAT PART THEREOF TAKEN FOR THOMAS STREET) IN THE SUBDIVISION OF BLOCK 6 IN GEORGE A. SEAVERN'S SUBDIVISION IN THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2446-50 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number(s): 13-25-326-001  
13-25-326-002

PARCEL 3: LOTS 1, 2, 3, 4 AND 5 IN BLOCK 1 IN INGHAM'S SUBDIVISION OF PART OF THE SOUTHWEST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2464-84 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number(s): 13-25-314-022  
13-25-314-023  
13-25-314-024  
13-25-314-025

PARCEL 4: LOTS 1, 2, 3, 4 AND 5 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 4 AND 6 IN COUNTY CLERK'S DIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2464-84 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number(s): 13-25-314-021  
13-25-314-020

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PARCEL 5: LOTS 6, 7, 8, 9 AND 10 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 4 AND 6 IN COUNTY CLERK'S DIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2488-96 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number: 13-25-314-019

PARCEL 6: LOT 11 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 4 AND 6 IN COUNTY CLERK'S DIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2502 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number: 13-25-314-018

PARCEL 7: LOTS 12, 13, 14, 15, 16 AND 17 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 4 AND 6 IN COUNTY CLERK'S DIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PORTION OF SAID LOTS HERETOFORE CONDEMNED BY THE CITY OF CHICAGO), IN COOK COUNTY, ILLINOIS.

Common Address: 2504-20 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number: 13-25-314-034

PARCEL 8: LOT 18 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 4 AND 6 IN COUNTY CLERK'S DIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PORTION OF SAID LOTS HERETOFORE CONDEMNED BY THE CITY OF CHICAGO), IN COOK COUNTY, ILLINOIS.

Common Address: 2504-20 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number: 13-25-314-036

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PARCEL 9: LOTS 19, 20, 21 AND 22 IN BLOCK 1 IN THE SUBDIVISION OF BLOCKS 4 AND 6 IN COUNTY CLERK'S DIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, (EXCEPT THAT PART OF SAID LOTS DESCRIBED AS FOLLOWS: BEGINNING AT THE SOUTHEASTERLY CORNER OF SAID LOT 19, THENCE NORTHWESTERLY ALONG THE SOUTHWESTERLY LINE OF LOTS 19 TO 22 TO A POINT ON THE NORTH LINE OF LOT 22, THENCE NORTHEASTERLY ALONG THE NORTH LINE OF LOT 22 A DISTANCE OF 35 FEET, THENCE SOUTHEASTERLY ALONG A STRAIGHT LINE TO A POINT ON THE SOUTHEASTERLY LINE OF LOT 19, 22.5 FEET NORTHEASTERLY OF THE SOUTHEASTERLY CORNER OF LOT 19, THENCE SOUTHWESTERLY ALONG THE SOUTHEAST LINE OF SAID LOT 19 TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Common Address: 2530 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number: 13-25-314-038

PARCEL 10: LOTS 1, 2 AND 3 IN BLOCK 5 IN GEORGE A. SEAVERN'S SUBDIVISION OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2451 North Sacramento  
Chicago, Illinois

Permanent Index Number: 13-25-321-001

PARCEL 11: LOT 4 IN BLOCK 5 IN GEORGE A. SEAVERN'S SUBDIVISION OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2449-50 North Sacramento  
Chicago, Illinois

Permanent Index Number: 13-25-321-002

PARCEL 12: LOT 1 IN THE RESUBDIVISION OF LOTS 5 AND 6 IN BLOCK 5 IN GEORGE A. SEAVERN'S SUBDIVISION OF THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2449-50 North Sacramento  
Chicago, Illinois

Permanent Index Number: 13-25-321-011

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PARCEL 13: A TRACT OF LAND IN THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, SAID TRACT OF LAND BEING DESCRIBED AS FOLLOWS: BEGINNING AT A POINT ON THE SOUTH LINE OF WEST 87TH STREET, SAID POINT BEING 100 FEET SOUTH OF THE NORTH LINE OF SAID NORTHEAST 1/4 OF SECTION 4 AND 305 FEET WEST OF THE NORTH-AND-SOUTH CENTER LINE OF SAID SECTION AND RUNNING THENCE EAST ALONG SAID SOUTH LINE OF WEST 87TH STREET, A DISTANCE OF 50 FEET TO AN INTERSECTION WITH A LINE DRAWN PARALLEL WITH AND 255 FEET WEST OF SAID NORTH-AND-SOUTH CENTER LINE; THENCE SOUTH ALONG SAID PARALLEL LINE, A DISTANCE OF 357.68 FEET TO A POINT 457.68 FEET SOUTH OF SAID NORTH LINE OF THE NORTHEAST 1/4 OF SECTION 4; THENCE NORTHWESTERLY ON A STRAIGHT LINE A DISTANCE OF 61.57 FEET TO A POINT 421.21 FEET SOUTH OF THE SAID NORTH LINE OF THE NORTHEAST 1/4 AND 305 FEET WEST OF SAID NORTH-AND-SOUTH CENTER LINE OF THE NORTHEAST 1/4 OF SECTION 4; THENCE NORTH PARALLEL WITH SAID NORTH-AND-SOUTH CENTER LINE A DISTANCE OF 321.21 FEET TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Common Address: 201 West 87th Street  
Chicago, Illinois

Permanent Index Number: 25-04-200-009

PARCEL 14: AN IRREGULAR PARCEL OF LAND IN THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS: COMMENCING AT A POINT OF INTERSECTION OF THE SOUTHERLY LINE OF WEST 87TH STREET WITH A LINE 5 FEET WEST OF AND PARALLEL TO THE NORTH-AND-SOUTH CENTER LINE OF SAID NORTHEAST 1/4 WHICH POINT OF INTERSECTION IS 69.66 FEET SOUTH OF THE NORTH LINE OF SAID NORTHEAST 1/4, THENCE SOUTHERLY ALONG SAID LINE 5 FEET WEST OF AND PARALLEL TO SAID NORTH-AND-SOUTH CENTER LINE A DISTANCE OF 570.37 FEET, THENCE NORTHWESTERLY ON A STRAIGHT LINE 307.91 FEET, MORE OR LESS, TO A POINT WHICH IS 255 FEET WEST OF SAID NORTH-AND-SOUTH CENTER LINE MEASURED AT RIGHT ANGLES HERETO AND 457.68 FEET SOUTH OF THE NORTH LINE OF SAID NORTHEAST 1/4, THENCE NORTHERLY FROM THE LAST DESCRIBED POINT, ON A LINE 255 FEET WEST OF AND PARALLEL TO SAID NORTH-AND-SOUTH CENTER LINE, A DISTANCE OF 357.68 FEET TO THE POINT OF INTERSECTION OF THE SOUTHERLY LINE OF WEST 87TH STREET WITH THE LAST DESCRIBED COURSE; THENCE EASTERLY ON THE SOUTHERLY LINE OF WEST 87TH STREET, A DISTANCE OF 1.79 FEET TO A POINT; THENCE CONTINUING NORTHEASTERLY FROM THE LAST DESCRIBED POINT ON A CURVED LINE CONVEX TO THE SOUTHEAST HAVING A RADIUS OF 1033 FEET, A DISTANCE OF 251 FEET, MORE OR LESS, TO THE POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

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Common Address: 201 West 87th Street  
Chicago, Illinois

Permanent Index Number: 25-04-200-003

PARCEL 15: LOTS 23, 24 AND 25 IN BLOCK 1 IN THE SUBDIVISION OF LOTS 4 AND 6 IN THE COUNTY CLERK'S DIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40N NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN; AND LOTS 1 AND 2 IN ARNOLD BROS.' SUBDIVISION OF LOT 5 IN COUNTY CLERK'S DIVISION OF PART OF THE WEST 1/2 OF THE SOUTHWEST 1/4 OF THE AFORESAID SECTION 25; ALL TAKEN AS A TRACT, EXCEPTING FROM SAID TRACT THAT PART LYING SOUTHWESTERLY AND WESTERLY OF THE FOLLOWING DESCRIBED LINE; BEGINNING ON THE NORTHWESTERLY LINE OF SAID TRACT (BEING ALSO THE NORTHWESTERLY LINE OF THE AFORESAID LOT 2) AT A POINT 43.12 FEET SOUTHWEST OF THE MOST NORTHERLY CORNER THEREOF; THENCE SOUTHERLY 20.088 FEET, MORE OR LESS, TO A POINT 11.07 FEET SOUTHEASTERLY OF THE NORTHEASTERLY LINE OF SAID TRACT AT A POINT 58.64 FEET SOUTHWEST OF THE MOST NORTHERLY CORNER THEREOF, TO THE SOUTHEASTERLY LINE OF SAID TRACT (BEING ALSO THE SOUTHEASTERLY LINE OF THE AFORESAID LOT 23) AT A POINT 75.31 FEET SOUTHWEST OF THE MOST EASTERLY CORNER THEREOF, THENCE SOUTHEASTERLY ALONG THE LAST DESCRIBED LINE 114.763 FEET, MORE OR LESS, TO THE SOUTHEASTERLY LINE OF SAID TRACT, ALL IN COOK COUNTY, ILLINOIS.

Common Address: 2534-42 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number(s): 13-25-314-012  
13-25-314-030

PARCEL 16: LOTS 6, 7, 8, 9 AND 10 IN THE SUBDIVISION OF BLOCK 6 IN GEORGE A. SEARVERN'S SUBDIVISION IN THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2432-42 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number(s): 13-25-326-003  
13-25-326-004  
13-25-326-005  
13-25-326-006

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PARCEL 17: LOT 2 IN THE RESUBDIVISION OF LOTS 5 AND 6 IN BLOCK 5 IN GEORGE A. SEAVERN'S SUBDIVISION IN THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2459 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number: 13-25-321-012

PARCEL 18: LOT 7 IN BLOCK 5 IN GEORGE A. SEAVERN'S SUBDIVISION IN THE SOUTHEAST 1/4 OF THE SOUTHWEST 1/4 OF SECTION 25, TOWNSHIP 40 NORTH, RANGE 13, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

Common Address: 2455 North Milwaukee Avenue  
Chicago, Illinois

Permanent Index Number: 13-25-321-013

PARCEL 19: AN IRREGULAR PLAT OF LAND IN THE NORTHEAST 1/4 OF SECTION 4, TOWNSHIP 37 NORTH, RANGE 14, EAST OF THE THIRD PRINCIPAL MERIDIAN, BOUNDED AND DESCRIBED AS FOLLOWS TO WIT: COMMENCING AT A POINT OF INTERSECTION OF THE SOUTHERLY LINE OF WEST 87TH STREET WITH A LINE 305 FEET WEST OF AND PARALLEL TO NORTH AND SOUTH CENTER LINE OF SAID NORTHEAST 1/4 WHICH POINT OF INTERSECTION IS 100 FEET SOUTH OF NORTH LINE OF SAID NORTHEAST 1/4, THENCE SOUTHERLY ON SAID LINE 305 FEET WEST OF AND PARALLEL TO SAID NORTH AND SOUTH CENTER LINE, A DISTANCE OF 321.21 FEET THENCE NORTHWESTERLY ON A STRAIGHT LINE, 197.08 FEET MORE OR LESS TO A POINT 465 FEET WEST OF SAID NORTH AND SOUTH CENTER LINE MEASURED AT RIGHT ANGLES THERETO AND 304.51 FEET SOUTH OF NORTH LINE OF SAID NORTHEAST 1/4, THENCE NORTHERLY FROM LAST DESCRIBED POINT ON A LINE 465 FEET WEST OF AND PARALLEL TO SAID NORTH AND SOUTH CENTER LINE, A DISTANCE OF 204.51 FEET TO POINT OF INTERSECTION OF SOUTHERLY LINE OF WEST 87TH STREET WITH LAST DESCRIBED COURSE, THENCE EASTERLY ON SOUTHERLY LINE OF WEST 87TH STREET, A DISTANCE OF 160.01 FEET MORE OR LESS TO POINT OF BEGINNING, IN COOK COUNTY, ILLINOIS.

Common Address: 233 West 87th Street  
Chicago, Illinois

Permanent Index Number: 25-04-200-008

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13-25-321-012



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## EXHIBIT B PERMITTED ENCUMBRANCES

1. MORTGAGE DATED FEBRUARY 21, 1989 AND RECORDED  
FILED ON 2-17-89, 1989 AS DOCUMENT NO. \_\_\_\_\_ AND  
MADE BY HOMEOWNER FINANCIAL SERVICES, INC. AND 2470 NORTH  
MILWAUKEE CORP. TO THE EXCHANGE BANK OF DUPAGE (AFFECTS  
PARCELS 1 THROUGH 19).
2. RAILROAD RIGHT-OF-WAY. SWITCH OR SPUR TRACKS, IF ANY,  
(AFFECTS PARCELS 2 THROUGH 18).
3. PARTY WALL RIGHTS AND EASEMENTS AS CONTAINED IN DOCUMENT  
RECORDED AS NUMBER 4559707. (AFFECTS PARCEL 17).
4. PARTY WALL RIGHTS AND EASEMENTS AS DISCLOSED BY SURVEY  
PREPARED BY CERTIFIED SURVEY COMPANY DATED MARCH 9, 1983.  
(AFFECTS PARCEL 13).
5. RIGHTS OF THE MUNICIPALITY, THE PUBLIC OR QUASI-PUBLIC  
UTILITIES, IF ANY, IN AND TO THAT PORTION OF THE SUBJECT  
LAND FALLING INTO VACATED 87TH STREET LYING IN PARCEL 14.
6. LEASEHOLD INTEREST OF LOGAN SQUARE ALUMINUM SUPPLY, INC.  
UNDER AND BY VIRTUE OF LEASE, A MEMORANDUM OF WHICH WAS  
RECORDED AND FILED DECEMBER 10, 1987 AS DOCUMENT NUMBERS  
87-654544 AND LR3673497 DEMISING SUBJECT LAND FOR A PERIOD  
BEGINNING JULY 1, 1987 AND ENDING JUNE 30, 1992, AND OF ALL  
PERSONS CLAIMING THEREUNDER, IF ANY. (AFFECTS PARCELS 2  
THROUGH 18).
7. ENCROACHMENT OF BUILDING LOCATED MAINLY ON SUBJECT LAND OVER  
AND ONTO LAND EAST AND SOUTHWEST AND ADJOINING A DISTANCE OF  
0.04 FEET, MORE OR LESS. (AFFECTS PARCELS 3 AND 4).
8. ENCROACHMENT OF A FOUR STORY BRICK BUILDING LOCATED MAINLY  
ON SUBJECT LAND OVER AND ONTO A PUBLIC RIGHT OF WAY AT THE  
NORTHWEST CORNER BY 0.01 FEET TO THE WEST AND BY 0.08 FEET  
TO THE NORTH, AT THE NORTHEAST CORNER BY 0.02 FEET TO THE  
EAST, AND OVER THE NORTH LINE BY .005 FEET, MORE OR LESS. AS  
DEPICTED ON A SURVEY OF THE LAND DATED DECEMBER 28, 1982,  
PREPARED BY ASSOCIATED SURVEYORS AND CIVIL ENGINEERS.  
(AFFECTS PARCEL 10).
9. ENCROACHMENT OF BUILDING LOCATED MAINLY ON SUBJECT LAND OVER  
AND ONTO LAND WEST AND ADJOINING A DISTANCE OF 0.19 FEET,  
MORE OR LESS. (AFFECTS PARCELS 11).
10. ENCROACHMENT OF BUILDING LOCATED MAINLY ON SUBJECT LAND OVER  
AND ONTO ALLEY SOUTH AND ADJOINING A DISTANCE OF 0.15 FEET,  
MORE OR LESS. (AFFECTS PARCELS 11).
11. ANY LIEN, OR RIGHT TO A LIEN, FOR SERVICES, LABOR OR

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MATERIAL HERETOFORE OR HEREAFTER FURNISHED, IMPOSED BY LAW AND NOT SHOWN BY THE PUBLIC RECORDS.

12. ENCROACHMENT OF FENCE BELONGING TO SUBJECT LAND OVER AND ONTO LAND SOUTH AND ADJOINING A DISTANCE OF 1.40 FEET, MORE OR LESS. (AFFECTS PARCEL 3).
13. ENCROACHMENT OF FENCE BELONGING TO SUBJECT LAND OVER AND ONTO LAND WEST AND ADJOINING A DISTANCE OF 0.33 FEET, MORE OR LESS. (AFFECTS PARCEL 2).
14. ENCROACHMENT OF BUILDING LOCATED MAINLY ON SUBJECT LAND OVER AND ONTO LAND NORTHEASTERLY AND SOUTHWESTERLY AND ADJOINING A DISTANCE OF 3 1/4 INCHES AND 4 3/8 INCHES, MORE OR LESS, RESPECTIVELY. (AFFECTS PARCEL 7).
15. ENCROACHMENT OF BUILDING LOCATED MAINLY ON SUBJECT LAND OVER AND ONTO LAND SOUTHEASTERLY AND ADJOINING A DISTANCE OF 0.075 FEET, MORE OR LESS. (AFFECTS PARCEL 18).
16. ENCROACHMENT OF FENCE AND STAIRS LOCATED MAINLY ON SUBJECT LAND OVER AND ONTO ALLEY NORTHERLY AND ADJOINING AN UNDISCLOSED DISTANCE. (AFFECTS PARCEL 17).

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