

MORTGAGE



THIS INDENTURE is made as of March 16, 1999, by and between THOMAS R. PUCKELWARTZ, 1216 East Brookwood Drive, Arlington Heights, Illinois 60004, LYNN PUCKELWARTZ, 1216 East Brookwood Drive, Arlington Heights, Illinois 60004 (herein referred to as ("Mortgagors")) and NATIONAL CITY BANK OF MICHIGAN/ILLINOIS, having offices located at 325 North Milwaukee Avenue, Libertyville, Illinois 60048 (herein referred to as "Mortgagee").

WITNESSETH:

THAT, WHEREAS, the Mortgagors are justly indebted to the Mortgagee pursuant to the terms and provisions of a Forbearance Agreement executed by the Mortgagor and dated July 23, 1998; an Extension to Forbearance Agreement dated December 28, 1998 and a Second Extension to Forbearance Agreement dated February 10, 1999 ("Forbearance Agreement");

WHEREAS, pursuant to the terms and provisions of the Forbearance Agreement, Mortgagors are to execute an Installment Note in the maximum principal amount of Two Hundred Seventy Five Thousand and No/100 Dollars (\$275,000.00) made payable to the order of NATIONAL CITY BANK OF MICHIGAN/ILLINOIS, (the "Note") and delivered to the Mortgagee, in and by which said Note Mortgagors promise to pay the said principal sum and interest at the rate and in installments as provided in said Note, with a final payment due no later than November 13, 2004.

All of said principal and interest is made payable at such place as the holders of the Note may, from time to time in writing appoint, and in absence of such appointment, then at the office of

NATIONAL CITY BANK OF MICHIGAN/ILLINOIS located at Libertyville, Illinois.

NOW, THEREFORE, the Mortgagors, to secure the payment of said principal sum of money and said interest in accordance with the terms, provisions and limitations of this Mortgage, and of the Note and any renewal, modification, amendments or extensions thereof as may be reflected in the Forbearance Agreement dated November 13, 1998 and any other indebtedness of Mortgagors to Mortgagee hereafter arising and any other sums advanced by Mortgagee to protect the security of this Mortgage or discharge the obligations of Mortgagors hereunder, and the performance of the covenants and agreements herein contained by the Mortgagors to be performed, and also in consideration of the sum of One Dollar (\$1.00) in hand paid, the receipt whereof is hereby acknowledged, does by these presents MORTGAGE, GRANT, CONVEY AND RELEASE unto the Mortgagee, its successors and assigns, the following described real estate and all of their estate, right, title and interest therein situate, lying and being in the Cook County and State of Illinois, to-wit:

THE REAL ESTATE MORTGAGED HEREBY IS DESCRIBED ON EXHIBIT "A"
ATTACHED HERETO AND MADE A PART HEREOF

which, with the property hereinafter described, is referred to herein as the "premises" or as the "mortgaged premises." The parties hereto agree that the amount of indebtedness secured by this instrument shall not, in any event, exceed the sum of Ten Million and No/100 Dollars (\$10,000,000.00).

TOGETHER with all improvements, tenements, easements, hereditaments and appurtenances thereunto belonging, and all rents issues and profits thereof for so long as and during all such times as the Mortgagors may be entitled thereto (which are pledged primarily and on a parity with said real estate and not secondarily), and all partitions, attached floor coverings, now or hereafter, therein or thereon, all elevators, and all fixtures, apparatus and equipment used to supply heat, gas, air conditioning, water, light, power sprinkler protection, waste removal, refrigeration, and ventilation, including (without restricting the foregoing) all fixtures, apparatus and equipment used in the operation of any business conducted on the premises the structures or buildings, additions and improvements, and replacements thereof, erected, or to be erected, upon the realty, including any on-site energy systems providing electricity, heating and air conditioning, and all plant, equipment, apparatus, machinery and fixtures of

every kind and nature whatsoever forming part of said structures or buildings, or of any structures or buildings heretofore or hereafter standing on the realty or on any part thereof.

Mortgagors hereby represent, as a special inducement to the Mortgagee to make this loan, that as of the date hereof there are no encumbrances to secure debt junior to this Mortgage and covenanting that there are to be none as of the date when this Mortgage becomes of record, except in either case encumbrances having the prior written approval of the Mortgagee herein.

TO HAVE AND TO HOLD the premises unto the said Mortgagee, its successors and assigns, forever, for the purposes and uses therein set forth.

IT IS FURTHER UNDERSTOOD AND AGREED THAT:

1. Maintenance, Repair and Restoration of Improvements, Payment of Prior Liens etc.: Mortgagors shall (a) promptly repair, restore or rebuild any buildings or improvements now or hereafter on the premises which may become damaged or be destroyed; (b) keep said premises in good condition and repair without waste and free from mechanics' liens not expressly subordinated to the lien hereof; (c) pay when due any indebtedness which may be secured by a lien or charge on the premises superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (d) complete within a reasonable time any building or buildings or renovations thereof now existing or at any time in the process of erection upon said premises; (e) comply with all requirements imposed by law, statute, regulation, order or any administrative agency, municipal ordinances, or restrictions of record with respect to the premises and the use thereof; (f) make no material alterations in said premises without the prior written consent of Mortgagee except as required by law or municipal ordinances, or restrictions of record with respect to the premises and the use thereof; (g) suffer or permit no change in the general nature of the occupancy of the premises, without Mortgagee's written consent; (h) initiate or acquiesce in no zoning reclassification, without Mortgagee's written consent; (i) pay each item of indebtedness secured by this Mortgage when due according to the terms hereof or of the Note.

2. Representations and Warranties: Mortgagors hereby represent, warrant, and covenant to Mortgagee that:

2.1 Validity of Loan Instruments. (a) the execution, delivery and performance by Mortgagors of the Note, this Mortgage, and all additional security documents or instruments executed by Mortgagors and delivered to Mortgagee in connection with this transaction, and the borrowing evidenced by the Note including, without limitation, the Forbearance Agreement dated July 23, 1998, ("the Forbearance Agreement") (1) are within the powers of Mortgagors; (2) have received all necessary governmental approval; and (3) do not violate any provisions of any law, any order of any court or agency of government or any indenture, agreement or other instrument to which Mortgagors are a party, or by which they or any portion of the mortgaged premises is bound and are not in conflict with, result in breach of, or constitute (with due notice and/or lapse of time) a default under any instrument providing for the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Mortgagors' property or assets; and (b) the Note, this Mortgage, the Forbearance Agreement and any other instrument securing the repayment of the Note, when executed and delivered by Mortgagors, will constitute the legal, valid and binding obligations of Mortgagors, and other obligors named therein, if any, in accordance with their respective terms, subject, however, to such exculpation provisions as may be hereinafter or therein set forth.

2.2 Other Information. All other information, reports, papers, balance sheets, statements of profit and loss, and data given to Mortgagee, its agents, employees, representatives or counsel in respect of Mortgagors or others obligated under the terms of this Mortgage and all other documents securing or guarantying the payment of the Note are accurate and correct in all material respects and complete insofar as completeness may be necessary to give Mortgagee a true and accurate knowledge of the subject matter.

3. Payment of Taxes. Mortgagors shall pay before any penalty attaches all general taxes, and shall pay special taxes, special assessments, water charges, sewer service charges, and other charges against the premises which Mortgagors may be obligated to pay, when due, and shall, upon written request, furnish to Mortgagee duplicate receipts therefor. To prevent default hereunder Mortgagors shall pay in full under protest, in the manner provided by statute, any tax or assessment which Mortgagors may be obligated to pay and which Mortgagors may desire to contest.

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4. Tax Deposits. Mortgagee may demand and Mortgagors covenant and agree to deposit at such place as the Mortgagee may from time to time in writing appoint, and in the absence of such appointment, then at the office of First of America Bank - Illinois, N.A., 325 North Milwaukee Avenue, Libertyville, Illinois 60048, on the first day of each month of the Mortgage term, (the words "Mortgage term" as used herein shall be defined as that period commencing on the date hereof and ending on the date upon which the full amount of any indebtedness secured by this Mortgage is fully paid, and all obligations secured by this Mortgage are fully discharged) a sum equal to one-twelfth of the last total annual taxes and assessments for the last ascertainable year (general and special) on the premises (unless said taxes are based upon assessments which exclude the improvements or any part thereof now constructed, or to be constructed, in which event the amount of such deposits shall be based upon the Mortgagee's reasonable estimate as to the amount of taxes and assessments to be levied and assessed). Such deposits are to be held without any allowance of interest and need not be kept separate and apart, and are to be used for payment of taxes and assessments (general and special) on the premises next due and payable when they become due. If the funds so deposited are insufficient to pay any such taxes or assessments (general and special) for any year when the same shall become due and payable, the Mortgagors shall within ten (10) days after receipt of demand therefor, deposit such additional funds as may be necessary to pay such taxes and assessments (general and special) in full. If the funds so deposited exceed the amount required to pay such taxes and assessments (general and special) for any year, the excess shall remain on deposit and be applied to any subsequent taxes or assessments.

5. Mortgagee's Interest in and Use of Deposits. In the event of a default in any of the provisions contained in this Mortgage or in the Note, the Mortgagee may at its option, without being required to do so, apply any monies of the Mortgagors at the time on deposit as may be required by the Note, including without limitation those monies on deposit, pursuant to paragraphs 4 and 6 hereof on any of Mortgagors' obligations herein or in the Note contained, in such order and manner as the Mortgagee may elect. When the indebtedness secured hereby has been fully paid, any remaining deposits shall be paid to Mortgagors or to the then owner or owners of the mortgaged premises. Such deposits are hereby pledged as additional security for the repayment of the indebtedness hereunder and shall be held in trust to be irrevocably applied by the depository for the purposes for which made hereunder

and shall not be subject to the direction or control of the Mortgagors; provided, however, that neither the Mortgagee nor said depository shall be liable for any failure to apply to the payment of taxes and assessments any amount so deposited unless Mortgagors, while not in default hereunder, shall have requested said depository in writing to make application of such funds to the payment of the particular taxes or assessments for payment of which they were deposited, accompanied by the bills for such taxes and assessments. Unless paid by Mortgagee, however, receipts showing and evidencing payment of all such taxes and insurance premiums shall be exhibited to Mortgagee within thirty (30) days after the due date for payment of same.

6. Insurance. Mortgagors shall keep or cause to have all buildings and improvements now or hereafter situated on said premises insured against loss or damage by fire and extended coverage, malicious mischief and vandalism and such other hazards in such amounts as may reasonably be required by Mortgagee, but in any case of the full insurable value thereof, Mortgagors shall also provide builder's risk and liability insurance with such limits for personal injury and death and property damage as Mortgagee may require, and will also keep in effect business interruption insurance in such amounts as Mortgagee may require. All policies of insurance to be furnished hereunder shall be in or with forms, companies and amounts satisfactory to Mortgagee, with mortgagee clauses attached to all policies in favor of and in form satisfactory to Mortgagee, including a provision requiring that the coverage evidenced thereby shall not be terminated or materially modified without thirty (30) days' prior written notice to the Mortgagee. Mortgagors shall deliver the original of all policies, including additional and renewal policies, to Mortgagee, and, in the case of insurance about to expire, shall deliver renewal policies not less than thirty (30) days prior to their respective dates of expiration. If any renewal policy is not delivered to Mortgagee thirty (30) days before the expiration of any existing policy or policies, with evidence of premium paid, Mortgagee may, but is not obligated to obtain, the required insurance on behalf of Mortgagors (of insurance in favor of Mortgagee alone) and pay the premiums thereon. Any monies so advanced shall be so much additional indebtedness and shall become immediately due and payable with interest thereon at the same rate as provided in the Note.

So long as any sum remains due hereunder or under the Note, Mortgagors covenant and agree that they shall not place, or cause

to be placed or issued, any separate casualty, fire, rent loss, liability, or war damage insurance from the insurance required to be maintained under the terms hereof, unless in each such instance the Mortgagee herein is included therein as the payee under a standard mortgagee's loss payable clause. Mortgagors covenant to advise Mortgagee whenever any such separate insurance coverage is placed, issued or renewed, and agrees to deposit the original of all such policies with Mortgagee.

Mortgagee may demand and Mortgagors will immediately deposit with Mortgagee an amount sufficient to pay premiums due or which may become due or evidence satisfactory to Mortgagee of the payment of said premiums relating to any insurance required hereunder in such manner and at such times as Mortgagee may, in its sole discretion, deem advisable. Such deposits shall be held without any allowance of interest and need not be kept separate and apart. In no event shall Mortgagee be liable for any damages arising out of Mortgagee's manner or method of estimating or making such payments. Such deposits are hereby pledged as additional security for the repayment of the indebtedness hereunder; and it is agreed that the provisions and covenants of paragraph 5 (as applicable to tax deposits) shall similarly be applicable to the deposits made on account of the reserves for payment of insurance premiums.

In the event of a foreclosure of this Mortgage, or in case of any transfer of title to the entire mortgaged premises in extinguishment of the entire debt secured hereby, all right, title and interest of Mortgagors to any insurance policies covering the subject property shall pass to the Mortgagee or transferee of the mortgaged premises, to extent permitted by the terms of said policies.

7. Adjustment of Losses with Insurer and Application of Proceeds of Insurance. In case of loss and subject to the rights of the holder of any mortgage lien superior to the lien created hereby, the Mortgagee (or after entry of decree of foreclosure, purchaser at the sale, or the decree creditor, as the case may be) is hereby authorized either (a) to settle and adjust any claim under such insurance policies without consent of Mortgagors, or (b) to allow Mortgagors to agree with the insurance company or companies on the amount to be paid upon the loss. In either case Mortgagee is authorized to collect and receipt for any such insurance money. Such insurance proceeds may, at the option of Mortgagee, either be applied in reduction of the indebtedness, whether due or not, or be held by the Mortgagee and used to

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reimburse Mortgagors for the cost of the rebuilding or restoration of the buildings or improvements on said premises. In no event, however, shall Mortgagors hold any amount in excess of the amount of the indebtedness. The buildings and improvements shall be so restored or rebuilt as to be of at least equal value and substantially the same character as prior to such damage or destruction. In the event Mortgagors are entitled to reimbursement out of insurance proceeds, such proceeds shall be made available, from time to time, upon the Mortgagee being furnished with satisfactory evidence of the estimated cost of completion thereof and with such architect's certificates, waiver of lien, contractors' sworn statements and other evidence of cost and of payments, including, at the option of Mortgagee, insurance against mechanic's liens and/or a performance bond or bonds in form satisfactory to Mortgagee, with premium fully prepaid, under the terms of which Mortgagors shall be the sole or a dual obligor, and which shall be written with such surety company or companies as may be satisfactory to Mortgagee, as the Mortgagee may reasonably require and approve, and, if the estimated cost of the work exceeds twenty percent (20%) of the original principal amount of the indebtedness, with all plans and specifications for such rebuilding or restoration as the Mortgagee may reasonably require and which shall be subject to approval by the Mortgagee. No payment made prior to the final completion of the work shall exceed ninety (90%) percent of the value of the work performed, from time to time, and at all times the undisturbed balance of said proceeds remaining in the hands of the Mortgagee shall be at least sufficient to pay for cost of completion of the work free and clear of liens. In case of loss after foreclosure proceedings have been instituted, the proceeds of any such insurance policy or policies, if not applied as aforesaid in rebuilding or restoring the building or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure that may be entered in any such proceedings, and the balance, if any, shall be paid to the owner of the equity of redemption if he shall then be entitled to the same, or as the court may direct. In case of the foreclosure of this mortgage, the court in its decree may provide that the mortgagee's clause attached to each of said insurance policies may be canceled and that the decree creditor may cause a new loss clause to be attached to each of said policies making the loss thereunder payable to said decree creditor; and any such foreclosure decree may further provide that in the case of one or more redemptions under said decree, pursuant to the statute in such case made and may cause the preceding loss clause attached to each insurance policy to be canceled and a new loss clause to be attached thereto,

making the loss thereunder payable to such redeemptor. In the event of foreclosure sale, Mortgagee is hereby authorized, without the consent of Mortgagors, to assign any and all insurance policies to the purchaser at the sale or to take such other steps as Mortgagee may deem advisable, to cause the interest of such purchaser to be protected by any of the said insurance policies.

8. Stamp Tax. If, by the laws of the United States of America, or of any state having jurisdiction over the Mortgagors, any tax is due or becomes due in respect of the issuance of the Note, the Mortgagors covenant and agree to pay such tax in the manner required by any such law. The Mortgagors further covenant to hold harmless and agrees to indemnify the Mortgagee, its successors or assigns, against any liability incurred by reason of the imposition of any tax on the issuance of the Note.

9. Observance of Lease Assignment. If Mortgagors shall suffer or permit to occur any breach or default under the provisions of any assignment of any lease or leases of the premises given as additional security for the payment of the Note and such default shall continue for fifteen (15) days after written notice is given to Mortgagors of said default, then and in any such event, such breach or default shall constitute a default hereunder and at the option of the Mortgagee, and without notice to the Mortgagors, all unpaid indebtedness secured by this Mortgage shall, notwithstanding anything in said Note or in this Mortgage to the contrary, become due and payable as in the case of other defaults.

10. Effect of Extensions of Time and Acceptance of Partial Payments. (a) If the payment of any amounts due under certain Note or any part thereof be extended or varied or if any part of the security be released, all entities now or at any time hereafter liable therefor, or interested in said premises, shall be held to the terms of the Note, this Mortgage and any other instrument given to secure the repayment of said Note and the lien and all provisions hereof shall continue in full force, the right of recourse against all such entities being expressly reserved by the Mortgagee, notwithstanding such extension, variation or release.

(b) In the event the ownership of the mortgaged premises, or any part thereof, becomes vested in a person or entity other than Mortgagors, (without hereby implying Mortgagee's consent to any assignment, transfer or conveyance of the mortgaged premises) the Mortgagee may, without notice to Mortgagors, deal with such successor or successors in interest with reference to

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this Mortgage and to said debt in the same manner as with Mortgagors without in any way vitiating or discharging Mortgagors' liability hereunder or upon the debt. No sale of the mortgaged premises, and no forbearance on the part of the Mortgagee, and no extension of the time for the payment of the debt hereby secured, given by the Mortgagee, shall operate to release, modify, change, or affect the original liability, if any, of Mortgagors, either in whole or in part.

(c) The Mortgagee, at its sole option and without notice, may release any part of the mortgaged premises, or any person liable for the debt, without in any way affecting the lien hereof upon any part of the mortgaged premises not expressly released, and may agree with any party obligated on the debt, or having any interest in the mortgaged premises, to extend the time for payment of any part of all of the debt. Such agreement shall not in any way release or impair the lien hereof, but shall extend the lien hereof as against the title of all parties having any interest in the mortgaged premises which interest is subject to this Mortgage.

(d) Acceptance by Mortgagee or the holders of the Note of any payment in an amount less than the amount then due on said Note shall be deemed an acceptance on account only, and the failure to pay the entire amount then due shall continue to be a default pursuant to the terms and provision of the Note. At any time thereafter and until the entire amount then due on the Note has been paid, Mortgagee shall be entitled to exercise all rights conferred upon it in this Mortgage and the Note upon the occurrence of a default.

11. Effect of Changes in Laws Regarding Taxation. In the event of the enactment after this date of any law of the state in which the premises are located deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon the Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagors, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the mortgagee's interest in the property, or the manner of collection of taxes, so as to affect this Mortgage or the debt secured hereby or the holder thereof, then, and in any such event, the Mortgagors, upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor; provided, however, that if in the opinion of counsel for the Mortgagee (a) it might be unlawful

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to require Mortgagors to make such payment or (b) the making of such payments might result in the imposition of interest beyond the maximum amount permitted by law, then and in such event, the Mortgagee may elect, by notice in writing given to the Mortgagors, to declare all of the indebtedness secured hereby to be and become due and payable sixty (60) days from the giving of such notice.

12. Mortgagee's Performance of Default Acts. In case of default therein, Mortgagee may, but need not, make any payment or perform any act herein required of Mortgagors in any form and manner deemed expedient, and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, or redeem from any tax sale or forfeiture affecting said premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all reasonable expenses paid or incurred in connection therewith, including reasonable attorney's fees, and any other monies advanced by Mortgagee to protect the mortgaged premises and the lien hereof, shall be so much additional indebtedness secured hereby, and shall become immediately due and payable without notice and with interest thereon at the rate stated in the Note. Any act or failure to act on the part of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagors.

13. Mortgagee's Reliance on Tax Bills, etc. Mortgagee, when acting in a commercially reasonable manner in making any payments hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate procured from the appropriate public office without inquiry into the accuracy of such bill, statement or estimate or into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; or (b) for the purchase, discharge, compromise or settlement of any other prior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted.

14. Acceleration of Indebtedness in Case of Default. If (i) the Mortgagee has not received the full amount of any of the Mortgagors' regular installment payments and the full amount of any late charges due thereon within thirty (30) calendar days after the date the regular installment payment on the Note is due; (ii) any of the Mortgagors fail to perform, keep or observe any term or condition of this Mortgage, the Forbearance Agreement or of any agreement, instrument or document securing or guarantying the

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payment of the Note, (iii) there is a default under any agreement, instrument or document which is a lien, encumbrance, charge or claim against the real estate which is the subject matter of the Mortgage; (iv) any assets of the Mortgagors are attached, seized, levied upon or come within the possession of any receiver, trustee, custodian or assignee for the benefit of creditors; (v) a petition under any section or chapter of the Bankruptcy Reform Act of 1978 or any similar law or regulation is filed by or against either of the Mortgagors and said proceedings are not dismissed within thirty (30) days; (vi) either of the Mortgagors makes an assignment for the benefit of creditors; (vii) any case or proceeding is filed by or against either of the Mortgagors for dissolution or liquidation; (viii) any of the individual Mortgagors dissolve or a conservator is appointed for all or any portion of any of their assets and such trustee or receiver shall not be discharged or such jurisdiction relinquished within thirty (30) days; (ix) there is a change in the financial condition of the Mortgagors which, in the sole and exclusive discretion of Mortgagee is material and adverse to any of the Mortgagors' ability to meet its obligations under the Mortgage; or (x) either of the Mortgagors fail to execute within seven (7) business days after being presented therewith any documents, including without limitation, any subordination agreements which Lender, in its sole and exclusive discretion, deems necessary to evidence, preserve and protect its interests, then and in every such case the whole of said principal sum hereby secured shall, at once, at the option of the Mortgagee, become immediately due and payable, together with accrued interest thereon, without notice to Mortgagors.

15. Foreclosure; Expense of Litigation. When the indebtedness hereby secured, or any part thereof, shall become due, whether by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for such indebtedness or part thereof, and in the event of the default in the payment of any installment due under the Note, the owner of such Note may accelerate the payment of same and may institute proceedings to foreclose this Mortgage for the entire amount then unpaid with respect to said Note. In any suit to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale all reasonable expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorney's fees, appraiser's fees, outlays for documentary and expert evidence, stenographer's charges, publication costs, and costs (which may be estimated as to items to be expended after entry of the decree) of procuring all such abstracts of title, title

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searches and examinations, title insurance policies, and similar data and assurances with respect to title as Mortgagee may deem reasonably necessary either to prosecute such suit or to evidence to bidders at any sale which may be had pursuant to such decree the true condition of the title to or the value of the premises. All such expenses and fees as may be incurred in the protection of said premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting this Mortgage, the Note or said premises and the maintenance of the lien of this Mortgage, including Probate and bankruptcy proceedings, or in preparations for the commencement or defense of any proceeding or threatened suit or proceeding, shall be immediately due and payable by Mortgagors, with interest thereon at the same rate as stated in the Note and shall be secured by this Mortgage.

Mortgagee may employ counsel for advice or other legal service at Mortgagee's discretion in connection with any dispute as to the obligations of Mortgagors hereunder, or as to the title of Mortgagee to the mortgaged premises pursuant to this Mortgage, or in any litigation to which Mortgagee may be a party which may affect the title to the mortgaged premises or the validity of the indebtedness hereby secured, and any reasonable attorneys' fees so incurred shall be added to and be a part of the debt hereby secured. Any costs and expenses reasonably incurred in connection with any dispute or litigation affecting said debt or Mortgagee's title to the mortgaged premises, including reasonably estimated amounts to conclude the transaction, shall be added to and be a part of the indebtedness hereby secured. All such amounts shall be payable by Mortgagors to Mortgagee without formal demand, and if not paid, shall be included as a part of the mortgage debt and shall include interest at the rate stated in the Note from the dates of their respective expenditures.

16. Application of Proceeds of Foreclosure Sale. The proceeds of any foreclosure sale of the premises shall be distributed and applied in the following order of priority: First, to the payment of all costs and expenses incident to the foreclosure proceedings, including all such items as are mentioned in the preceding paragraph hereof; second, to payment of all other items which are due under the terms of the Note, with interest thereon as herein provided; third, to the payment of all principal and interest remaining unpaid on the Note; and fourth, any balance to Mortgagors, their successors or assigns, as their rights may appear.

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17. Appointment of Receiver. Upon, or at any time after the filing of a complaint to foreclose this Mortgage, the court in which such complaint is filed may appoint a receiver of said premises. Such appointment may be made either before or after sale, without notice, without regard to the solvency or insolvency of Mortgagors at the time of application for such receiver and without regard to the then value of the premises or whether the same shall be then occupied as a homestead or not and the Mortgagee hereunder or any holder of the Note may be appointed as such receiver. Such receiver shall have power to collect the rents, issues and profits of said premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when Mortgagors, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The court from time to time may authorize the receiver to apply the net income in his hands in payment in whole or in part of: (a) the indebtedness secured hereby, or by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree, provided such application is made prior to foreclosure sale; (b) the deficiency in case of a sale and deficiency.

18. Mortgagee's Right of Possession in Case of Default. (a) In any case in which under the provisions of this Mortgage the Mortgagee has a right to institute foreclosure proceedings, whether before or after the whole principal sum secured hereby is declared to be immediately due as aforesaid, or whether before or after the institution of legal proceedings to foreclose the lien hereof or before or after sale thereunder, forth with, upon demand of Mortgagee, Mortgagors shall surrender to Mortgagee and Mortgagee shall be entitled to take actual possession of the premises or any part thereof personally, or by its agents or attorneys, as for condition broken, and Mortgagee in its discretion may, with or without force and with or without process of law, enter upon and take and maintain possession of all or any part of said premises, together with all documents, books, records, papers and accounts of the Mortgagors or then owner of the premises relating thereto, and may exclude the Mortgagors, their agents or servants, wholly therefrom and may as attorney in fact or agent of the Mortgagors, or in its own name as Mortgagee and under the powers herein

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granted, hold, operate, manage and control the premises and conduct the business, if any, thereof, either personally or by its agents, and with full power to use such measures, legal or equitable, as in its discretion or in the discretion of its successors or assigns may be deemed proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter without notice to the Mortgagors, and with full power to cancel or terminate any lease or sublease for any cause or on any ground which would entitle Mortgagors to cancel the same, to elect to disaffirm any lease or sublease made subsequent to this Mortgage or subordinated to the lien hereof, to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, and improvements to the premises as to it may seem judicious, insure and reinsure the same and all risks incidental to Mortgagee's possession, operations and management thereof and to receive all of such avails, rents, issues and profits.

(b) The Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases, and the Mortgagors shall and do hereby agree to indemnify and hold the Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof 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 on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should the Mortgagee incur any such liability other than that arising out of Mortgagee's own negligence, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby, and the Mortgagors shall reimburse the Mortgagee therefor immediately upon demand.

19. Application of Income Received by Mortgagee. The Mortgagee, in the exercise of the rights and powers hereinabove conferred upon it by paragraph 17 and paragraph 18 hereof, shall have full power to use and apply the avails, rents, issues and profits of the premises to the payment of or on account of the following, in such order as the Mortgagee may determine:

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(a) to the payment of the operating expenses of said property including cost of management and leasing thereof (which shall include reasonable compensation to the Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on said premises;

(c) to the payment of expenses incurred or disbursements made for all repairs, decorating, renewals, replacements, alterations, additions, and improvements of said premises and of placing said property in such condition as will, in the judgment of the Mortgagee, make it readily rentable;

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

20. Mortgagee's Right of Inspection. Mortgagee and its authorized agents shall have the right to inspect the premises at all reasonable times and access thereto shall be permitted for that purpose.

21. Condemnation. Mortgagors hereby assign, transfer and set over unto Mortgagee the entire proceeds of any award or any claim for damages for any of the mortgaged property taken or damaged under the power of eminent domain or by condemnation. Mortgagee may elect to apply the proceeds of the award upon or in reduction of the indebtedness secured hereby, whether due or not, or to require Mortgagors to restore or rebuild, in which event the proceeds shall be held by Mortgagee and used to reimburse Mortgagors for the cost of the rebuilding or restoring of buildings or improvements on said premises, in accordance with plans and specifications to be submitted to and approved by Mortgagee. In the event Mortgagors are required or authorized, by Mortgagee's elections aforesaid, to rebuild or restore, the proceeds of the award shall be paid out in the same manner as is provided in paragraph 7 hereof for the payment of insurance proceeds toward the

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cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagors shall pay such cost in excess of the award, before being entitled to reimbursement out of the award. Any surplus which may remain out of said award after payment of such cost of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the indebtedness secured hereby or be paid to any other party entitled thereto.

22. Release Upon Payment and Discharge of Mortgagors' Obligations. Mortgagee shall release this Mortgage and the lien thereof by proper instrument upon payment and discharge of all indebtedness secured hereby or arrangements satisfactory to the Mortgagee in the exercise of its reasonable discretion are made for the provision of collateral or security of equal value to the value of the Mortgagor's security interest hereunder.

23. Notices. All notices hereunder shall be in writing and shall be deemed to have been sufficiently given or served for all purposes when presented personally or sent by registered or certified mail to any party hereto at its address stated above or at such other address of which it shall have notified the party giving such notice in writing. Whenever in this Mortgage the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person or persons entitled to receive such notice. Notices shall be sent to Thomas R. Puckelwartz, 1216 East Brookwood Drive, Arlington Heights, Illinois 60004 and Lynn Puckelwartz, 1216 East Brookwood Drive, Arlington Heights, Illinois 60004 or such other address if the Mortgagors give the Mortgagee notice of their different address.

24. Waiver of Defense. No action for the enforcement of the lien or of any provisions hereof shall be subject to any defense which would not be good and available to the party interposing same in an action at law upon the Note.

25. Waiver of Statutory Rights. Mortgagors shall not and will not apply for or avail itself of any appraisalment, valuation, stay, extension or exemption laws, or any so-called "Moratorium Laws", now existing or hereafter enacted, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, but hereby waives the benefit of such laws. Mortgagors for themselves and all who may claim through or under it waives any and all right to have the property and estates comprising the mortgaged property

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marshaled upon any foreclosure of the lien hereof and agrees that any court having jurisdiction to foreclose such lien may order the mortgaged property sold as an entirety.

26. Mortgagors' Additional Covenants. By its execution hereof, Mortgagors further covenant and agree with Mortgagee, its successors and assigns as follows:

(a) That Mortgagors will fully comply with all of the terms, conditions and provisions of all leases on the property so that the same shall not become in default, and will do all that is needful to preserve all said leases in force. Except for taxes and assessments to be paid by Mortgagors pursuant to paragraph 3 of this Mortgage, Mortgagors will not create or suffer or permit to be created, subsequent to the date of this Mortgage, any lien or encumbrance which may be or become superior to any lease affecting the property.

(b) That Mortgagors will not commit or permit any waste on the mortgaged premises and will keep the buildings, fences and other improvements now or hereafter erected on the mortgaged premises in sound condition and in good repair and free from mechanics' liens or other liens or claims for liens not expressly subordinate to the lien hereof, and will neither do nor permit to be done anything to the mortgaged premises that may impair the value thereof and the Mortgagee shall have the right of entry upon the mortgaged premises at all reasonable times for the purposes of inspecting the same.

(c) That Mortgagors will comply with all requirements of law, municipal ordinances or restrictions of record with respect to the mortgaged premises and will not initiate or acquiesce in any zoning classification, without Mortgagee's written consent.

(d) Mortgagors will not, without the prior written consent of Mortgagee, transfer, convey, mortgage, assign or encumber the premises outside of the normal course of business of Mortgagors.

27. Binding on Successors and Assigns. This Mortgage and all provisions hereof shall extend to and be binding upon Mortgagors

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and all persons claiming under or through Mortgagors, and the word "Mortgagors" when used herein shall include all such persons or entities liable for the payment of the indebtedness or any part thereof, whether or not such person shall have executed the Note or this Mortgage. The word "Mortgagee" when used herein shall include the successors and assigns of the Mortgagee named herein, and the holder or holders, from time to time, of the Note.

28. Captions. The captions and headings of various paragraphs of this Mortgage are for convenience only and are not to be construed as defining or limiting, in any way, the scope or intent of the provisions hereof.

29. Defeasance Clause. If Mortgagors pay to Mortgagee said principal sum and all other sums payable by Mortgagors to Mortgagee as are hereby secured, in accordance with the provisions of the Note and in the manner and at the times therein set forth, without deduction, fraud, or delay, then and from thenceforth this Mortgage, and the estate hereby granted, shall cease and become void, anything herein contained to the contrary notwithstanding.

30. Incorporation of Riders, Exhibits and Addenda. All riders, exhibits and addenda attached to this Mortgage are by express and specific reference incorporated in and made a part of this Mortgage; and with the provision that the covenants contained in each of said riders, exhibits and addenda, and the other things therein set forth shall have the same force and effect as any other covenant or thing herein expressed.

31. Assurances of Cooperation. The parties agree that they will, at any time after the execution of this Agreement, and from time to time, execute, acknowledge, and deliver or cause to be executed, acknowledged and delivered to each other the various documents which shall be reasonably required to carry out the various undertakings under this Agreement. The parties further agree that each of them will use reasonable diligent efforts to cause the conditions precedent hereto to be met.

32. Severability. If any term or provision hereof should be held to be invalid, unenforceable, or illegal, such holding shall not invalidate or render unenforceable any other provision hereof, and the remaining provisions shall not be impaired thereby.

33. Joint and Several Obligation. The obligations of all parties signing this Mortgage shall be joint and several. Wherever

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the term "Mortgagors" shall be used herein, said term shall be construed to mean all parties signing this instrument as obligor.

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

35. Environmental Warranties and Indemnification. (a) All covenants, warranties and representations from the Mortgagors to the Mortgagee in any Environmental Certificate executed by the Mortgagors and relating to the premises are incorporated herein by reference in their entirety. The breach of any covenant, warranty or representation contained in such Environmental Certificate, if any, shall be an occurrence of default under the terms of this agreement.

(b) Mortgagors covenant that to its best knowledge, that the premises is not contaminated by Hazardous Materials (as defined herein) and further covenants, so long as the Indebtedness remains outstanding (i) that it shall not cause or knowingly permit, as a result of any intentional or unintentional act or omission on the part of the Mortgagors, any tenant, subtenant or occupant, the discharge, dispersal, release or disposal of Hazardous Materials onto the premises; and (ii) that it shall not knowingly allow any conditions to exist that would subject it to damages, penalties, injunctive relief or clean-up costs under any applicable federal, state or local statutes, laws or regulations, or at common law.

(c) Mortgagors shall comply with and take reasonable steps to ensure compliance by all tenants, subtenants and occupants with all applicable federal, state and local laws, ordinances, rules and regulations, with respect to the protection of the environment, and shall keep the premises free and clear of any liens imposed pursuant to such laws, ordinances, rules and regulations.

(d) If Mortgagors breach any covenant, warranty or representation contained herein the Mortgagors, at their own expense, shall conduct all investigations, removal, remediation and all other actions necessary to evaluate and correct any condition or substance causing degradation of the environmental condition of the premises in accordance with governmental or judicial direction and all applicable, federal state and local laws, ordinances, rules, regulations and policies within the cure periods provided therein, and to the reasonable satisfaction of the Mortgagee. Mortgagors shall provide Mortgagee with copies and verification of

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all report concerning such investigations and other actions so taken.

(e) If an environmental assessment has been conducted at Mortgagee's request, such assessment shall not be deemed a waiver or relinquishment of Mortgagee's right to rely on the covenants, representations, warranties or agreements made herein or to receive the protection and indemnity contained herein. If at any time during the term of the Indebtedness, the Mortgagee reasonably believes that any federal, state and local law, ordinance, rule or regulation, with respect to Hazardous Materials or the environmental condition of the premises, has been or is being violated, the Mortgagee shall have the right to require Mortgagors, at Mortgagors' expense, to have an environmental assessment or assessments completed and to furnish evidence satisfactory to Mortgagee in the exercise of its commercially reasonable discretion that no such violation has occurred. Until receipt of such evidence, the Mortgagee shall not be required to make any advances or loans to Mortgagors. Mortgagee's exercise of its rights under this subparagraph (e) shall in no way limit its other rights and remedies outlined herein.

(f) The Mortgagors shall provide the Mortgagee with reasonable access to the premises, the Mortgagors' business records and Mortgagors' agents and employees for the purpose of confirming compliance with the provisions of this Mortgage, conducting or causing to be conducted environmental assessment or assessments and protecting the Mortgagee's security interest. The Mortgagee shall be under no duty to exercise such access, the nonexercise of which shall in no way prejudice the rights of the Mortgagee under this Mortgage Agreement or otherwise.

(g) Mortgagors have a continuing duty to notify the Mortgagee of any material change of conditions affecting the continuing accuracy and truthfulness of any covenant, representation, or warranty of the Mortgagors, contained in this Mortgage Agreement or in any Environmental Certificate delivered by Mortgagors to Mortgagee.

(h) All obligations and liabilities of the Mortgagors under this Mortgage, including, but not limited to, the indemnity contained herein, shall survive discharge of the Mortgage as a result of foreclosure or deed given in lieu thereof, or any other exercise by Mortgagee of any remedies available to it for any default under this Mortgage Agreement and shall be in full force

and effect at the time any claim or action is asserted by or against the Mortgagee. Provided, however, any term or provision contained herein to the contract notwithstanding Mortgagee shall be solely responsible for liabilities arising while Mortgagee or any agent of Mortgagee is in actual and exclusive possession of the premises. Provided further, however, Mortgagors shall be solely responsible for liabilities arising out of the placement of hazardous materials, if any, on the premises prior to Mortgagee's or its agent taking actual possession of the premises.

(i) For purposes of this Mortgage Agreement, "Hazardous Materials" shall include, without limitation, any chemical or other material which is or may become injurious to the public health, safety, or welfare, or to the environment, flammable explosives, petroleum fraction, pesticides, radioactive materials, hazardous materials, hazardous waste, regulated substances, hazardous or toxic substances, asbestos-containing materials, polychlorinated biphenyls, or related or similar materials, including by way of example, substances or materials defined by any federal, state or local environmental law, ordinance, rule or regulation, including without limitation, the Comprehensive Environmental Response Compensation and Liability Act of 1980, as amended (42 U.S.C. Sections 9601 et seq.), the Hazardous Materials Transportation Act, as amended 49 U.S.C. Sections 1801 et seq.), the Federal Insecticide, Fungicide, and Rodenticide Act as amended (7 U.S.C. 136 et seq.), or, as applicable, the Illinois Environmental Protection Act, as amended (415 ILCS 5/1 et seq.), and the regulations adopted and publications promulgated pursuant thereto. "Hazardous materials" shall not include materials of a nature and quantity normally used in the maintenance of the premises.

IN WITNESS WHEREOF, Mortgagors have signed this instrument on the day and year first above written.

(SIGNATURE PAGE FOLLOWS)

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MORTGAGORS:

Thomas R. Puckelwartz
Thomas R. Puckelwartz

WITNESS:

R. V. Kyle
Laura M. Doyle

Lynn Puckelwartz
Lynn Puckelwartz

WITNESS:

R. V. Kyle
Laura M. Doyle

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THIS MORTGAGE WAS PREPARED BY:

Thomas J. Dillon
McFadden & Dillon, P.C.
135 South LaSalle Street
Suite 2110
Chicago, Illinois 60603

AFTER RECORDING RETURN TO:

Thomas J. Dillon
McFadden & Dillon, P.C.
135 South LaSalle Street
Suite 2110
Chicago, Illinois 60603

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EXHIBIT A

LEGAL DESCRIPTION

LOT 20 IN CAMELOT PARKS ESTATES, UNIT 1, BEING A SUBDIVISION IN THE NORTHEAST 1/4 OF SECTION 17, TOWNSHIP 42 NORTH, RANGE 11, EAST OF THE THIRD PRINCIPAL MERIDIAN, IN COOK COUNTY, ILLINOIS.

PIN: 03-17-214-036

Commonly known as: 1216 East Brookwood Drive, Arlington Heights, Illinois 60004

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STATE OF Illinois)
)
COUNTY OF Cook) SS.

I, Colleen Hirsch, a Notary Public in and for said County in the State aforesaid, DO HEREBY CERTIFY that Lynn Puckelwartz who is personally known to me to be the same person whose name is subscribed to the foregoing instrument, she appeared before me this day in person and acknowledged that she signed and delivered the said instrument as his own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and notarial seal this 16 day of March, 1999.

Colleen Hirsch

Notary Public



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