

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

MAR 18 2011
DOROTHY BROWN
CLERK OF THE CIRCUIT COURT
OF COOK COUNTY, IL

IN THE MATTER OF THE LIQUIDATION)
OF CONSTITUTIONAL CASUALTY COMPANY)

NO. 10 CH 47490

MOTION FOR THE TURNOVER OF FUNDS

Michael T. McRaith, Director of Insurance for the State of Illinois, as statutory and court-affirmed liquidator (the "Liquidator") of Constitutional Casualty Company ("CCC"), by and through his attorneys, requests that an order for the turnover of funds be entered against Northside Community Bank ("NCB") and in support thereof states as follows:

1. Pursuant to the McCarran-Ferguson Act, 15 U.S.C. Section 1011, *et seq.*, the fifty states, the District of Columbia and the U.S. territories regulate the business of insurance, not the federal government. Michael T. McRaith is the Director of Insurance of the State of Illinois (the "Director") and, as such, is charged under Section 401 of the Code, 215 ILCS 5/401, with the rights, powers and duties appertaining to the enforcement and execution of all of the insurance laws of the State of Illinois. The Illinois Department of Insurance licenses, regulates, examines and, if appropriate, disciplines individuals and entities engaged in Illinois in the business of insurance. The Department's responsibilities include, but are not limited to, all aspects of insurance company solvency, the conduct of agents, brokers and companies, the collection of insurance taxes and assessments and, more broadly, the authority to regulate any individual or company involved with the management, distribution, sales or marketing of insurance or insurance-related matters in Illinois. On every topic, the Department's first priority is the protection of the people, families and businesses that purchase insurance in the State of Illinois.

BACKGROUND

NCB'S WRONGFUL SEIZURE OF CCC'S DEPOSIT ACCOUNTS

2. NCB, is an Illinois banking corporation, having its principal place of business at 5103 Washington Street, Gurnee, Illinois, and two branch locations in Cook County, Illinois at which it transacts business.

3. On November 26, 2007, Copco, Inc. ("Copco") entered into a Business Loan Agreement (the "Loan Agreement") with NCB. A copy of the Loan Agreement is attached hereto as Exhibit 1. CCC is wholly owned by Copco.

4. The principal amount of the Loan Agreement is \$7,050,000.

5. The Loan Agreement names "Copco, Inc." as the borrower. No other person or entity is named in the Loan Agreement as a borrower.

6. The Loan Agreement is signed by "Herbert F. Stride Sr., President of Copco, Inc." No other person or entity signed the Loan Agreement in the capacity of borrower.

7. The Loan Agreement names "Herbert F. Stride Sr" as guarantor. No other person or entity is named in the Loan Agreement as a guarantor.

8. The Loan Agreement provides,

RIGHT OF SETOFF. To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account).

9. On or about June 25, 2010, NCB filed a confession of judgment action against Herbert F. Stride, Sr., as guarantor, and Copco, as debtor, on the grounds that Copco had defaulted under the Loan Agreement. In the confession of judgment proceeding, NCB did not allege that CCC was a debtor under the Loan Agreement. A copy of the Complaint for confession of judgment, without exhibits, is attached hereto as Exhibit 2.

10. On or about October 6, 2010, NCB seized the assets in CCC's eight Deposit Accounts at NCB, in the approximate aggregate amount of \$5,333,210:

- a. Money market account 451748 contained \$29,049,65 as of September 30, 2010;
- b. Money market account 406971 contained \$247,593,15 as of September 30, 2010;
- c. Certificate of deposit account 736198, a copy of which is attached hereto as Exhibit 3, contained \$1,000,000, with a maturity date of October 19, 2010 as of September 3, 2010;
- d. Certificate of deposit account 733385, a copy of which is attached hereto as Exhibit 4, contained \$1,000,000, with a maturity date of August 26, 2011As of September 10, 2010;
- e. Certificate of deposit account 736201, a copy of which is attached hereto as Exhibit 5, contained \$1,000,000, with a maturity date of November 19, 2010 as of September 3, 2010;
- f. Certificate of deposit account 767327, a copy of which is attached hereto as Exhibit 6, contained approximately \$369,766.31, with a maturity date of August 19, 2010 as of August 6, 2010;
- g. Certificate of deposit account 767220, a copy of which is attached hereto as Exhibit 7, contained \$477,010.43, with a maturity date of August 12, 2010 as of July 29, 2010; and
- h. Certificate of deposit account 768860, a copy of which is attached hereto as Exhibit 8, contained \$1,203,199.40, with a maturity date of November 13, 2010 as of July 29, 2010.

11. In a lawsuit pending before Judge Flynn in the Chancery Division of the Circuit Court of Cook County, Illinois, captioned Constitutional Casualty Company v. Northside Community Bank, case number 10 CH 46263, NCB asserted that it seized the funds in CCC's Deposit Accounts pursuant to a right of setoff. By way of example, in its Answer, Affirmative and Additional Defenses and Counterclaim, a copy of which is attached hereto as Exhibit 9,

NCB alleges at paragraph 1 of its affirmative defenses that it asserted a right of setoff against “funds maintained in Constitutional’s name at Northside against the amount due it under the Loan Agreement.”

12. The set-off provision in the certificate of deposit contracts provides as follows:

SET-OFF: You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such person’s or legal entity’s right to withdraw. If the debt arises from a note, ‘any due and payable debt’ includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note.

See, e.g., Exhibit 3.

CCC’S RECEIVERSHIP PROCEEDINGS

13. On November 4, 2010, the People of the State of Illinois filed a verified complaint for conservation of CCC, and an Order of Conservation was entered on that date.

14. On January 7, 2011, the People of the State of Illinois filed a verified complaint for liquidation of CCC, and an Agreed Order of Liquidation was entered on January 21, 2011.

15. Paragraph F(i)(c) of the Agreed Order of Liquidation provides as follows,

(i) **In accordance with Section 191 of the Code, *supra*, all persons, companies, and entities shall immediately release their possession and control of any and all property, contracts, and rights of action of CCC to the Director including, but not limited to, bank accounts and bank records, premium and related records, and claim, underwriting, accounting and litigation files, as follows:**

* * *

(c) **All banks, brokerage houses, financial institutions and any and all other companies, persons or entities having knowledge of this order of liquidation are ordered to immediately deliver any and all such assets and/or records to the Liquidator;**

(emphasis added).

TURNOVER OF FUNDS

16. NCB has refused to release to the Liquidator possession and control of the seized from CCC's Deposit Accounts on or about October 6, 2010.

17. At no time since the inception of the Loan Agreement has CCC been a borrower under the Loan Agreement. The only borrower identified within the four corners of the Loan Agreement is Copco.

18. At no time relevant to these proceedings has NCB obtained a judgment against CCC.

19. At no time prior to its seizure of CCC's funds did NCB obtain a judicial determination that CCC is an alter ego of Copco and/or Herbert F. Stride.

20. At no time relevant to these proceedings has NCB had a permissible right under the law to exercise a right of setoff, pursuant to the setoff provision of the Loan Agreement, against CCC's Deposit Accounts.

21. At no time relevant to these proceedings has NCB had a permissible right under the law to exercise a right of setoff, pursuant to the setoff provisions of the Deposit Accounts, against CCC's Deposit Accounts.

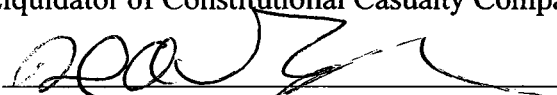
22. NCB, having knowledge of the this Court's Agreed Order of Liquidation, is required, under the injunctive provisions of that order, to immediately turnover possession and control of CCC's assets to the Liquidator. *See* Paragraph 15, above. NCB has willfully refused to do so.

23. Wherefore, the Liquidator requests that this Court enter an order:

- a. Requiring NCB to immediately turnover to the Liquidator's possession and control of the funds NCB seized from CCC's Deposit Accounts on or about October 6, 2010;

- b. Requiring NCB to pay to the Liquidation estate prejudgment interest accrued on the seized funds, from October 6, 2010 through the date said funds are turned over to the Liquidator's possession and control;
- c. Allowing NCB to file a proof of claim in the liquidation proceedings for purposes of asserting any claim it believes it may have against CCC's assets;
and
- d. All such other and further relief as this Court deems just and proper.

Respectfully submitted,
Michael T. McRaith,
Director of Insurance of the State of Illinois
as Liquidator of Constitutional Casualty Company

By: 
One of his Attorneys

Daniel A. Guberman
Counsel to the Director as Receiver
222 Merchandise Mart Plaza
Suite 1450
Chicago, IL 60654
(312) 836-9500
Attorney Code #16819

BUSINESS LOAN AGREEMENT

Principal	Loan Date	Maturity	Loan No.	Collateral	Account	Officer	Initials
\$7,050,000.00	11-26-2007	11-26-2008		5103 WASH/057	201291	JWB	

References in the boxes above are for Lender's use only and do not limit the applicability of this document to any particular loan or item. Any item above containing ***** has been omitted due to text length limitations.

Borrower: Copco, Inc.
111 West Washington Street, Suite 820
Chicago, IL 60602

Lender: NorthSide Community Bank
Gurnee Location
5103 Washington Street
Gurnee, IL 60031

THIS BUSINESS LOAN AGREEMENT dated November 26, 2007, is made and executed between Copco, Inc. ("Borrower") and NorthSide Community Bank ("Lender") on the following terms and conditions. Borrower has received prior commercial loans from Lender or has applied to Lender for a commercial loan or loans or other financial accommodations, including those which may be described on any exhibit or schedule attached to this Agreement ("Loan"). Borrower understands and agrees that: (A) in granting, renewing, or extending any Loan, Lender is relying upon Borrower's representations, warranties, and agreements as set forth in this Agreement; (B) the granting, renewing, or extending of any Loan by Lender at all times shall be subject to Lender's sole judgment and discretion; and (C) all such Loans shall be and remain subject to the terms and conditions of this Agreement.

TERM. This Agreement shall be effective as of November 26, 2007, and shall continue in full force and effect until such time as all of Borrower's Loans in favor of Lender have been paid in full, including principal, interest, costs, expenses, attorneys' fees, and other fees and charges, or until November 28, 2008.

CONDITIONS PRECEDENT TO EACH ADVANCE. Lender's obligation to make the initial Advance and each subsequent Advance under this Agreement shall be subject to the fulfillment to Lender's satisfaction of all of the conditions set forth in this Agreement and in the Related Documents.

Loan Documents. Borrower shall provide to Lender the following documents for the Loan: (1) the Note; (2) Security Agreements granting to Lender security interests in the Collateral; (3) financing statements and all other documents perfecting Lender's Security Interests; (4) evidence of insurance as required below; (5) guaranties; (6) subordinations; (7) together with all such Related Documents as Lender may require for the Loan; all in form and substance satisfactory to Lender and Lender's counsel.

Borrower's Authorization. Borrower shall have provided in form and substance satisfactory to Lender properly certified resolutions, duly authorizing the execution and delivery of this Agreement, the Note and the Related Documents. In addition, Borrower shall have provided such other resolutions, authorizations, documents and instruments as Lender or its counsel may require.

Payment of Fees and Expenses. Borrower shall have paid to Lender all fees, charges, and other expenses which are then due and payable as specified in this Agreement or any Related Document.

Representations and Warranties. The representations and warranties set forth in this Agreement, in the Related Documents, and in any document or certificate delivered to Lender under this Agreement are true and correct.

No Event of Default. There shall not exist at the time of any Advance a condition which would constitute an Event of Default under this Agreement or under any Related Document.

REPRESENTATIONS AND WARRANTIES. Borrower represents and warrants to Lender, as of the date of this Agreement, as of the date of each disbursement of loan proceeds, as of the date of any renewal, extension or modification of any Loan, and at all times any indebtedness exists:

Organization. Borrower is a corporation for profit which is, and at all times shall be, duly organized, validly existing, and in good standing under and by virtue of the laws of the State of Illinois. Borrower is duly authorized to transact business in all other states in which Borrower is doing business, having obtained all necessary filings, governmental licenses and approvals for each state in which Borrower is doing business. Specifically, Borrower is, and at all times shall be, duly qualified as a foreign corporation in all states in which the failure to so qualify would have a material adverse effect on its business or financial condition. Borrower has the full power and authority to own its properties and to transact the business in which it is presently engaged or presently proposes to engage. Borrower maintains its principal office at 111 West Washington Street, Suite 820, Chicago, IL 60602. Unless Borrower has designated otherwise in writing, this is the principal office at which Borrower keeps its books and records including its records concerning the Collateral. Borrower will notify Lender prior to any change in the location of Borrower's state of organization or any change in Borrower's name. Borrower shall do all things necessary to preserve and to keep in full force and effect its existence, rights and privileges, and shall comply with all regulations, rules, ordinances, statutes, orders and decrees of any governmental or quasi-governmental authority or court applicable to Borrower and Borrower's activities.

Assumed Business Names. Borrower has filed or recorded all documents or filings required by law relating to all assumed business names used by Borrower. Excluding the name of Borrower, the following is a complete list of all assumed business names under which Borrower does business: None.

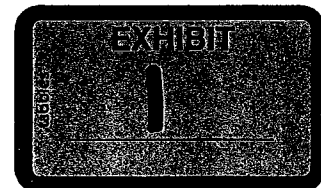
Authorization. Borrower's execution, delivery, and performance of this Agreement and all the Related Documents have been duly authorized by all necessary action by Borrower and do not conflict with, result in a violation of, or constitute a default under: (1) any provision of (a) Borrower's articles of incorporation or organization, or bylaws, or (b) any agreement or other instrument binding upon Borrower or (2) any law, governmental regulation, court decree, or order applicable to Borrower or to Borrower's properties.

Financial Information. Each of Borrower's financial statements supplied to Lender truly and completely disclosed Borrower's financial condition as of the date of the statement, and there has been no material adverse change in Borrower's financial condition subsequent to the date of the most recent financial statement supplied to Lender. Borrower has no material contingent obligations except as disclosed in such financial statements.

Legal Effect. This Agreement constitutes, and any instrument or agreement Borrower is required to give under this Agreement when delivered will constitute legal, valid, and binding obligations of Borrower enforceable against Borrower in accordance with their respective terms.

Properties. Except as contemplated by this Agreement or as previously disclosed in Borrower's financial statements or in writing to Lender and as accepted by Lender, and except for property tax liens for taxes not presently due and payable, Borrower owns and has good title to all of Borrower's properties free and clear of all Security Interests, and has not executed any security documents or financing statements relating to such properties. All of Borrower's properties are titled in Borrower's legal name, and Borrower has not used or filed a financing statement under any other name for at least the last five (5) years.

Hazardous Substances. Except as disclosed to and acknowledged by Lender in writing, Borrower represents and warrants that: (1) During the period of Borrower's ownership of the Collateral, there has been no use, generation, manufacture, storage, treatment, disposal, release or threatened release of any Hazardous Substance by any person on, under, about or from any of the Collateral; (2) Borrower has no knowledge of, or reason to believe that there has been: (a) any breach or violation of any Environmental Laws; (b) any use, generation, manufacture, storage,



**BUSINESS LOAN AGREEMENT
(Continued)**

treatment, disposal, release or threatened release of any Hazardous Substance on, under, about or from the Collateral by any prior owners or occupants of any of the Collateral; or (c) any actual or threatened litigation or claims of any kind by any person relating to such matters. (3) Neither Borrower nor any tenant, contractor, agent or other authorized user of any of the Collateral shall use, generate, manufacture, store, treat, dispose of or release any Hazardous Substance on, under, about or from any of the Collateral; and any such activity shall be conducted in compliance with all applicable federal, state, and local laws, regulations, and ordinances, including without limitation all Environmental Laws. Borrower authorizes Lender and its agents to enter upon the Collateral to make such inspections and tests as Lender may deem appropriate to determine compliance of the Collateral with this section of the Agreement. Any inspections or tests made by Lender shall be at Borrower's expense and for Lender's purposes only and shall not be construed to create any responsibility or liability on the part of Lender to Borrower or to any other person. The representations and warranties contained herein are based on Borrower's due diligence in investigating the Collateral for hazardous waste and Hazardous Substances. Borrower hereby (1) releases and waives any future claims against Lender for indemnity or contribution in the event Borrower becomes liable for cleanup or other costs under any such laws, and (2) agrees to indemnify, defend, and hold harmless Lender against any and all claims, losses, liabilities, damages, penalties, and expenses which Lender may directly or indirectly sustain or suffer resulting from a breach of this section of the Agreement or as a consequence of any use, generation, manufacture, storage, disposal, release or threatened release of a hazardous waste or substance on the Collateral. The provisions of this section of the Agreement, including the obligation to indemnify and defend, shall survive the payment of the indebtedness and the termination, expiration or satisfaction of this Agreement and shall not be affected by Lender's acquisition of any interest in any of the Collateral, whether by foreclosure or otherwise.

Litigation and Claims. No litigation, claim, investigation, administrative proceeding or similar action (including those for unpaid taxes) against Borrower is pending or threatened, and no other event has occurred which may materially adversely affect Borrower's financial condition or properties, other than litigation, claims, or other events, if any, that have been disclosed to and acknowledged by Lender in writing.

Taxes. To the best of Borrower's knowledge, all of Borrower's tax returns and reports that are or were required to be filed, have been filed, and all taxes, assessments and other governmental charges have been paid in full, except those presently being or to be contested by Borrower in good faith in the ordinary course of business and for which adequate reserves have been provided.

Lien Priority. Unless otherwise previously disclosed to Lender in writing, Borrower has not entered into or granted any Security Agreements, or permitted the filing or attachment of any Security Interests on or affecting any of the Collateral directly or indirectly, specifying repayment of Borrower's Loan and Note, that would be prior or that may in any way be superior to Lender's Security Interests and rights in and to such Collateral.

Binding Effect. This Agreement, the Note, all Security Agreements (if any), and all Related Documents are binding upon the signers thereof, as well as upon their successors, representatives and assigns, and are legally enforceable in accordance with their respective terms.

AFFIRMATIVE COVENANTS. Borrower covenants and agrees with Lender that, so long as this Agreement remains in effect, Borrower will:

Notices of Claims and Litigation. Promptly inform Lender in writing of (1) all material adverse changes in Borrower's financial condition, and (2) all existing and all threatened litigation, claims, investigations, administrative proceedings or similar actions affecting Borrower or any Guarantor which could materially affect the financial condition of Borrower or the financial condition of any Guarantor.

Financial Records. Maintain its books and records in accordance with GAAP, applied on a consistent basis, and permit Lender to examine and audit Borrower's books and records at all reasonable times.

Financial Statements. Furnish Lender with the following:

Additional Requirements.

(1) Borrower shall provide annual financial statements from Copco, Inc and Constitutional Casualty Company. The yellow book of Constitutional Casualty Company is subject to an annual satisfactory review.

(2) On a semi annual basis Lender shall review A.M. Best Rating of Constitutional Casualty currently rated a B.

All financial reports required to be provided under this Agreement shall be prepared in accordance with GAAP, applied on a consistent basis, and certified by Borrower as being true and correct.

Additional Information. Furnish such additional information and statements, as Lender may request from time to time.

Financial Covenants and Ratios. Comply with the following covenants and ratios:

Tangible Net Worth Requirements. Other Net Worth requirements are as follows: Constitutional Casualty Company shall maintain a minimum tangible net worth of \$7,000,000.00 which shall be checked on an annual basis throughout the life of this loan.

Except as provided above, all computations made to determine compliance with the requirements contained in this paragraph shall be made in accordance with generally accepted accounting principles, applied on a consistent basis, and certified by Borrower as being true and correct.

Insurance. Maintain fire and other risk insurance, public liability insurance, and such other insurance as Lender may require with respect to Borrower's properties and operations, in form, amounts, coverages and with insurance companies acceptable to Lender. Borrower, upon request of Lender, will deliver to Lender from time to time the policies or certificates of insurance in form satisfactory to Lender, including stipulations that coverages will not be cancelled or diminished without at least thirty (30) days prior written notice to Lender. Each insurance policy also shall include an endorsement providing that coverage in favor of Lender will not be impaired in any way by any act, omission or default of Borrower or any other person. In connection with all policies covering assets in which Lender holds or is offered a security interest for the Loans, Borrower will provide Lender with such lender's loss payable or other endorsements as Lender may require.

Insurance Reports. Furnish to Lender, upon request of Lender, reports on each existing insurance policy showing such information as Lender may reasonably request, including without limitation the following: (1) the name of the insurer; (2) the risks insured; (3) the amount of the policy; (4) the properties insured; (5) the then current property values on the basis of which insurance has been obtained, and the manner of determining those values; and (6) the expiration date of the policy. In addition, upon request of Lender (however not more often than annually), Borrower will have an independent appraiser satisfactory to Lender determine, as applicable, the actual cash value or replacement cost of any Collateral. The cost of such appraisal shall be paid by Borrower.

Guaranties. Prior to disbursement of any Loan proceeds, furnish executed guaranties of the Loans in favor of Lender, executed by the guarantor named below, on Lender's forms, and in the amount and under the conditions set forth in those guaranties.

Name of Guarantor	Amount
Herbert F. Stride Sr	Unlimited

Subordination. Prior to disbursement of any Loan proceeds, deliver to Lender a subordination agreement on Lender's forms, executed by Borrower's creditor named below, subordinating all of Borrower's indebtedness to such creditor, such lesser amount as may be agreed to by

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<u>Name of Creditor</u> Herbert F. Strida, Sr.	<u>Total Amount of Debt</u> \$7,050,000.00
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Other Agreements: Comply with all terms and conditions of all other agreements, whether now or hereafter existing, between Borrower and any other party and notify Lender immediately in writing of any default in connection with any other such agreements.

Loan Proceeds: Use all Loan proceeds solely for Borrower's business operations, unless specifically consented to the contrary by Lender in writing.

Taxes, Charges and Liens: Pay and discharge when due all of its indebtedness and obligations, including without limitation all assessments, taxes, governmental charges, levies and liens, of every kind and nature, imposed upon Borrower or its properties, income, or profits, prior to the date on which penalties would attach, and all lawful claims that, if unpaid, might become a lien or charge upon any of Borrower's properties, income, or profits.

Performance: Perform and comply, in a timely manner, with all terms, conditions, and provisions set forth in this Agreement, in the Related Documents, and in all other instruments and agreements between Borrower and Lender. Borrower shall notify Lender immediately in writing of any default in connection with any agreement.

Operations: Maintain executive and management personnel with substantially the same qualifications and experience as the present executive and management personnel; provide written notice to Lender of any change in executive and management personnel; conduct its business affairs in a reasonable and prudent manner.

Environmental Studies: Promptly conduct and complete, at Borrower's expense, all such investigations, studies, samplings and testings as may be requested by Lender or any governmental authority relative to any substance or any waste or by-product of any substance defined as toxic or a hazardous substance under applicable federal, state, or local law, rule, regulation, order or directive; at or affecting any property or any facility owned, leased or used by Borrower.

Compliance with Governmental Requirements: Comply with all laws, ordinances, and regulations, now or hereafter in effect, of all governmental authorities applicable to the conduct of Borrower's properties, businesses and operations, and to the use or occupancy of the Collateral, including without limitation, the Americans With Disabilities Act. Borrower may contest in good faith any such law, ordinance, or regulation and without compliance during any proceeding, including appropriate appeals, so long as Borrower has notified Lender in writing prior to doing so and so long as, in Lender's sole opinion, Lender's interests in the Collateral are not jeopardized. Lender may require Borrower to post adequate security or a surety bond, reasonably satisfactory to Lender, to protect Lender's interest.

Inspection: Permit employees or agents of Lender at any reasonable time to inspect any and all Collateral for the Loan or Loans and Borrower's other properties and to examine or audit Borrower's books, accounts, and records and to make copies and memoranda of Borrower's books, accounts, and records. If Borrower now or at any time hereafter maintains any records (including without limitation computer generated records and computer software programs for the generation of such records) in the possession of a third party, Borrower, upon request of Lender, shall notify such party to permit Lender free access to such records at all reasonable times and to provide Lender with copies of any records it may request, all at Borrower's expense.

Compliance Certificates: Unless waived in writing by Lender, provide Lender at least annually, with a certificate executed by Borrower's chief financial officer, or other officer or person acceptable to Lender, certifying that the representations and warranties set forth in this Agreement are true and correct as of the date of the certificate and further certifying that, as of the date of the certificate, no Event of Default exists under this Agreement.

Environmental Compliance and Reports: Borrower shall comply in all respects with any and all Environmental Laws; not cause or permit to exist, as a result of an intentional or unintentional action or omission on Borrower's part or on the part of any third party, on property owned and/or occupied by Borrower, any environmental activity where damage may result to the environment, unless such environmental activity is pursuant to and in compliance with the conditions of a permit issued by the appropriate federal, state or local governmental authorities; shall furnish to Lender promptly and in any event within thirty (30) days after receipt thereof a copy of any notice, summons, lien, citation, directive, letter or other communication from any governmental agency or instrumentally concerning any intentional or unintentional action or omission on Borrower's part in connection with any environmental activity whether or not there is damage to the environment and/or other natural resources.

Additional Assurances: Make, execute and deliver to Lender such promissory notes, mortgages, deeds of trust, security agreements, assignments, financing statements, instruments, documents and other agreements as Lender or its attorneys may reasonably request to evidence and secure the Loans and to perfect all Security Interests.

LENDER'S EXPENDITURES: If any action or proceeding is commenced that would materially affect Lender's interest in the Collateral or if Borrower fails to comply with any provision of this Agreement or any Related Documents, including but not limited to Borrower's failure to discharge or pay when due any amounts Borrower is required to discharge or pay under this Agreement or any Related Documents, Lender on Borrower's behalf may (but shall not be obligated to) take any action that Lender deems appropriate, including but not limited to discharging or paying all taxes, liens, security interests, encumbrances and other claims, at any time levied or placed on any Collateral and paying all costs for insuring, maintaining and preserving any Collateral. All such expenditures incurred or paid by Lender for such purposes will then bear interest at the rate charged under the Note from the date incurred or paid by Lender to the date of repayment by Borrower. All such expenses will become a part of the indebtedness and, at Lender's option, will: (A) be payable on demand; (B) be added to the balance of the Note and be apportioned among and be payable with any installment payments to become due during either (1) the term of any applicable insurance policy; or (2) the remaining term of the Note; or (C) be treated as a balloon payment which will be due and payable at the Note's maturity.

NEGATIVE COVENANTS: Borrower covenants and agrees with Lender that while this Agreement is in effect, Borrower shall not, without the prior written consent of Lender:

Indebtedness and Liens: (1) Except for trade debt incurred in the normal course of business and indebtedness to Lender contemplated by this Agreement, create, incur, or assume indebtedness for borrowed money, including capital leases, (2) sell, transfer, mortgage, assign, pledge, lease, grant a security interest in, or encumber any of Borrower's assets (except as allowed as Permitted Liens), or (3) sell with recourse any of Borrower's accounts, except to Lender.

Continuity of Operations: (1) Engage in any business activities substantially different than those in which Borrower is presently engaged, (2) cease operations, liquidate, merge, transfer, acquire or consolidate with any other entity, change its name, dissolve or transfer or sell Collateral out of the ordinary course of business, or (3) pay any dividends on Borrower's stock (other than dividends payable in its stock), provided, however that notwithstanding the foregoing, but only so long as no Event of Default has occurred and is continuing or would result from the payment of dividends, if Borrower is a "Subchapter S Corporation" (as defined in the Internal Revenue Code of 1986, as amended), Borrower may pay cash dividends on its stock to its shareholders from time to time in amounts necessary to enable the shareholders to pay income taxes and make estimated income tax payments to satisfy their liabilities under federal and state law which arise solely from their status as Shareholders of a Subchapter S Corporation because of their ownership of shares of Borrower's stock, or purchase or retire any of Borrower's outstanding shares or

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alter or amend Borrower's capital structure

Loans, Acquisitions and Guaranties. (1) Loan, invest in or advance money or assets to any other person, enterprise or entity, (2) purchase, create or acquire any interest in any other enterprise or entity, or (3) incur any obligation as surety or guarantor other than in the ordinary course of business;

Agreements. Borrower will not enter into any agreement containing any provisions which would be violated or breached by the performance of Borrower's obligations under this Agreement or in connection herewith

CESSATION OF ADVANCES If Lender has made any commitment to make any Loan to Borrower, whether under this Agreement or under any other agreement, Lender shall have no obligation to make Loan Advances or to disburse Loan proceeds if: (A) Borrower or any Guarantor is in default under the terms of this Agreement or any of the Related Documents or any other agreement that Borrower or any Guarantor has with Lender; (B) Borrower or any Guarantor dies, becomes incompetent or becomes insolvent, files a petition in bankruptcy or similar proceedings, or is adjudged a bankrupt; (C) there occurs a material adverse change in Borrower's financial condition, in the financial condition of any Guarantor, or in the value of any collateral securing any Loan; or (D) any Guarantor seeks claims or otherwise attempts to limit, modify or revoke such Guarantor's guaranty of the Loan or any other loan with Lender; or (E) Lender in good faith deems itself insecure, even though no Event of Default shall have occurred

RIGHT OF SETOFF To the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender (whether checking, savings, or some other account). This includes all accounts Borrower holds jointly with someone else and all accounts Borrower may open in the future. However, this does not include any IRA or Keogh accounts, or any trust accounts for which setoff would be prohibited by law. Borrower authorizes Lender, to the extent permitted by applicable law, to charge or setoff all sums owing on the indebtedness against any and all such accounts, and, at Lender's option, to administratively freeze all such accounts to allow Lender to protect Lender's charge and setoff rights provided in this paragraph

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

Payment Default. Borrower fails to make any payment when due under the Loan.

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

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

False Statements. Any warranty, representation or statement made or furnished to Lender by Borrower or on Borrower's behalf under this Agreement or the Related Documents is false or misleading in any material respect, either now or at the time made or furnished or becomes false or misleading at any time thereafter

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

Defective Collateralization This Agreement or any of the Related Documents ceases to be in full force and effect (including failure of any collateral document to create a valid and perfected security interest or lien) at any time and for any reason

Creditor or Forfeiture Proceedings. Commencement of foreclosure or forfeiture proceedings, whether by judicial proceeding, self-help, repossession or any other method, by any creditor of Borrower or by any governmental agency against any collateral securing the Loan. This includes a garnishment of any of Borrower's accounts, including deposit accounts, with Lender. However, this Event of Default shall not apply if there is a good faith dispute by Borrower as to the validity or reasonableness of the claim which is the basis of the creditor or forfeiture proceeding and if Borrower gives Lender written notice of the creditor or forfeiture proceeding and deposits with Lender monies or a surety bond for the creditor or forfeiture proceeding, in an amount determined by Lender, in its sole discretion, as being an adequate reserve or bond for the dispute.

Events Affecting Guarantor. Any of the preceding events occurs with respect to any Guarantor or any of the Indebtedness or any Guarantor dies or becomes incompetent, or revokes or disputes the validity of, or liability under, any Guaranty of the Indebtedness. In the event of a death, Lender, at its option, may, but shall not be required to, permit the Guarantor's estate to assume unconditionally the obligations arising under the guaranty in a manner satisfactory to Lender, and, in doing so, cure any Event of Default.

Change in Ownership. Any change in ownership of twenty-five percent (25%) or more of the common stock of Borrower

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

Insecurity. Lender in good faith believes itself insecure

Right to Cure. If any default, other than a default on indebtedness, is curable and if Borrower or Grantor, as the case may be, has not been given a notice of a similar default within the preceding twelve (12) months, it may be cured if Borrower or Grantor, as the case may be, after receiving written notice from Lender demanding cure of such default: (1) cure the default within fifteen (15) days; or (2) if the cure requires more than fifteen (15) days, immediately initiate steps which Lender deems in Lender's sole discretion to be sufficient to cure the default and thereafter continue and complete all reasonable and necessary steps sufficient to produce compliance as soon as reasonably practical.

EFFECT OF AN EVENT OF DEFAULT. If any Event of Default shall occur, except where otherwise provided in this Agreement or the Related Documents, all commitments and obligations of Lender under this Agreement or the Related Documents or any other agreement immediately will terminate (including any obligation to make further Loan Advances or disbursements), and, at Lender's option, all indebtedness immediately will become due and payable, all without notice of any kind to Borrower, except that in the case of an Event of Default of the type described in the "Insolvency" subsection above, such acceleration shall be automatic and not optional. In addition, Lender shall have all the rights and remedies provided in the Related Documents or available at law, in equity, or otherwise. Except as may be prohibited by applicable law, all of Lender's rights and remedies shall be cumulative and may be exercised singularly or concurrently. Election by Lender to pursue any remedy shall not exclude pursuit of any other remedy, and an election to make expenditures or to take action to perform an obligation of Borrower or of any Grantor shall not affect Lender's right to declare a default and to exercise its rights and remedies.

REQUIRED DEPOSIT RELATIONSHIP

Constitutional Casualty Company shall maintain a minimum of \$5,000,000 on deposit with Lender throughout the life of this loan

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

Amendments. This Agreement together with any Related Documents, constitutes the entire understanding and agreement of the parties as to the

**BUSINESS LOAN AGREEMENT
(Continued)**

Page 5

matters set forth in this Agreement. No alteration of or amendment to this Agreement shall be effective unless given in writing and signed by the party or parties sought to be charged or bound by the alteration or amendment.

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

Caption Headings. Caption headings in this Agreement are for convenience purposes only and are not to be used to interpret or define the provisions of this Agreement.

Consent to Loan Participation. Borrower agrees and consents to Lender's sale or transfer, whether now or later, of one or more participation interests in the Loan to one or more purchasers, whether related or unrelated to Lender. Lender may provide, without any limitation whatsoever, to any one or more purchasers or potential purchasers, any information or knowledge Lender may have about Borrower or about any other matter relating to the Loan, and Borrower hereby waives any rights to privacy Borrower may have with respect to such matters. Borrower additionally waives any and all notices of sale of participation interests, as well as all notices of any repurchase of such participation interests. Borrower also agrees that the purchasers of any such participation interests will be considered as the absolute owners of such interests in the Loan and will have all the rights granted under the participation agreement or agreements governing the sale of such participation interests. Borrower further waives all rights of offset or counterclaim that it may have now or later against Lender or against any purchaser of such a participation interest and unconditionally agrees that either Lender or such purchaser may enforce Borrower's obligation under the Loan irrespective of the failure or insolvency of any holder of any interest in the Loan. Borrower further agrees that the purchaser of any such participation interests may enforce its interests irrespective of any personal claims or defenses that Borrower may have against Lender.

Governing Law. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of Illinois without regard to its conflicts of law provisions. This Agreement has been accepted by Lender in the State of Illinois.

Choice of Venue. If there is a lawsuit, Borrower agrees upon Lender's request to submit to the jurisdiction of the courts of Lake County, State of Illinois.

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

Notices. Any notice required to be given under this Agreement shall be given in writing, and shall be effective when actually delivered, when actually received by telefacsimile (unless otherwise required by law), when deposited with a nationally recognized overnight courier, or, if mailed, when deposited in the United States mail, as first class, certified or registered mail postage prepaid, directed to the addresses shown near the beginning of this Agreement. Any party may change its address for notices under this Agreement by giving formal written notice to the other parties, specifying that the purpose of the notice is to change the party's address. For notice purposes, Borrower agrees to keep Lender informed at all times of Borrower's current address. Unless otherwise provided or required by law, if there is more than one Borrower, any notice given by Lender to any Borrower is deemed to be notice given to all Borrowers.

Severability. If a court of competent jurisdiction finds any provision of this Agreement to be illegal, invalid, or unenforceable as to any circumstance, that finding shall not make the offending provision illegal, invalid, or unenforceable as to any other circumstance. If possible, the offending provision shall be considered modified so that it becomes legal, valid and enforceable. If the offending provision cannot be so modified, it shall be considered deleted from this Agreement. Unless otherwise required by law, the illegality, invalidity, or unenforceability of any provision of this Agreement shall not affect the legality, validity or enforceability of any other provision of this Agreement.

Subsidiaries and Affiliates of Borrower. To the extent the context of any provisions of this Agreement makes it appropriate, including without limitation any representation, warranty or covenant, the word "Borrower" as used in this Agreement shall include all of Borrower's subsidiaries and affiliates. Notwithstanding the foregoing however, under no circumstances shall this Agreement be construed to require Lender to make any Loan or other financial accommodation to any of Borrower's subsidiaries or affiliates.

Successors and Assigns. All covenants and agreements by or on behalf of Borrower contained in this Agreement or any Related Documents shall bind Borrower's successors and assigns and shall inure to the benefit of Lender and its successors and assigns. Borrower shall not, however, have the right to assign Borrower's rights under this Agreement or any interest therein, without the prior written consent of Lender.

Survival of Representations and Warranties. Borrower understands and agrees that in making the Loan, Lender is relying on all representations, warranties, and covenants made by Borrower in this Agreement or in any certificate or other instrument delivered by Borrower to Lender under this Agreement or the Related Documents. Borrower further agrees that regardless of any investigation made by Lender, all such representations, warranties and covenants will survive the making of the Loan and delivery to Lender of the Related Documents, shall be continuing in nature, and shall remain in full force and effect until such time as Borrower's indebtedness shall be paid in full, or until this Agreement shall be terminated in the manner provided above, whichever is the last to occur.

Time is of the Essence. Time is of the essence in the performance of this Agreement.

Waive Jury. All parties to this Agreement hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by any party against any other party.

DEFINITIONS. The following capitalized words and terms shall have the following meanings when used in this Agreement. Unless specifically stated to the contrary, all references to dollar amounts shall mean amounts in lawful money of the United States of America. Words and terms used in the singular shall include the plural, and the plural shall include the singular, as the context may require. Words and terms not otherwise defined in this Agreement shall have the meanings attributed to such terms in the Uniform Commercial Code. Accounting words and terms not otherwise defined in this Agreement shall have the meanings assigned to them in accordance with generally accepted accounting principles as in effect on the date of this Agreement:

Advance. The word "Advance" means a disbursement of Loan funds made, or to be made, to Borrower or on Borrower's behalf on a line of credit or multiple advance basis under the terms and conditions of this Agreement.

**BUSINESS LOAN AGREEMENT
(Continued)**

Agreement. The word "Agreement" means this Business Loan Agreement, as this Business Loan Agreement may be amended or modified from time to time, together with all exhibits and schedules attached to this Business Loan Agreement from time to time

Borrower. The word "Borrower" means Copco, Inc. and includes all co-signers and co-makers signing the Note and all their successors and assigns

Collateral. The word "Collateral" means all property and assets granted as collateral security for a Loan, whether real or personal property, whether granted directly or indirectly, whether granted now or in the future, and whether granted in the form of a security interest, mortgage, collateral mortgage, deed of trust, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien, charge, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever, whether created by law, contract, or otherwise.

Environmental Laws. The words "Environmental Laws" mean any and all state, federal and local statutes, regulations and ordinances relating to the protection of human health or the environment, including without limitation the Comprehensive Environmental Response, Compensation, and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq. ("CERCLA"), the Superfund Amendments and Reauthorization Act of 1986, Pub. L. No. 99-499 ("SARA"), the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., or other applicable state or federal laws, rules, or regulations adopted pursuant thereto.

Event of Default. The words "Event of Default" mean any of the events of default set forth in this Agreement in the default section of this Agreement

GAAP. The word "GAAP" means generally accepted accounting principles.

Grantor. The word "Grantor" means each and all of the persons or entities granting a Security Interest in any Collateral for the Loan, including without limitation all Borrowers granting such a Security Interest.

Guarantor. The word "Guarantor" means any guarantor, surety, or accommodation party of any or all of the Loan

Guaranty. The word "Guaranty" means the guaranty from Guarantor to Lender, including without limitation a guaranty of all or part of the Note

Hazardous Substances. The words "Hazardous Substances" mean materials that, because of their quantity, concentration or physical, chemical or infectious characteristics, may cause or pose a present or potential hazard to human health or the environment when improperly used, treated, stored, disposed of, generated, manufactured, transported or otherwise handled. The words "Hazardous Substances" are used in their very broadest sense and include without limitation any and all hazardous or toxic substances, materials or waste as defined by or listed under the Environmental Laws. The term "Hazardous Substances" also includes, without limitation, petroleum and petroleum by-products or any fraction thereof and asbestos

Indebtedness. The word "Indebtedness" means the indebtedness evidenced by the Note or Related Documents, including all principal and interest together with all other indebtedness and costs and expenses for which Borrower is responsible under this Agreement or under any of the Related Documents

Lender. The word "Lender" means NorthSide Community Bank, its successors and assigns

Loan. The word "Loan" means any and all loans and financial accommodations from Lender to Borrower whether now or hereafter existing, and however evidenced, including without limitation those loans and financial accommodations described herein or described on any exhibit or schedule attached to this Agreement from time to time

Note. The word "Note" means the Note executed by Copco, Inc. in the principal amount of \$7,050,000.00 dated November 26, 2007, together with all renewals of, extensions of, modifications of, refinancings of, consolidations of, and substitutions for the note or credit agreement.

Permitted Liens. The words "Permitted Liens" mean (1) liens and security interests securing indebtedness owed by Borrower to Lender; (2) liens for taxes, assessments, or similar charges either not yet due or being contested in good faith; (3) liens of materialmen, mechanics, warehousemen, or carriers, or other like liens arising in the ordinary course of business and securing obligations which are not yet delinquent; (4) purchase money liens or purchase money security interests upon or in any property acquired or held by Borrower in the ordinary course of business to secure indebtedness outstanding on the date of this Agreement or permitted to be incurred under the paragraph of this Agreement titled "Indebtedness and Liens"; (5) liens and security interests which, as of the date of this Agreement, have been disclosed to and approved by the Lender in writing; and (6) those liens and security interests which in the aggregate constitute an immaterial and insignificant monetary amount with respect to the net value of Borrower's assets

Related Documents. The words "Related Documents" mean all promissory notes, credit agreements, loan agreements, environmental agreements, guaranties, security agreements, mortgages, deeds of trust, security deeds, collateral mortgages, and all other instruments, agreements and documents, whether now or hereafter existing, executed in connection with the Loan

Security Agreement. The words "Security Agreement" mean and include without limitation any agreements, promises, covenants, arrangements, understandings or other agreements, whether created by law, contract, or otherwise, evidencing, governing, representing, or creating a Security Interest

Security Interest. The words "Security Interest" mean, without limitation, any and all types of collateral security, present and future, whether in the form of a lien, charge, encumbrance, mortgage, deed of trust, security deed, assignment, pledge, crop pledge, chattel mortgage, collateral chattel mortgage, chattel trust, factor's lien, equipment trust, conditional sale, trust receipt, lien or title retention contract, lease or consignment intended as a security device, or any other security or lien interest whatsoever whether created by law, contract, or otherwise.

BORROWER ACKNOWLEDGES HAVING READ ALL THE PROVISIONS OF THIS BUSINESS LOAN AGREEMENT AND BORROWER AGREES TO ITS TERMS. THIS BUSINESS LOAN AGREEMENT IS DATED NOVEMBER 26, 2007.

BORROWER:

COPCO, INC.

By: 

Herbert F. Stride Sr., President of Copco, Inc.

BUSINESS LOAN AGREEMENT
(Continued)

LENDER:

NORTHSIDE COMMUNITY BANK

By:

Authorized Signer

[Handwritten signature]
[Handwritten signature]
[Handwritten signature]

[Handwritten signature]

[Handwritten signature]

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS

2010 JUN 21 10 16
CALENDAR ROOM 1
FILE 00100
Confession

NorthSide Community Bank

Plaintiff

No. _____

v.

Amount claimed \$ 7,342,723.29

Copco, Inc., an Illinois Corporation, and Herbert F. Stride Sr.,

Defendant

COMPLAINT

1. Plaintiff, NorthSide Community Bank, owns each of the following instruments, executed and delivered, for value received, by defendant, 1) Promissory Note from Copco, Inc. dated 11/26/07; 2) Change in Terms Agreement from Copco, Inc. dated 11/26/08; 3) Change in Terms Agreement from Copco, Inc. dated 11/26/09; 4) Change in Terms Agreement from Copco, Inc. dated 1/26/10 and 5) Commercial Guaranty from Herbert F. Stride Sr. dated 11/26/07.

Date Amount

Each instrument is attached as an exhibit.

*2 (a) ~~Each instrument was executed in this county.~~
(b) ~~One or more of the defendants reside in this county.~~
(c) One or more of the defendants own property, real or personal, located in this county.

*3. Plaintiff is the actual bona-fide owner of the attached instrument by assignment from _____
Dated _____

4. There is due from defendant:

Principal \$ 6,850,000.00 Less rebate Zero Dollars Balance \$ 6,850,000.00
Late Charges and Interest \$ 491,824.29
Attorney's fee \$ 899.00
Total \$ 7,342,723.29

Amounts due are supported by the Affidavit of James S. Randall attached as Exhibit F to this Complaint.

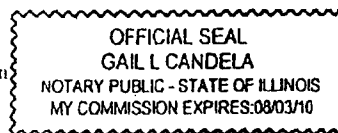
Plaintiff asks judgment against defendant for the amount due.

Attorney for plaintiff

Justin Newman on oath states that the allegation in this complaint are true.

Signed and sworn to before me June 21, 2010 Gail L Candela Notary public

*Strike (a) (b) or (c) not applicable. At least one of said subdivisions must remain.
**Strike if not applicable.



(OVER)

DOROTHY BROWN, CLERK OF THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS



Date Opened: 12/19/2001 Term: 12 Months Tax ID: 36-2349119 Number: revised 4/7/2010

Certificate of Deposit

Account Number: 736198

Dollar Amount of Deposit: One Million Dollars And No Cents \$ 1,000,000.00

This Time Deposit is Issued to: CONSTITUTIONAL CASUALTY CO
 Issuer: NORTHSIDE COMMUNITY BANK revised 4/7/2010
 5103 WASHINGTON STREET
 GURNEE IL 60031,
 5559 N ELSTON AVE
 CHICAGO, IL 60630

Not Negotiable - Not Transferable - Additional terms are below. By _____

Need separate signature page for 5 CO's

Additional Terms and Disclosures

This form Truth-in-lending information is added which explains this form. Maturity: 10 (see below for renewal information.)

Rate Information: The interest rate for this account is 1.24% with an annual percentage yield of 1.25%. This rate will be paid until the maturity date specified above. Interest begins to accrue on the business day you deposit any noncash item (for example, a check). Interest will be compounded monthly check. Interest will be credited monthly check.

The annual percentage yield assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.
 If you close your account before interest is credited, you will not receive the accrued interest.

The NUMBER OF ENDORSEMENTS needed for withdrawal or any other purpose is: one

Minimum Balance Requirement: You must make a minimum deposit to open this account of \$ n/a.
 You must maintain this minimum balance on a daily basis to earn the annual percentage yield disclosed.

Withdrawals of Interest: Interest accrued credited during a term can be withdrawn: n/a

Early Withdrawal Penalty: If we consent to a request for a withdrawal that is otherwise not permitted you may have to pay a penalty. The penalty will be an amount equal to: 180 days interest on the amount withdrawn.

Renewal Policy:
 Single Maturity: If checked, this account will not automatically renew. Interest will will not accrue after maturity.
 Automatic Renewal: If checked, this account will automatically renew on the maturity date. (see page two for terms) Interest will will not accrue after final maturity.

ACCOUNT OWNERSHIP: You have requested and intend the type of account marked below.

- Individual
- Joint Account - With Survivorship (add not as tenants in common)
- Joint Account - No Survivorship (as tenants in common)
- Trust: Separate Agreement Dated _____
- corporation
- Revocable Trust Designation as defined in this agreement (Beneficiaries' names and addresses)

HERBERT F STRIDE
 HERBERT L STRIDE

BACKUP WITHHOLDING CERTIFICATIONS

TIN: 36-2349119

Taxpayer I.D. Number - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.
 Exempt Recipients - I am an exempt recipient under the Internal Revenue Service Regulations.

Backup Withholding - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

A provision for my signature, certifying under penalty of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien), is contained on the first copy of this certificate.

ENDORSEMENTS - SIGN ONLY WHEN YOU REQUEST WITHDRAWAL

X _____
 X _____
 X _____



DEFINITIONS: "We," "our," and "us" mean the issuer of this account and "you" and "your" mean the depositor(s). "Account" means the original certificate of deposit as well as the deposit it evidences.

TRANSFER: "Transfer" means any change in ownership, withdrawal rights, or survivorship rights, including (but not limited to) any pledge or assignment of this account as collateral. You cannot transfer this account without our written consent.

PRIMARY AGREEMENT: You agree to keep your funds with us in this account until the maturity date. (An automatically renewable account matures at regular intervals.) You may not transfer this account without first obtaining our written consent. You must present this certificate when you request a withdrawal or a transfer.

This account is void if the deposit is made by any method requiring collection (such as a check) and the deposit is not immediately collected in full. If the deposit is made or payable in a foreign currency, the amount of the deposit will be adjusted to reflect final exchange into U.S. dollars.

We may change any term of this agreement. Rules governing changes in interest rates have been provided. For other changes we will give you reasonable notice in writing or by any other method permitted by law.

If any notice is necessary, you all agree that the notice will be sufficient if we mail it to the address listed on page one of this form. You must notify us of any change.

WITHDRAWALS AND TRANSFERS: Only those of you who sign the permanent signature card may withdraw funds from this account. (In appropriate cases, a court appointed representative, a beneficiary of a trust account whose right of withdrawal has matured, or a newly appointed and authorized representative of a legal entity may also withdraw from this account.) The specific number of you who must agree to any withdrawal is written on page one in the section bearing the title **NUMBER OF ENDORSEMENTS**. This means, for example, that if two of you sign the signature card but only one endorsement is necessary for withdrawal then either of you may request withdrawal of the entire account at any time. Unless otherwise specified in writing, only one endorsement is required to withdraw funds from this account.

These same rules apply to define the names and the number of you who can request our consent to a transfer.

PLEDGES: Any pledge of this account (to which we have agreed), must first be satisfied before the rights of any joint account survivor beneficiary or trust account beneficiary become effective. For example, if one joint tenant pledges the account for payment of a debt and then dies, the surviving joint tenant's rights in this account are subject first to the payment of the debt.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION: You intend these rules to apply to this account depending on the form of ownership and beneficiary designation, if any, specified on page 1. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account - Such an account is owned by one person.

Joint Account With Survivorship (And Not As Tenants In Common) - Such an account is owned by two or more persons. Each of you intend that upon your death the balance in the account (subject to any previous pledge to which we have consented) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account ownership as joint tenants with survivorship and not as tenants in common.

Joint Account - No Survivorship (As Tenants In Common) - Such an account is owned by two or more persons but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of endorsements" necessary for withdrawal.

Revocable Trust Account (subject to this agreement) - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. Any such beneficiary may withdraw all or any part of the account balance. The person(s) creating this account type reserves the right to: (1) change beneficiaries; (2) change account types; and (3) withdraw all or part of the deposit at any time.

Trust Account Subject to Separate Agreement - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

SET-OFF: You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such person's or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance due the due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

BALANCE COMPUTATION METHOD: We use the daily balance method to calculate the interest on this account. This method applies a daily periodic rate to the principal in the account each day.

TRANSACTION LIMITATIONS: You cannot make additional deposits to this account during a term (other than credited interest). You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty.)

In certain circumstances, such as the death or incompetence of an account owner, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

FOR ACCOUNTS THAT AUTOMATICALLY RENEW: Each renewal term will be the same as this original one, beginning on the maturity date (unless we notify you, in writing, before a maturity date, of a different term for renewal).

You must notify us in writing before, or within a ten day grace period after, the maturity date if you do not want this account to automatically renew.

Interest earned during one term that is not withdrawn during or immediately after that term is added to principal for the renewal term.

The rate for each renewal term will be determined by us on or just before the renewal date. You may call us on or shortly before the maturity date and we can tell you what the interest rate will be for the next renewal term. On accounts with terms of longer than one month we will remind you in advance of the renewal and tell you when the rate will be known for the renewal period.

See your plan disclosure if this account is part of an IRA.

Date: 07/26/2001 Term: 12 Months Tax ID: 36-2349119 Number: revised 4/7/2010

Certificate of Deposit

Account Number: 733385

Dollar Amount of Deposit: One Million Dollars And No Cents \$ 1,000,000.00

This Time Deposit is Issued to: CONSTITUTIONAL CASUALTY CO
 Issuer: NORTHSIDE COMMUNITY BANK revised 4/7/2010
5559 N ELSTON AVE
CHICAGO, IL 60630
5103 WASHINGTON STREET
GURNEE IL 60031,

Not Negotiable - Not Transferable - Additional terms are below. By _____

Additional Terms and Disclosures

This form contains the terms for your time deposit. It is also the Truth-in-Savings disclosure for those depositors entitled to one. There are additional terms and disclosures on page two of this form, some of which explain or expand on those below. You should keep one copy of this form.

Maturity Date: This account matures 08/26/2010
 (See below for renewal information.)

Rate Information: The interest rate for this account is 2.05% with an annual percentage yield of 2.07%. This rate will be paid until the maturity date specified above. Interest begins to accrue on the business day you deposit any noncash item (for example, a check).

Interest will be compounded monthly check. Interest will be credited monthly check.
 Minimum Balance Requirement: You must make a minimum deposit to open this account of \$ n/a.
 You must maintain this minimum balance on a daily basis to earn the annual percentage yield disclosed.

Withdrawals of Interest: Interest accrued credited during a term can be withdrawn: n/a

Early Withdrawal Penalty: If we consent to a request for a withdrawal that is otherwise not permitted you may have to pay a penalty. The penalty will be an amount equal to: 180 days interest on the amount withdrawn.

The annual percentage yield assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.
 If you close your account before interest is credited, you will not receive the accrued interest.

The NUMBER OF ENDORSEMENTS needed for withdrawal or any other purpose is: one

ACCOUNT OWNERSHIP: You have requested and intend the type of account marked below.

Individual
 Joint Account - With Survivorship (and not as tenants in common)
 Joint Account - No Survivorship (- tenants in common)
 Trust: Separate Agreement Dated _____
 corporation _____

Revocable Trust Designation as defined in this agreement (Beneficiaries' names and addresses)

HERBERT F STRIDE
 HERBERT L STRIDE

BACKUP WITHHOLDING CERTIFICATIONS

TIN: 36-2349119

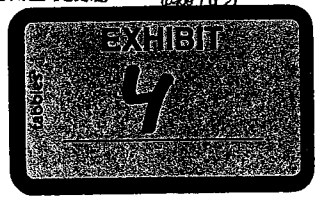
Taxpayer I.D. Number - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.
 Exempt Recipients - I am an exempt recipient under the Internal Revenue Service Regulations.

Backup Withholding - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

A provision for my signature, certifying under penalty of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien), is contained on the first copy of this certificate.

ENDORSEMENTS - SIGN ONLY WHEN YOU REQUEST WITHDRAWAL

X _____
 X _____
 X _____



DEFINITIONS: "We," "our," and "us" mean the issuer of this account and "you" and "your" mean the depositor(s). "Account" means the original certificate of deposit as well as the deposit it evidences.

TRANSFER: "Transfer" means any change in ownership, withdrawal rights, or survivorship rights, including (but not limited to) any pledge or assignment of this account as collateral. You cannot transfer this account without our written consent.

PRIMARY AGREEMENT: You agree to keep your funds with us in this account until the maturity date. (An automatically renewable account matures at regular intervals.) You may not transfer this account without first obtaining our written consent. You must present this certificate when you request a withdrawal or a transfer.

This account is void if the deposit is made by any method requiring collection (such as a check) and the deposit is not immediately collected in full. If the deposit is made or payable in a foreign currency, the amount of the deposit will be adjusted to reflect final exchange into U.S. dollars.

We may change any term of this agreement. Rules governing changes in interest rates have been provided. For other changes we will give you reasonable notice in writing or by any other method permitted by law.

If any notice is necessary, you all agree that the notice will be sufficient if we mail it to the address listed on page one of this form. You must notify us of any change.

WITHDRAWALS AND TRANSFERS: Only those of you who sign the permanent signature card may withdraw funds from this account. (In appropriate cases, a court appointed representative, a beneficiary of a trust account whose right of withdrawal has matured, or a newly appointed and authorized representative of a legal entity may also withdraw from this account.) The specific number of you who must agree to any withdrawal is written on page one in the section bearing the title **NUMBER OF ENDORSEMENTS**. This means, for example, that if two of you sign the signature card but only one endorsement is necessary for withdrawal then either of you may request withdrawal of the entire account at any time. Unless otherwise specified in writing, only one endorsement is required to withdraw funds from this account.

These same rules apply to define the names and the number of you who can request our consent to a transfer.

PLEDGES: Any pledge of this account (to which we have agreed), must first be satisfied before the rights of any joint account survivor beneficiary or trust account beneficiary become effective. For example, if one joint tenant pledges the account for payment of a debt and then dies, the surviving joint tenant's rights in this account are subject first to the payment of the debt.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION: You intend these rules to apply to this account depending on the form of ownership and beneficiary designation, if any, specified on page 1. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account - Such an account is owned by one person.

Joint Account With Survivorship (And Not As Tenants In Common) - Such an account is owned by two or more persons. Each of you intend that upon your death the balance in the account (subject to any previous pledge to which we have consented) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account ownership as joint tenants with survivorship and not as tenants in common.

Joint Account - No Survivorship (As Tenants In Common) - Such an account is owned by two or more persons but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of endorsements" necessary for withdrawal.

Revocable Trust Account (subject to this agreement) - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. Any such beneficiary may withdraw all or any part of the account balance. The person(s) creating this account type reserves the right to: (1) change beneficiaries; (2) change account types; and (3) withdraw all or part of the deposit at any time.

Trust Account Subject to Separate Agreement - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

SET-OFF: You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such person's or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

BALANCE COMPUTATION METHOD: We use the daily balance method to calculate the interest on this account. This method applies a daily periodic rate to the principal in the account each day.

TRANSACTION LIMITATIONS: You cannot make additional deposits to this account during a term (other than credited interest). You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty.)

In certain circumstances, such as the death or incompetence of an account owner, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

FOR ACCOUNTS THAT AUTOMATICALLY RENEW: Each renewal term will be the same as this original one, beginning on the maturity date (unless we notify you, in writing, before a maturity date, of a different term for renewal).

You must notify us in writing before, or within a ten day grace period after, the maturity date if you do not want this account to automatically renew.

Interest earned during one term that is not withdrawn during or immediately after that term is added to principal for the renewal term.

The rate for each renewal term will be determined by us on or just before the renewal date. You may call us on or shortly before the maturity date and we can tell you what the interest rate will be for the next renewal term. On accounts with terms of longer than one month we will remind you in advance of the renewal and tell you when the rate will be known for the renewal period.

See your plan disclosure if this account is part of an IRA.



5103 Washington Street • Gurnee, IL 60031 • 847-244-5100 • Fax 847-244-5175
 1155 Milwaukee Avenue • Riverwoods, IL 60015 • 847-279-1155 • Fax 847-279-1110
 800 N. Route 83 • Mundelein, IL 60060 • 847-837-8883 • Fax 847-837-8333
 8060 Oakton Street • Niles, IL 60714 • 847-692-7500 • Fax 847-692-7517
 205 W. Wacker • Chicago, IL 60606 • 312-781-0670 • Fax 312-781-0671

638 01 01

CONSTITUTIONAL CASUALTY CO
 5559 N ELSTON AVE
 CHICAGO IL 60630

CUSTOMER: 203798

AS OF: 08/13/10

PAGE 1

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12 - 23 MONTH CERTIFICATE 733385

=====

ORIGINAL ISSUE DATE:	07/26/01	INTEREST RATE:	2.0500 %
ORIGINAL ISSUE VALUE:	1,000,000.00	MATURITY DATE:	08/26/10
LAST RENEWAL DATE:	08/26/09	TERM:	12 MONTHS
LAST RENEWAL VALUE:	1,000,000.00		

 * APPROACHING RENEWAL ADVICE *

YOUR CERTIFICATE WILL MATURE ON 08/26/10 WITH AN INTEREST PAYMENT OF 1,741.10. INTEREST PAID SINCE THIS CERTIFICATE WAS LAST RENEWED WILL BE 20,500.02. INTEREST WILL BE PAID TO YOU BY CHECK MONTHLY. ON 08/26/10, ASSUMING NO OTHER ACTIVITY, THE PROJECTED BALANCE OF YOUR 12 - 23 MONTH CERTIFICATE WILL BE 1,000,000.00. IF THE CERTIFICATE RENEWS, THE NEW MATURITY DATE WILL BE 08/26/11.

YOUR CERTIFICATE OF DEPOSIT WILL RENEW FOR AN IDENTICAL TERM AT THE RATE IN EFFECT ON ITS MATURITY DATE UNLESS YOU MAKE A CHANGE OR CASH IN YOUR CERTIFICATE WITHIN THE 10 DAY GRACE PERIOD. THE INTEREST RATE AND ANNUAL PERCENTAGE YIELD HAVE NOT YET BEEN DETERMINED. YOU MAY OBTAIN THIS INFORMATION BY CALLING 847-244-5100 ON OR AFTER 08/26/10.

Date Opened: 12/19/2001 Term: 15 Months Tax ID: 36-2349119 Number: revised 4/7/2010

Certificate of Deposit

Account Number: 736201

Dollar Amount of Deposit: One Million Dollars And No Cents \$ 1,000,000.00

This Time Deposit is Issued to:

CONSTITUTIONAL CASUALTY CO

5559 N ELSTON AVE
CHICAGO, IL 60630

Issuer:

NORTHSIDE COMMUNITY BANK

revised 4/7/2010

5103 WASHINGTON STREET
GURNEE IL 60031.

Not Negotiable - Not Transferable - Additional terms are below.

By _____

Additional Terms and Disclosures

This form contains the terms for your time deposit. It is also the Truth-in-Savings disclosure for those depositors entitled to one. There are additional terms and disclosures on page two of this form, some of which explain or expand on those below. You should keep one copy of this form.

Maturity Date: This account matures 05/19/2010

(See below for renewal information.)

Rate Information: The interest rate for this account is 1.89% with an annual percentage yield of 1.91%. This rate will be paid until the maturity date specified above. Interest begins to accrue on the business day you deposit any noncash item (for example, a check).

Interest will be compounded monthly check

Interest will be credited monthly check

The annual percentage yield assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.

If you close your account before interest is credited, you will not receive the accrued interest.

The NUMBER OF ENDORSEMENTS needed for withdrawal or any other purpose is: one

Minimum Balance Requirement: You must make a minimum deposit to

open this account of \$ n/a

You must maintain this minimum balance on a daily basis to earn the closed.

Interest accrued credited during a

month renewed 5/19/10

we consent to a request for a withdrawal

and you may have to pay a penalty. The

penalty is: 180 days

interest on the amount withdrawn.

renewed at .45% for 6 mos.

If checked, this account will not automatically

renew on the maturity date. (see page two for terms)

Interest will will not accrue after maturity.

Automatic Renewal: If checked, this account will automatically

renew on the maturity date. (see page two for terms)

Interest will will not accrue after final maturity.

ACCOUNT OWNERSHIP: You have requested and intend the type of account marked below.

- Individual
 Joint Account - With Survivorship (and act as trustee in agreement)
 Joint Account - No Survivorship (as tenants in common)
 Trust: Separate Agreement Dated _____
 corporation

Revocable Trust Designation as defined in this agreement (Beneficiaries' names and addresses)

HERBERT F STRIDE
HERBERT L STRIDE

BACKUP WITHHOLDING CERTIFICATIONS

TIN: 36-2349119

Taxpayer I.D. Number - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

Backup Withholding - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

Exempt Recipients - I am an exempt recipient under the Internal Revenue Service Regulations.

A provision for my signature, certifying under penalty of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien), is contained on the first copy of this certificate.

ENDORSEMENTS - SIGN ONLY WHEN YOU REQUEST WITHDRAWAL

X _____
X _____
X _____



DEFINITIONS: "We," "our," and "us" mean the issuer of this account and "you" and "your" mean the depositor(s). "Account" means the original certificate of deposit as well as the deposit it evidences.

TRANSFER: "Transfer" means any change in ownership, withdrawal rights, or survivorship rights, including (but not limited to) any pledge or assignment of this account as collateral. You cannot transfer this account without our written consent.

PRIMARY AGREEMENT: You agree to keep your funds with us in this account until the maturity date. (An automatically renewable account matures at regular intervals.) You may not transfer this account without first obtaining our written consent. You must present this certificate when you request a withdrawal or a transfer.

This account is void if the deposit is made by any method requiring collection (such as a check) and the deposit is not immediately collected in full. If the deposit is made or payable in a foreign currency, the amount of the deposit will be adjusted to reflect final exchange into U.S. dollars.

We may change any term of this agreement. Rules governing changes in interest rates have been provided. For other changes we will give you reasonable notice in writing or by any other method permitted by law.

If any notice is necessary, you all agree that the notice will be sufficient if we mail it to the address listed on page one of this form. You must notify us of any change.

WITHDRAWALS AND TRANSFERS: Only those of you who sign the permanent signature card may withdraw funds from this account. (In appropriate cases, a court appointed representative, a beneficiary of a trust account whose right of withdrawal has matured, or a newly appointed and authorized representative of a legal entity may also withdraw from this account.) The specific number of you who must agree to any withdrawal is written on page one in the section bearing the title **NUMBER OF ENDORSEMENTS**. This means, for example, that if two of you sign the signature card but only one endorsement is necessary for withdrawal then either of you may request withdrawal of the entire account at any time. Unless otherwise specified in writing, only one endorsement is required to withdraw funds from this account.

These same rules apply to define the names and the number of you who can request our consent to a transfer.

PLEDGES: Any pledge of this account (to which we have agreed), must first be satisfied before the rights of any joint account survivor beneficiary or trust account beneficiary become effective. For example, if one joint tenant pledges the account for payment of a debt and then dies, the surviving joint tenant's rights in this account are subject first to the payment of the debt.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION: You intend these rules to apply to this account depending on the form of ownership and beneficiary designation, if any, specified on page 1. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account - Such an account is owned by one person.

Joint Account With Survivorship (And Not As Tenants In Common) - Such an account is owned by two or more persons. Each of you intend that upon your death the balance in the account (subject to any previous pledge to which we have consented) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account ownership as joint tenants with survivorship and not as tenants in common.

Joint Account - No Survivorship (As Tenants In Common) - Such an account is owned by two or more persons but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of endorsements" necessary for withdrawal.

Revocable Trust Account (subject to this agreement) - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. Any such beneficiary may withdraw all or any part of the account balance. The person(s) creating this account type reserves the right to: (1) change beneficiaries; (2) change account types; and (3) withdraw all or part of the deposit at any time.

Trust Account Subject to Separate Agreement - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

SET-OFF: You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such person's or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

BALANCE COMPUTATION METHOD: We use the daily balance method to calculate the interest on this account. This method applies a daily periodic rate to the principal in the account each day.

TRANSACTION LIMITATIONS: You cannot make additional deposits to this account during a term (other than credited interest). You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty.)

In certain circumstances, such as the death or incompetence of an account owner, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

FOR ACCOUNTS THAT AUTOMATICALLY RENEW: Each renewal term will be the same as this original one, beginning on the maturity date (unless we notify you, in writing, before a maturity date, of a different term for renewal).

You must notify us in writing before, or within a ten day grace period after, the maturity date if you do not want this account to automatically renew.

Interest earned during one term that is not withdrawn during or immediately after that term is added to principal for the renewal term.

The rate for each renewal term will be determined by us on or just before the renewal date. You may call us on or shortly before the maturity date and we can tell you what the interest rate will be for the next renewal term. On accounts with terms of longer than one month we will remind you in advance of the renewal and tell you when the rate will be known for the renewal period.

See your plan disclosure if this account is part of an IRA.

Date Opened: 07/19/2005 Term: 12 Months Tax ID: 36-2349119 Number: Open By PATRICIA

Certificate of Deposit

Account Number: 767327

Dollar Amount of Deposit: Three Hundred Thousand Dollars And No Cents \$ 300,000.00

This Time Deposit is Issued to:

CONSTITUTIONAL CASUALTY CO

5559 N ELSTON AVE
CHICAGO, IL 60630

Issuer:

NORTHSIDE COMMU
5103 WASHINGTON
GURNEE IL 60031,

*3/31/2010 value
with interest
accumulation =
366,835.82*

Not Negotiable - Not Transferable - Additional terms are below.

By _____

Additional Terms and Disclosures

This form contains the terms for your time deposit. It is also the Truth-in-Savings disclosure for those depositors entitled to one. There are additional terms and disclosures on page two of this form, some of which explain or expand on those below. You should keep one copy of this form.

Maturity Date: This account matures 08/19/2010

(See below for renewal information.)

Rate Information: The interest rate for this account is 2.05% with an annual percentage yield of 2.07%. This rate will be paid until the maturity date specified above. Interest begins to accrue on the business day you deposit any noncash item (for example, a check).

Interest will be compounded quarterly. Interest will be credited quarterly.

- The annual percentage yield assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.
- If you close your account before interest is credited, you will not receive the accrued interest.

The NUMBER OF ENDORSEMENTS needed for withdrawal or any other purpose is: one

Minimum Balance Requirement: You must make a minimum deposit to

open this account of \$ n/a.

- You must maintain this minimum balance on a daily basis to earn the annual percentage yield disclosed.

Withdrawals of Interest: Interest accrued credited during a term can be withdrawn: at any time

Early Withdrawal Penalty: If we consent to a request for a withdrawal that is otherwise not permitted you may have to pay a penalty. The penalty will be an amount equal to: 180 days

interest on the amount withdrawn.

Renewal Policy:

- Single Maturity: If checked, this account will not automatically renew. Interest will will not accrue after maturity.
- Automatic Renewal: If checked, this account will automatically renew on the maturity date. (see page two for terms) Interest will will not accrue after final maturity.

ACCOUNT OWNERSHIP: You have requested and intend the type of account marked below.

- Individual
- Joint Account - With Survivorship (and not as tenants in common)
- Joint Account - No Survivorship (in tenancy in common)
- Trust: Separate Agreement Dated _____
- corporation

Revocable Trust Designation as defined in this agreement (Beneficiaries' names and addresses)

HERBERT F STRIDE
HERBERT L STRIDE

BACKUP WITHHOLDING CERTIFICATIONS

TIN: 36-2349119

Taxpayer I.D. Number - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

Backup Withholding - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

Exempt Recipients - I am an exempt recipient under the Internal Revenue Service Regulations.

A provision for my signature, certifying under penalty of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien), is contained on the first copy of this certificate.

ENDORSEMENTS - SIGN ONLY WHEN YOU REQUEST WITHDRAWAL

X _____
X _____
X _____



DEFINITIONS: "We," "our," and "us" mean the issuer of this account and "you" and "your" mean the depositor(s). "Account" means the original certificate of deposit as well as the deposit it evidences.

TRANSFER: "Transfer" means any change in ownership, withdrawal rights, or survivorship rights, including (but not limited to) any pledge or assignment of this account as collateral. You cannot transfer this account without our written consent.

PRIMARY AGREEMENT: You agree to keep your funds with us in this account until the maturity date. (An automatically renewable account matures at regular intervals.) You may not transfer this account without first obtaining our written consent. You must present this certificate when you request a withdrawal or a transfer.

This account is void if the deposit is made by any method requiring collection (such as a check) and the deposit is not immediately collected in full. If the deposit is made or payable in a foreign currency, the amount of the deposit will be adjusted to reflect final exchange into U.S. dollars.

We may change any term of this agreement. Rules governing changes in interest rates have been provided. For other changes we will give you reasonable notice in writing or by any other method permitted by law.

If any notice is necessary, you all agree that the notice will be sufficient if we mail it to the address listed on page one of this form. You must notify us of any change.

WITHDRAWALS AND TRANSFERS: Only those of you who sign the permanent signature card may withdraw funds from this account. (In appropriate cases, a court appointed representative, a beneficiary of a trust account whose right of withdrawal has matured, or a newly appointed and authorized representative of a legal entity may also withdraw from this account.) The specific number of you who must agree to any withdrawal is written on page one in the section bearing the title **NUMBER OF ENDORSEMENTS**. This means, for example, that if two of you sign the signature card but only one endorsement is necessary for withdrawal then either of you may request withdrawal of the entire account at any time. Unless otherwise specified in writing, only one endorsement is required to withdraw funds from this account.

These same rules apply to define the names and the number of you who can request our consent to a transfer.

PLEDGES: Any pledge of this account (to which we have agreed), must first be satisfied before the rights of any joint account survivor beneficiary or trust account beneficiary become effective. For example, if one joint tenant pledges the account for payment of a debt and then dies, the surviving joint tenant's rights in this account are subject first to the payment of the debt.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION: You intend these rules to apply to this account depending on the form of ownership and beneficiary designation, if any, specified on page 1. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account - Such an account is owned by one person.

Joint Account With Survivorship (And Not As Tenants In Common) - Such an account is owned by two or more persons. Each of you intend that upon your death the balance in the account (subject to any previous pledge to which we have consented) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account ownership as joint tenants with survivorship and not as tenants in common.

Joint Account - No Survivorship (As Tenants In Common) - Such an account is owned by two or more persons but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of endorsements" necessary for withdrawal.

Revocable Trust Account (subject to this agreement) - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. Any such beneficiary may withdraw all or any part of the account balance. The person(s) creating this account type reserves the right to: (1) change beneficiaries; (2) change account types; and (3) withdraw all or part of the deposit at any time.

Trust Account Subject to Separate Agreement - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

SET-OFF: You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such person's or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance due the due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

BALANCE COMPUTATION METHOD: We use the daily balance method to calculate the interest on this account. This method applies a daily periodic rate to the principal in the account each day.

TRANSACTION LIMITATIONS: You cannot make additional deposits to this account during a term (other than credited interest). You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty.)

In certain circumstances, such as the death or incompetence of an account owner, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

FOR ACCOUNTS THAT AUTOMATICALLY RENEW: Each renewal term will be the same as this original one, beginning on the maturity date (unless we notify you, in writing, before a maturity date, of a different term for renewal).

You must notify us in writing before, or within a ten day grace period after, the maturity date if you do not want this account to automatically renew.

Interest earned during one term that is not withdrawn during or immediately after that term is added to principal for the renewal term.

The rate for each renewal term will be determined by us on or just before the renewal date. You may call us on or shortly before the maturity date and we can tell you what the interest rate will be for the next renewal term. On accounts with terms of longer than one month we will remind you in advance of the renewal and tell you when the rate will be known for the renewal period.

See your plan disclosure if this account is part of an IRA.

Date Opened: 07/12/2005 Term: 12 Months Tax ID: 36-2349119 Number: revised 4/7/2010

CERTIFICATE OF DEPOSIT COPY AND CERTIFICATE OF DEPOSIT SIGNATURE CARD

Account Number: 767220

Dollar Amount of Deposit: Four Hundred Forty-Six Thousand Three Hundred Sixty-Four Dollars And Twenty-Three Cents \$446,364.23

This Time Deposit is Issued to: CONSTITUTIONAL CASUALTY CO 5559 N ELSTON AVE CHICAGO, IL 60630

Issuer: NORTHSIDE COMMU 5103 WASHINGTON GURNEE IL 60031

Initial Deposit? Current Value of interest accum = 24,746.38

Not Negotiable - Not Transferable - Additional terms are below.

By

Additional Terms and Disclosures

This form contains the terms for your time deposit. It is also the Truth-in-Savings disclosure for those depositors entitled to one. There are additional terms and disclosures on page two of this form, some of which explain or expand on those below. You should keep one copy of this form.

Maturity Date: This account matures 08/12/2010 (See below for renewal information.)

Rate Information: The interest rate for this account is 2.05% with an annual percentage yield of 2.07%. This rate will be paid until the maturity date specified above. Interest begins to accrue on the business day you deposit any noncash item (for example, a check).

Interest will be compounded quarterly Interest will be credited quarterly

- The annual percentage yield assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings. If you close your account before interest is credited, you will not receive the accrued interest.

The NUMBER OF ENDORSEMENTS needed for withdrawal or any other purpose is: one

Minimum Balance Requirement: You must make a minimum deposit to open this account of \$ n/a

You must maintain this minimum balance on a daily basis to earn the annual percentage yield disclosed.

Withdrawals of Interest: Interest accrued credited during a term can be withdrawn: n/a

Early Withdrawal Penalty: If we consent to a request for a withdrawal that is otherwise not permitted you may have to pay a penalty. The penalty will be an amount equal to: 180 days

interest on the amount withdrawn.

Renewal Policy: Single Maturity: If checked, this account will not automatically renew. Interest will will not accrue after maturity.

Automatic Renewal: If checked, this account will automatically renew on the maturity date. (see page two for terms) Interest will will not accrue after final maturity.

ACCOUNT OWNERSHIP: You have requested and intend the type of account marked below.

- Individual Joint Account - With Survivorship Joint Account - No Survivorship Trust: Separate Agreement Dated corporation

Revocable Trust Designation as defined in this agreement (Beneficiaries' names and addresses)

HERBERT F STRID HERBERT L STRID

BACKUP WITHHOLDING CERTIFICATIONS

TIN: 36-2349119

Taxpayer I.D. Number - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

Exempt Recipients - I am an exempt recipient under the Internal Revenue Service Regulations.

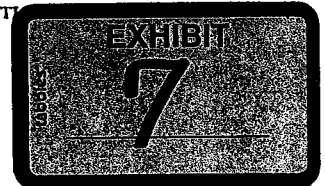
Backup Withholding - I am not subject to backup withholding either because I have no wi all Re lo Sign here

SIGNATURE - I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

DATE

TO THE TERMS STATED ON PAGE ONE AND PAGE TWO.

X X



NOTATIONS: "We," "our," and "us" mean the issuer of this account "you" and "your" mean the depositor(s). "Account" means the original certificate of deposit as well as the deposit it evidences.

TRANSFER: "Transfer" means any change in ownership, withdrawal rights, or survivorship rights, including (but not limited to) any pledge or assignment of this account as collateral. You cannot transfer this account without our written consent.

PRIMARY AGREEMENT: You agree to keep your funds with us in this account until the maturity date. (An automatically renewable account matures at regular intervals.) You may not transfer this account without first obtaining our written consent. You must present this certificate when you request a withdrawal or a transfer.

This account is void if the deposit is made by any method requiring collection (such as a check) and the deposit is not immediately collected in full. If the deposit is made or payable in a foreign currency, the amount of the deposit will be adjusted to reflect final exchange into U.S. dollars.

We may change any term of this agreement. Rules governing changes in interest rates have been provided. For other changes we will give you reasonable notice in writing or by any other method permitted by law.

If any notice is necessary, you all agree that the notice will be sufficient if we mail it to the address listed on page one of this form. You must notify us of any change.

WITHDRAWALS AND TRANSFERS: Only those of you who sign the permanent signature card may withdraw funds from this account. (In appropriate cases, a court appointed representative, a beneficiary of a trust account whose right of withdrawal has matured, or a newly appointed and authorized representative of a legal entity may also withdraw from this account.) The specific number of you who must agree to any withdrawal is written on page one in the section bearing the title **NUMBER OF ENDORSEMENTS**. This means, for example, that if two of you sign the signature card but only one endorsement is necessary for withdrawal then either of you may request withdrawal of the entire account at any time. Unless otherwise specified in writing, only one endorsement is required to withdraw funds from this account.

These same rules apply to define the names and the number of you who can request our consent to a transfer.

PLEDGES: Any pledge of this account (to which we have agreed), must first be satisfied before the rights of any joint account survivor beneficiary or trust account beneficiary become effective. For example, if one joint tenant pledges the account for payment of a debt and then dies, the surviving joint tenant's rights in this account are subject first to the payment of the debt.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION: You intend these rules to apply to this account depending on the form of ownership and beneficiary designation, if any, specified on page 1. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds.

Individual Account - Such an account is owned by one person.

Joint Account With Survivorship (And Not As Tenants In Common) - Such an account is owned by two or more persons. Each of you intend that upon your death the balance in the account (subject to any previous pledge to which we have consented) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account ownership as joint tenants with survivorship and not as tenants in common.

Joint Account - No Survivorship (As Tenants In Common) - Such an account is owned by two or more persons but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of endorsements" necessary for withdrawal.

Revocable Trust Account (subject to this agreement) - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. Any such beneficiary may withdraw all or any part of the account balance. The person(s) creating this account type reserves the right to: (1) change beneficiaries; (2) change account types; and (3) withdraw all or part of the deposit at any time.

Trust Account Subject to Separate Agreement - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

SET-OFF: You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such person's or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

BALANCE COMPUTATION METHOD: We use the daily balance method to calculate the interest on this account. This method applies a daily periodic rate to the principal in the account each day.

TRANSACTION LIMITATIONS: You cannot make additional deposits to this account during a term (other than credited interest). You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty.)

In certain circumstances, such as the death or incompetence of an account owner, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

FOR ACCOUNTS THAT AUTOMATICALLY RENEW: Each renewal term will be the same as this original one, beginning on the maturity date (unless we notify you, in writing, before a maturity date, of a different term for renewal).

You must notify us in writing before, or within a ten day grace period after, the maturity date if you do not want this account to automatically renew.

Interest earned during one term that is not withdrawn during or immediately after that term is added to principal for the renewal term.

The rate for each renewal term will be determined by us on or just before the renewal date. You may call us on or shortly before the maturity date and we can tell you what the interest rate will be for the next renewal term. On accounts with terms of longer than one month we will remind you in advance of the renewal and tell you when the rate will be known for the renewal period.

See your plan disclosure if this account is part of an IRA.

Date Opened: 09/13/2005 Term: 9 Months Tax ID: 36-2349119 Number: Open By PATRICIA

Certificate of Deposit

Account Number: 768860

Dollar Amount of Deposit: One Million Dollars And No Cents \$1,000,000.00

This Time Deposit is Issued to:

CONSTITUTIONAL CASUALTY CO

5559 N ELSTON AVE
CHICAGO, IL 60630

Issuer: NORTHSIDE COMM #1,203,199.40
5103 WASHINGTON
GURNEE IL 60031

5103 WASHINGTON
GURNEE IL 60031

By WBS renewed @ .45% for 6 mos

Not Negotiable - Not Transferable - Additional terms are below.

Additional Terms and Disclosures

This form contains the terms for your time deposit. It is also the Truth-in-Savings disclosure for those depositors entitled to one. There are additional terms and disclosures on page two of this form, some of which explain or expand on those below. You should keep one copy of this form.

Maturity Date: This account matures 05/13/2010

(See below for renewal information.)

Rate Information: The interest rate for this account is 2.32% with an annual percentage yield of 2.34%. This rate will be paid until the maturity date specified above. Interest begins to accrue on the business day you deposit any noncash item (for example, a check).

Interest will be compounded quarterly. Interest will be credited quarterly.

The annual percentage yield assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.

If you close your account before interest is credited, you will not receive the accrued interest.

The NUMBER OF ENDORSEMENTS needed for withdrawal or any other purpose is: one

Minimum Balance Requirement: You must make a minimum deposit to open this account of \$ n/a.

You must maintain this minimum balance on a daily basis to earn the annual percentage yield disclosed.

Withdrawals of Interest: Interest accrued credited during a term can be withdrawn: at any time

Early Withdrawal Penalty: If we consent to a request for a withdrawal that is otherwise not permitted you may have to pay a penalty. The penalty will be an amount equal to: 180 days

interest on the amount withdrawn.

Renewal Policy:

Single Maturity: If checked, this account will not automatically renew. Interest will will not accrue after maturity.

Automatic Renewal: If checked, this account will automatically renew on the maturity date. (see page two for terms) interest will will not accrue after final maturity.

ACCOUNT OWNERSHIP: You have requested and intend the type of account marked below.

- Individual
 Joint Account - With Survivorship (and are to survive as co-owners)
 Joint Account - No Survivorship (tenants in common)
 Trust: Separate Agreement Dated _____
 corporation

Revocable Trust Designation as defined in this agreement (Beneficiaries' names and addresses)

HERBERT F STRIDE
HERBERT L STRIDE

BACKUP WITHHOLDING CERTIFICATIONS

TIN: 36-2349119

Taxpayer I.D. Number - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

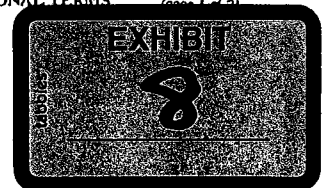
Backup Withholding - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

Exempt Recipients - I am an exempt recipient under the Internal Revenue Service Regulations.

A provision for my signature, certifying under penalty of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien), is contained on the first copy of this certificate.

ENDORSEMENTS - SIGN ONLY WHEN YOU REQUEST WITHDRAWAL

X _____
X _____
X _____



DEFINITIONS: "We," "our," and "us" mean the issuer of this account and "you" and "your" mean the depositor(s). "Account" means the original certificate of deposit as well as the deposit it evidences.

TRANSFER: "Transfer" means any change in ownership, withdrawal rights, or survivorship rights, including (but not limited to) any pledge or assignment of this account as collateral. You cannot transfer this account without our written consent.

PRIMARY AGREEMENT: You agree to keep your funds with us in this account until the maturity date. (An automatically renewable account matures at regular intervals.) You may not transfer this account without first obtaining our written consent. You must present this certificate when you request a withdrawal or a transfer.

This account is void if the deposit is made by any method requiring collection (such as a check) and the deposit is not immediately collected in full. If the deposit is made or payable in a foreign currency, the amount of the deposit will be adjusted to reflect final exchange into U.S. dollars.

We may change any term of this agreement. Rules governing changes in interest rates have been provided. For other changes we will give you reasonable notice in writing or by any other method permitted by law.

If any notice is necessary, you all agree that the notice will be sufficient if we mail it to the address listed on page one of this form. You must notify us of any change.

WITHDRAWALS AND TRANSFERS: Only those of you who sign the permanent signature card may withdraw funds from this account. (In appropriate cases, a court appointed representative, a beneficiary of a trust account whose right of withdrawal has matured, or a newly appointed and authorized representative of a legal entity may also withdraw from this account.) The specific number of you who must agree to any withdrawal is written on page one in the section bearing the title **NUMBER OF ENDORSEMENTS**. This means, for example, that if two of you sign the signature card but only one endorsement is necessary for withdrawal then either of you may request withdrawal of the entire account at any time. Unless otherwise specified in writing, only one endorsement is required to withdraw funds from this account.

These same rules apply to define the names and the number of you who can request our consent to a transfer.

PLEDGES: Any pledge of this account (to which we have agreed), must first be satisfied before the rights of any joint account survivor beneficiary or trust account beneficiary become effective. For example, if one joint tenant pledges the account for payment of a debt and then dies, the surviving joint tenant's rights in this account are subject first to the payment of the debt.

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Individual Account - Such an account is owned by one person.

Joint Account With Survivorship (And Not As Tenants In Common) - Such an account is owned by two or more persons. Each of you intend that upon your death the balance in the account (subject to any previous pledge to which we have consented) will belong to the survivor(s). If two or more of you survive, you will own the balance in the account ownership as joint tenants with survivorship and not as tenants in common.

Joint Account - No Survivorship (As Tenants In Common) - Such an account is owned by two or more persons but none of you intend (merely by opening this account) to create any right of survivorship in any other person. We encourage you to agree and tell us in writing of the percentage of the deposit contributed by each of you. This information will not, however, affect the "number of endorsements" necessary for withdrawal.

Revocable Trust Account (subject to this agreement) - If two or more of you create such an account, you own the account jointly with survivorship. Beneficiaries cannot withdraw unless: (1) all persons creating the account die, and (2) the beneficiary is then living. If two or more beneficiaries are named and survive the death of all persons creating the account, such beneficiaries will own this account in equal shares, without right of survivorship. Any such beneficiary may withdraw all or any part of the account balance. The person(s) creating this account type reserves the right to: (1) change beneficiaries; (2) change account types; and (3) withdraw all or part of the deposit at any time.

Trust Account Subject to Separate Agreement - We will abide by the terms of any separate agreement which clearly pertains to this account and which you file with us. Any additional consistent terms stated on this form will also apply.

SET-OFF: You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such person's or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

BALANCE COMPUTATION METHOD: We use the daily balance method to calculate the interest on this account. This method applies a daily periodic rate to the principal in the account each day.

TRANSACTION LIMITATIONS: You cannot make additional deposits to this account during a term (other than credited interest). You cannot withdraw principal from this account without our consent except on or after maturity. (For accounts that automatically renew, there is a ten day grace period after each renewal date during which withdrawals are permitted without penalty.)

In certain circumstances, such as the death or incompetence of an account owner, the law permits, or in some cases requires, the waiver of the early withdrawal penalty. Other exceptions may also apply, for example, if this is part of an IRA or other tax-deferred savings plan.

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You must notify us in writing before, or within a ten day grace period after, the maturity date if you do not want this account to automatically renew.

Interest earned during one term that is not withdrawn during or immediately after that term is added to principal for the renewal term.

The rate for each renewal term will be determined by us on or just before the renewal date. You may call us on or shortly before the maturity date and we can tell you what the interest rate will be for the next renewal term. On accounts with terms of longer than one month we will remind you in advance of the renewal and tell you when the rate will be known for the renewal period.

See your plan disclosure if this account is part of an IRA.

IN THE CIRCUIT COURT OF COOK COUNTY
COUNTY DEPARTMENT, CHANCERY DIVISION

CONSTITUTIONAL CASUALTY
COMPANY,

Plaintiffs,

vs.

NORTHSIDE COMMUNITY BANK,

Defendant.

No. 10 CH 47263
Honorable Peter Flynn

**NORTHSIDE COMMUNITY BANK'S ANSWER, AFFIRMATIVE AND ADDITIONAL
DEFENSES, AND COUNTERCLAIMS**

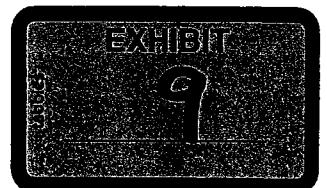
NorthSide Community Bank ("NorthSide") answers the Verified Complaint submitted by Constitutional Casualty Company ("Constitutional") as follows:

INTRODUCTION

1. Constitutional is an Illinois insurance company that primarily sells homeowners and private passenger coverage. As a registered Illinois insurance company, Constitutional is regulated by the Illinois Department of Insurance. Among other things, the Department's regulations require Constitutional to maintain adequate surplus funds to pay insurance claims at all times.

ANSWER: NorthSide admits that Constitutional is an Illinois insurance company that purports to sell homeowners and private passenger insurance coverage. The remaining allegations of Paragraph 1 state legal conclusions and, thus, do not require a response. To the extent that any of the allegations of Paragraph 1 are inconsistent with these admissions, NorthSide denies them.

2. Although Constitutional is a wholly-owned subsidiary of Copco, Inc. ("Copco"), it maintains an entirely separate corporate existence from Copco. It has an independent board of directors and maintains separate bank accounts from Copco.



ANSWER: NorthSide admits that Constitutional is a wholly-owned subsidiary of Copco. NorthSide admits that there are bank accounts at NorthSide in Constitutional's name and that Constitutional maintains a board of directors. NorthSide denies that Constitutional maintains "an entirely separate corporate existence from Copco," that Constitutional "has an independent board of directors," and that Constitutional's bank accounts are "separate ... from Copco." To the extent that any of the allegations of Paragraph 2 are inconsistent with these admissions, NorthSide denies them.

3. Constitutional has long maintained its own accounts at NorthSide. As of September 30, 2010, Constitutional had eight accounts at NorthSide that contained a total of approximately \$5,326,618.94 (the "Funds").

ANSWER: NorthSide admits that there are or have been bank accounts at NorthSide in Constitutional's name. NorthSide admits that the accounts contained deposits of approximately \$5.3 million, as required by the loan agreement referred to in Paragraph 4, below. To the extent that any of the allegations of Paragraph 3 are inconsistent with these admissions, NorthSide denies them.

4. Copco also has a relationship with NorthSide. On November 26, 2007, Copco entered into a Business Loan Agreement (the "Loan Agreement") by which NorthSide loaned Copco \$7,050,000.00. Herbert F. Stride, the President and CEO of Copco, signed a personal guarantee of Copco's obligations under the Business Loan Agreement.

ANSWER: NorthSide admits that it has loaned money to Copco, Inc. ("Copco") and its President and CEO, Herbert F. Stride, since 1997. NorthSide further admits that several, but not all, of the loans it has made to Copco and Herbert F. Stride were refinanced into a single loan with the principal balance of \$7,050,000.000 in November 2007 ("Loan Agreement"), that Herbert F. Stride personally guaranteed the borrowers' obligations under the Loan Agreement, and that Copco and Constitutional were each defined as "Borrowers" on the Loan Agreement.

To the extent that any of the allegations of Paragraph 4 are inconsistent with these admissions, NorthSide denies them.

5. After Copco and Stride apparently failed to satisfy their payment obligations under the Business Loan Agreement (and other related documents), NorthSide resorted to legal action.

ANSWER: NorthSide admits that the borrowers under the Loan Agreement have failed to satisfy their payment obligations. NorthSide further admits that it filed an action against Copco and Herbert F. Stride, based on "Confession of Judgment" provisions that each had signed, for the then-unpaid amount outstanding under the Loan Agreement. To the extent that any of the allegations of Paragraph 5 are inconsistent with these admissions, NorthSide denies them.

6. On June 21, 2010, NorthSide filed a Complaint and Confession of Judgment in the Cook County Circuit Court against Copco and Herbert F. Stride in the amount of \$7,342,723.29, the total amount of principal NorthSide contends is owed by Copco, plus late charges, interest, and attorney's fees.

ANSWER: NorthSide admits the allegations of Paragraph 6.

7. For Northside, that was not enough. Unsatisfied with its efforts to obtain payment of the Copco Loan from the actual borrower and the actual guarantor of that obligation, NorthSide unilaterally and without authorization seized funds from Constitutional as a purported setoff of the amounts allegedly owed by Copco to NorthSide.

ANSWER: NorthSide denies the allegations of Paragraph 7.

8. Indeed, sometime between September 30 and October 13, 2010, NorthSide surreptitiously seized the Funds from Constitutional's accounts. On information and belief, NorthSide attempted to conceal its actions by cancelling Constitutional's online access to its account information.

ANSWER: NorthSide denies the allegations of Paragraph 8.

9. NorthSide's seizure of the Funds was improper and unauthorized. NorthSide had no contractual or other basis to seize the Funds, and its actions constitute an intentional conversion of funds for NorthSide's use.

ANSWER: NorthSide denies the allegations of Paragraph 9.

10. NorthSide's actions also constitute a breach of its account agreements with Constitutional because those agreements do not permit NorthSide to seize the Funds as a supposed setoff of amounts purportedly owed by Copco to NorthSide.

ANSWER: NorthSide denies the allegations of Paragraph 10.

11. Constitutional has been and continues to be damaged by NorthSide's improper and unauthorized seizure of the Funds. Without the Funds, Constitutional will be entirely unable to pay insurance claims of its policy holders, meet its payroll and other obligations, and will run afoul of certain surplus obligations under the Illinois Insurance Code. In short, by improperly seizing the Funds, Northside has exposed, and continues to expose, Constitutional both to the risk of insolvency and to receipt of a cease and desist order from the Illinois Department of Insurance, an egregious and unwarranted result not only for Constitutional but for its hundreds of policy holders.

ANSWER: NorthSide denies the allegations of Paragraph 11.

PARTIES

12. Constitutional is an Illinois insurance company, and is headquartered in Cook County, Illinois.

ANSWER: Northside admits that Constitutional purports to be an Illinois insurance company headquartered in Cook County, Illinois.

13. NorthSide is an Illinois banking corporation at which Constitutional owns eight accounts. NorthSide is headquartered in Lake County, Illinois, and has two branch locations in Cook County.

ANSWER: NorthSide admits that it is an Illinois banking corporation headquartered in Lake County, Illinois with two branches in Cook County, Illinois. NorthSide further admits that there are multiple accounts in Constitutional's name at NorthSide. To the extent the allegations of Paragraph 13 are inconsistent with these admissions, NorthSide denies them.

JURISDICTION AND VENUE

14. Jurisdiction is proper under 735 ILCS 5/2-209(b)(3) because NorthSide is a corporation organized under the laws of Illinois. Jurisdiction is also proper under 735 ILCS 5/2-209(a)(1) because, among other reasons, NorthSide transacts business within Illinois by providing banking services to clients within the state.

ANSWER: NorthSide admits the allegations of Paragraph 14.

15. Venue for this Complaint is proper under 735 ILCS 5/2-101(1) and 735 ILCS 5/2-102(a) because NorthSide (1) is a resident of Cook County by virtue of their two branch locations, or other offices, in Cook County and (2) does business within Cook County. Venue is also proper under 735 ILCS 5/2-101(2) because a substantial part of the events or omissions giving rise to the claims occurred in Cook County, Illinois.

ANSWER: NorthSide admits the allegations of the first two sentences of Paragraph 15.

NorthSide denies the allegations in the last sentence of Paragraph 15.

FACTS

A. Constitutional's Business

16. Constitutional has provided insurance to Illinois businesses and consumers since August 15, 1956. Currently, Constitutional primarily sells homeowners and private passenger coverage.

ANSWER: NorthSide admits the allegations of Paragraph 16.

17. As an Illinois insurance company, Constitutional has a number of obligations under the Illinois Insurance Code. For example, Constitutional is required to maintain a surplus of funds to ensure that it has sufficient capital to pay claims of its policyholders.

ANSWER: NorthSide admits that Constitutional has obligations under Illinois law. The extent and nature of those obligations require a legal conclusion and, as a result, NorthSide denies them. To the extent the allegations of Paragraph 17 are inconsistent with these specific admissions, NorthSide denies them.

18. As of June 30, 2010, Constitutional had a surplus of \$1,642,466.

ANSWER: NorthSide lacks sufficient information to form a belief as to the truth and accuracy of the allegations of Paragraph 18 and, therefore, denies the same.

B. Constitutional's Relationship With Copco

19. On October 31, 1972, Copco purchased financial control of Constitutional from Institutional Corporation of America. Since the purchase, Constitutional has remained a wholly-owned subsidiary of Copco.

ANSWER: NorthSide lacks sufficient information to form a belief as to the truth and accuracy of the allegations in the first sentence of Paragraph 19 and, therefore, denies the same. NorthSide admits that Constitutional is a wholly-owned subsidiary of Copco.

20. Constitutional is a separate and distinct legal entity from Copco.

ANSWER: NorthSide denies that Constitutional is "separate and distinct" from Copco. Nonetheless, NorthSide admits that Constitutional and Copco are each legal entities.

21. Constitutional has an independent board of directors and maintains separate bank accounts from Copco.

ANSWER: NorthSide denies that Constitutional has an "independent board of directors" and that it maintains "separate bank accounts from Copco," although NorthSide admits that there are bank accounts in Constitutional's name at NorthSide and that Constitutional has a board of directors.

22. Herbert L. Stride is the President and CEO of Constitutional.

ANSWER: NorthSide admits that Herbert L. Stride currently holds the titles of President and CEO of Constitutional. To the extent that the allegations of Paragraph 22 are inconsistent with this admission, NorthSide denies the same.

23. The directors of Constitutional are Herbert F. Stride, Herbert L. Stride, Rick Dalka, Lawrence Von Drasek, and Jeanne Filipp.

ANSWER: NorthSide lacks sufficient information to form a belief as to the truth and accuracy of the allegations of Paragraph 23 and, therefore, denies the same.

24. Neither Herbert L. Stride, Rick Dalka, Lawrence Von Drasek, nor Jeanne Filipp is a director of Copco.

ANSWER: NorthSide lacks sufficient information to form a belief as to the truth and accuracy of the allegations of Paragraph 24 and, therefore, denies the same.

C. Constitutional's Accounts at NorthSide

25. Constitutional owns eight accounts at NorthSide Bank.

ANSWER: NorthSide admits that there have been eight accounts at NorthSide that are in Constitutional's name only. To the extent that the allegations of Paragraph 25 are inconsistent with this admission, NorthSide denies them.

26. Constitutional is the sole account holder for each of the eight accounts.

ANSWER: NorthSide admits that there have been eight accounts at NorthSide that are in Constitutional's name only. To the extent that the allegations of Paragraph 26 are inconsistent with this admission, NorthSide denies them.

27. Neither Copco nor Herbert F. Stride is a joint account holder on any of the eight accounts held by Constitutional.

ANSWER: NorthSide admits that there have been eight accounts at NorthSide that are in Constitutional's name only. To the extent that the allegations of Paragraph 27 are inconsistent with this admission, NorthSide denies them.

28. As of September 30, 2010, Constitutional's eight accounts with NorthSide contained a total of approximately \$5,326,618.94.

ANSWER: NorthSide admits that, as of October 6, 2010, the eight accounts in Constitutional's name contained a total of approximately \$5,333,210.00, as required by the Loan Agreement. To the extent that the allegations of Paragraph 28 are inconsistent with this admission, NorthSide denies them.

29. Specifically, those eight accounts contained the following amounts:

- As of September 30, 2010, money market account 451748 contained \$29,049.65. (Attached at Ex. L.)
- As of September 30, 2010, money market account 406971 contained \$247,593.15. (Attached at Ex. M.)

- As of September 3, 2010, certificate of deposit account 736198 contained \$1,000,000. The maturity date was October 19, 2010. (Attached at Ex. N.)
- As of September 10, 2010, certificate of deposit account 733385 contained \$1,000,000. The maturity date is August 26, 2011. (Attached at Ex. O.)
- As of September 3, 2010, certificate of deposit account 736201 contained \$1,000,000. The maturity date is November 19, 2010. (Attached at Ex. P.)
- As of August 6, 2010, certificate of deposit account 767327 contained a projected \$369,766.31. The maturity date was August 19, 2010. (Attached at Ex. Q.)
- As of July 29, 2010, certificate of deposit account 767220 contained \$477,010.43. The maturity date was August 12, 2010. (Attached at Ex. R.)
- As of July 29, 2010, certificate of deposit account 768860 contained \$1,203,199.40. The maturity date is November 13, 2010. (Attached at Ex. S.)

ANSWER: NorthSide admits that the balance in each of the accounts numbered above is approximately correct. As of October 6, 2010, these accounts totaled approximately 5,333,210.00. NorthSide further admits that the dates of maturity are found in the Additional Terms & Conditions for each certificate of deposit account. To the extent that the allegations of Paragraph 29 are inconsistent with these admissions or the applicable Additional Terms & Conditions, NorthSide denies them.

30. NorthSide has a standard Account Agreement and Disclosure (the "NorthSide Account Agreement") that applies to each of Constitutional's eight accounts at NorthSide. (Attached at Ex. A.)

ANSWER: NorthSide admits that it has Account Agreement and Disclosure ("Account Agreement") statements and that the accounts held in Constitutional's name each had an Account Agreement. To the extent that the allegations of Paragraph 30 are inconsistent with the

terms of each applicable Account Agreement or these specific admissions, NorthSide denies them.

31. Moreover, each of the six certificate of deposit accounts contains "Additional Terms and Disclosures" that apply to each certificate of deposit account. (Attached as Exs. B, C, D, E, F, G.)

ANSWER: NorthSide admits that it has Additional Terms and Disclosures for each certificate of deposit account that it maintains. NorthSide further admits that the Additional Terms and Disclosures that are attached to the Verified Complaint appear to be the documents that apply to the certificate of deposit accounts described in Paragraph 29.

32. The NorthSide Account Agreement and the Additional Terms and Disclosures together comprise the terms of the six certificate of deposit account agreements (the "CD Agreements"). The NorthSide Account Agreement alone comprises the terms of the two money market account agreements (the "Money Market Agreements").

ANSWER: NorthSide admits that the so-called CD Agreements set the terms for the six certificate of deposit accounts described in Paragraph 29. NorthSide further admits that the so-called Money Market Agreements set the terms of the two money market accounts described in Paragraph 29. To the extent that the allegations of Paragraph 32 are inconsistent with these admissions, NorthSide denies them.

33. The CD Agreements and the Money Market Agreements each provide NorthSide with a right of setoff only with respect to debts owed by the holder of the account at issue.

ANSWER: NorthSide admits that the so-called CD Agreements and Money Market Agreements provide it with a right of setoff with respect to debts owed by account holders. To the extent that the allegations of Paragraph 33 are inconsistent with the terms of each applicable agreement or these specific admissions, NorthSide denies them.

34. The six certificate of deposit account agreements do not provide NorthSide with a right of setoff for debts owed to NorthSide by Copco or Herbert F. Stride. The two money market account agreements do not provide NorthSide with a right of setoff for debts owed to NorthSide by Copco or Herbert F. Stride.

ANSWER: NorthSide admits that the so-called CD Agreements and Money Market Agreements provide it with a right of setoff with respect to debts owed by account holders. NorthSide denies that it did not have a right of setoff with respect to the accounts described in Paragraph 29. To the extent that the allegations of Paragraph 34 are inconsistent with the terms of each applicable agreement or these specific admissions and denials, NorthSide denies them.

35. Constitutional has an immediate and unconditional right to possession of the funds in the money market accounts (451748 and 406971) and the three certificate of deposit accounts (736198, 767327, and 767220) whose maturity date already has passed. Constitutional will have an unconditional right to possession of the funds in the other certificate of deposit accounts on their respective maturity dates.

ANSWER: NorthSide denies the allegations of paragraph 35.

D. Copco's Loan Agreement With NorthSide

36. On November 26, 2007, Copco entered into a Business Loan Agreement (the "Loan Agreement") by which NorthSide loaned Copco \$7,050,000.00. (Attached as Ex. H.)

ANSWER: NorthSide admits that, on November 26, 2007, Copco entered into the Loan Agreement by which NorthSide refinanced \$7,050,000.00 in loans it had previously made to Copco, Constitutional and/or Stride Sr. To the extent that the allegations of Paragraph 36 are inconsistent with the terms of the Loan Agreement or these specific admissions, NorthSide denies them.

37. Stride Sr., President of Copco, signed the Loan Agreement on behalf of Copco. (Ex. H at 6.)

ANSWER: NorthSide admits that Stride Sr. signed the Loan Agreement. To the extent that the allegations of Paragraph 36 are inconsistent with the terms of the Loan Agreement or this specific admission, NorthSide denies them.

38. Stride Sr. also executed a personal Guarantee of Copco's obligations under the Loan Agreement. (Attached as Ex. I.)

ANSWER: NorthSide admits the allegations contained in Paragraph 38.

39. Constitutional was neither a signatory to the Agreement nor a guarantor of Copco or Herbert F. Stride's obligations under the Loan Agreement. (See Exs. H, I.)

ANSWER: NorthSide denies the allegations of Paragraph 39, as they are inconsistent with the terms of the Loan Agreement and call for a legal conclusion for which no response is required.

40. Although the Loan Agreement contains a provision entitled "right of setoff," it does not authorize NorthSide to seize the Funds in Constitutional's accounts, nor could it. (Ex. H at 4.)

ANSWER: NorthSide denies the allegations of Paragraph 40, as they are inconsistent with the terms of the Loan Agreement and call for a legal conclusion for which no response is required.

41. The Loan Agreement's right of setoff provision states that "[t]o the extent permitted by applicable law, Lender reserves a right of setoff in all Borrower's accounts with Lender." (*Id.*, at 4.) The Loan Agreement, however, expressly defines "Borrower" as "Copco, Inc. and ... all co-signers and co-makers signing the Note and all their successors and assigns." (*Id.* at 6.)

ANSWER: NorthSide admits that the Loan Agreement includes a right of setoff and defines "Borrower." To the extent the allegations of Paragraph 41 are inconsistent with the terms of the Loan Agreement or these specific admissions, NorthSide denies them.

42. Constitutional is not (a) Copco, (b) a co-signer to the Note, (c) a co-maker to the Note, or (d) a successor or assignee of a co-signer or co-maker to the note. Accordingly, Constitutional is not a "Borrower" under the Loan Agreement, and NorthSide does not have a right of setoff in Constitutional's accounts.

ANSWER: NorthSide denies the allegations of Paragraph 42, as they are inconsistent with the terms of the Loan Agreement and call for a legal conclusion for which no response is required.

43. Notwithstanding the Loan Agreement's express definition of "Borrower," NorthSide has asserted that the Loan Agreement's "Subsidiaries and Affiliates of Borrower" provision permits NorthSide to exercise the right of setoff against Constitutional.

ANSWER: NorthSide admits that it has asserted a right of setoff against accounts held in Constitutional's name. To the extent the allegations of Paragraph 43 are inconsistent with the terms of the Loan Agreement or this specific admission, NorthSide denies them.

44. That provision states that "to the extent the context of any provisions of this [Loan] Agreement makes it appropriate . . . the word Borrower . . . shall include all of Borrower's subsidiaries and affiliates." (Ex. H at 5.)

ANSWER: NorthSide admits that the Loan Agreement defines "Borrower." To the extent the allegations of Paragraph 44 are inconsistent with the terms of the Loan Agreement, NorthSide denies them.

45. NorthSide's attempt to enforce the Loan Agreement's right of setoff against Constitutional is neither "appropriate" nor "permitted by applicable law" because Constitutional is not a party to the Loan Agreement, and thus the Loan Agreement's right of setoff remedy cannot be enforced against it.

ANSWER: NorthSide denies the allegations of Paragraph 45.

46. NorthSide is also unauthorized to enforce the Loan Agreement's right of setoff against Constitutional because Copco never had authority to pledge the assets of its subsidiary, Constitutional.

ANSWER: NorthSide denies the allegations of Paragraph 46.

47. Under the Illinois Insurance Code, even if Constitutional had wanted to pledge its assets to NorthSide, it would have been required to notify the Illinois Department of Insurance, which is authorized to disallow such a pledge. 215 ILCS 5/131.20a(1)(a). Constitutional never sought the Department's approval because it never pledged its assets.

ANSWER: NorthSide denies the allegations of Paragraph 47.

E. NorthSide Files Confession of Judgment Against Copco and Stride Sr.

ANSWER:

48. On June 21, 2010, NorthSide filed a Complaint and Confession of Judgment in the Cook County Circuit Court against Copco and Herbert F. Stride in the amount of \$7,342,723.29, the total amount of principal NorthSide contends is owed by Copco, plus late charges, interest, and attorney's fees.

ANSWER: NorthSide admits the allegations of Paragraph 48.

49. Copco and Stride Sr. have filed a limited appearance and motion to vacate the confession of judgment on the ground that warrant of attorney purportedly authorizing the confession of judgment is invalid as a matter of law. That motion is currently pending in the Chancery Division.

ANSWER: NorthSide admits the allegations of Paragraph 49.

F. NorthSide Refuses To Transfer, Then Seizes Constitutional's Funds

50. On July 28, 2010, before NorthSide improperly seized the Funds, Constitutional directed NorthSide to close each of the certificate of deposit accounts, and to wire the funds then currently held in those accounts to an account held by Constitutional at a different financial institution. (Ex. J.) NorthSide refused.

ANSWER: NorthSide admits that Constitutional requested a transfer of funds held in the eight accounts referenced in Paragraph 29, in violation of the Loan Agreement. To the extent the allegations of Paragraph 50 are inconsistent with this admission, NorthSide denies them.

51. The July 28 letter also constituted notice under the terms of the certificate of deposit account agreements that Constitutional would not renew those agreements on their maturity dates. Accordingly, Northside was and is obligated to pay the funds in those accounts to Constitutional on each account's maturity date.

ANSWER: NorthSide denies the allegations of Paragraph 51.

52. Contrary to those instructions, NorthSide did not return the funds held in certificate of deposit account nos. 736198, 767327, and 767220 on the maturity date for each account.

ANSWER: NorthSide admits that it did not transfer funds from the eight accounts referenced in Paragraph 29, but denies that its refusal to transfer the funds was "[c]ontrary to" valid

instructions. To the extent the allegations of Paragraph 52 are inconsistent with these specific admissions and denials, NorthSide denies them.

53. Sometime between September 30 and October 13, 2010, despite the fact that NorthSide already had filed a Confession of Judgment for the full amount it contends is owed by Copco, despite the fact that neither the Loan Agreement nor the NorthSide Account Agreement authorized it, NorthSide surreptitiously seized the Funds held by Constitutional in the eight accounts held at NorthSide.

ANSWER: NorthSide admits that, on October 6, 2010, it exercised its contractual right of setoff against funds held in accounts that were in Constitutional's name. To the extent the allegations of Paragraph 53 are inconsistent with this admission, NorthSide denies them.

G. Constitutional Has Been and Continues To Be Damaged

54. NorthSide's improper seizure of the Funds has damaged and continues to damage Constitutional. The Funds constitute most of the cash available to fund Constitutional's operating expenses.

ANSWER: NorthSide denies the allegations of Paragraph 54, which are inconsistent with the terms of the Loan Agreement.

55. Without the Funds, Constitutional will be unable to satisfy insurance claims of its many policy holders or to meet its payroll or other contractual obligations.

ANSWER: NorthSide denies the allegations of Paragraph 55, which are inconsistent with the terms of the Loan Agreement.

56. Without the Funds, Constitutional has no surplus and thus is subject to a cease and desist order by the Illinois Department of Insurance. Such an order would effectively shut down Constitutional.

ANSWER: NorthSide denies the allegations of Paragraph 56.

H. NorthSide Has Refused to Return the Funds

57. On October 15, 2010, Constitutional, through its counsel, made a demand that NorthSide immediately return the Funds to Constitutional's accounts. (Ex. K.)

ANSWER: NorthSide admits that, on October 15, 2010, the lawyer for Constitutional, Copco and Herbert F. Stride made a written demand on NorthSide. To the extent the allegations of Paragraph 57 are inconsistent with counsel's October 15, 2010, correspondence, NorthSide denies them.

58. On October 18, 2010, NorthSide, through its counsel, stated that it would not return the Funds.

ANSWER: NorthSide admits that, on October 18, 2010, its counsel responded to the written demand by the lawyer for Constitutional, Copco and Herbert F. Stride, and explained that, because NorthSide had a contractual right to setoff the Constitutional funds against an obligation on which Constitutional was a "Borrower," NorthSide would not return or transfer the so-called Funds. To the extent the allegations of Paragraph 58 are inconsistent with these admissions, NorthSide denies them.

COUNT I CONVERSION

59. Constitutional restates and incorporates paragraphs 1 through 58 above as if fully set forth herein.

ANSWER: NorthSide incorporates its responses to the allegations in Paragraphs 1 through 58 into its response to the allegations of Paragraph 59.

60. Constitutional has an immediate and unconditional right to possession of all funds in money market account numbers 451748 and 406971, and certificate of deposit account numbers 736198, 767327, and 767220.

ANSWER: NorthSide denies the allegations of Paragraph 60.

61. The funds in those accounts, in a determinate and specifically identifiable amount, constitute "specific chattel."

ANSWER: NorthSide denies the allegations of Paragraph 61.

62. NorthSide has wrongfully, intentionally, and without authorization by Constitutional converted the Funds to NorthSide's own use, interfering with Constitutional's immediate right to withdraw the Funds and damaging Constitutional.

ANSWER: NorthSide denies the allegations of Paragraph 62.

63. Constitutional has an immediate, absolute, and unconditional right to possession of the Funds, and Constitutional made an unsuccessful demand for the Funds' return to those accounts.

ANSWER: NorthSide denies the allegations of Paragraph 63.

64. As a direct and proximate cause of NorthSide's unlawful seizure of the Funds, Constitutional has suffered damages.

ANSWER: NorthSide denies the allegations of Paragraph 64.

65. Absent an immediate order compelling NorthSide to return the Funds, Constitutional will be irreparably harmed and will have no adequate remedy at law.

ANSWER: NorthSide denies the allegations of Paragraph 65.

WHEREFORE, Constitutional respectfully requests that the Court grant it the following:

A. An award of temporary and thereafter permanent injunctive relief requiring NorthSide to return the \$2,123,419.54 that was improperly and without authorization converted from account nos. 451748, 406971, 736198, 767327, and 767220 owned by Constitutional to NorthSide's own use;

B. An award of the actual and consequential damages that Constitutional has sustained as a result of NorthSide's conversion, in an amount to be determined at trial;

C. An award of punitive damages and attorneys' fees to Constitutional;

D. Any additional relief that the Court deems appropriate.

ANSWER: NorthSide denies that Constitutional is entitled to any relief.

COUNT II BREACH OF CONTRACT

66. Constitutional restates and incorporates paragraphs 1 through 58 above as if fully set forth herein.

ANSWER: NorthSide incorporates its responses to the allegations in Paragraphs 1 through 58 into its response to the allegations in Paragraph 66.

67. Constitutional is the holder of eight bank accounts at NorthSide Bank.

ANSWER: NorthSide incorporates its responses to Paragraphs 25, 26 and 29 into this response. To the extent the allegations of Paragraph 67 are inconsistent with those admissions and denials, NorthSide denies them.

68. Constitutional and NorthSide are parties to six certificate of deposit account agreements.

ANSWER: NorthSide incorporates its responses to Paragraphs 25, 26 and 29 into this response. To the extent the allegations of Paragraph 68 are inconsistent with those admissions and denials, NorthSide denies them.

69. Constitutional and NorthSide are also parties to two money market account agreements.

ANSWER: NorthSide incorporates its responses to Paragraphs 25, 26 and 29 into this response. To the extent the allegations of Paragraph 69 are inconsistent with those admissions and denials, NorthSide denies them.

70. Constitutional has substantially performed all of its obligations under the six certificate of deposit account agreements and two money market account agreements.

ANSWER: NorthSide denies the allegations of Paragraph 70.

71. The six certificate of deposit account agreements and the two money market account agreements do not permit NorthSide to seize funds as a purported setoff of debts owed by Copco or Herbert F. Stride.

ANSWER: NorthSide admits that the so-called CD Agreements and Money Market Agreements provide it with a right of setoff with respect to debts owed by account holders. NorthSide denies that it did not have a right of setoff with respect to the accounts described in

Paragraph 29. To the extent that the allegations of Paragraph 71 are inconsistent with the terms of each applicable agreement or these specific admissions and denials, NorthSide denies them.

72. North Side breached each of the eight account agreements by seizing the Funds.

ANSWER: NorthSide denies the allegations of Paragraph 72.

73. As a direct and proximate cause of NorthSide's breach, Constitutional has suffered damages.

ANSWER: NorthSide denies the allegations of Paragraph 73.

74. Absent an immediate order compelling NorthSide to return the Funds, Constitutional will be irreparably harmed and will have no adequate remedy at law.

ANSWER: NorthSide denies the allegations of Paragraph 74.

WHEREFORE, Constitutional respectfully requests that the Court grant it the following:

A. An award of temporary and thereafter permanent injunctive relief requiring NorthSide to return the \$5,326,618.94 that was improperly and without authorization converted from eight accounts owned by Constitutional to NorthSide's own use;

B. An award of the actual and consequential damages that Constitutional has sustained as a result of NorthSide's conversion, in an amount to be determined at trial;

C. Any additional relief that the Court deems appropriate.

ANSWER: NorthSide denies that Constitutional is entitled to any relief.

AFFIRMATIVE AND ADDITIONAL DEFENSES

For its affirmative and additional defenses to the Verified Complaint, NorthSide states as follows:

1. Constitutional is a "Borrower" under the Loan Agreement and, as a result, its assets are subject to set off under the terms of the Loan Agreement. As a result, NorthSide's

October 6, 2010, set off of money from accounts maintained in Constitutional's name at NorthSide against the amount due to it under the Loan Agreement was proper.

2. In addition, Constitutional and Copco were obligated, under the terms of the Loan Agreement, to obtain all approvals necessary for Constitutional to be a "Borrower" under the Loan Agreement. Their failure to do so makes the Loan Agreement voidable, but not void, at NorthSide's election. Northside elects to enforce the Loan Agreement.

3. Constitutional and Copco are alter egos of one-another and, as a result, NorthSide's set off of Constitutional's assets is proper even if Constitutional is not a "Borrower" under the Loan Agreement.

NORTHSIDE'S COUNTERCLAIM

For its Counterclaim against Constitutional Casualty Company ("Constitutional"), NorthSide Community Bank ("NorthSide") states as follows:

Introduction

1. Since 1997, Herbert F. Stride, Sr. ("Stride Sr.") has caused Copco—using Stride family assets and the assets of Constitutional—to borrow money from NorthSide. Similarly, Stride Sr. has himself borrowed money from NorthSide—also pledging a variety of family and business assets as collateral.

2. In November 2007, a variety of Stride Sr. and Copco loans were consolidated into a single loan—the Loan Agreement. Under the Loan Agreement, Constitutional was required to maintain a net worth of at least \$7,500,000 and to maintain a minimum of \$5,000,000 on deposit at NorthSide. Some or all of the money that Constitutional maintained on deposit at NorthSide, pursuant to the terms of the Loan Agreement, was from funds that NorthSide had previously loaned to Copco.

3. Stride Sr. has used the borrowed funds for his own benefit and for various business purposes, as he has seen fit. Often, for example, Stride Sr. has used funds borrowed by Copco to invest in Constitutional, only to use the money at Constitutional to obtain benefits and assets for Stride family members, to pay commissions to Copco, or to dividend money back out to himself.

4. In other words, the assets of Constitutional and Copco are nearly indistinguishable and, at Stride Sr.'s whim, are used for any purpose that benefits the Stride family. Because Constitutional and Copco are indistinguishable parts of the Stride family enterprise, they should be treated as alter egos of one another. As alter egos, the assets of either entity ought to be available to satisfy the Loan Agreement. Accordingly, NorthSide asks that the Court uphold its decision to set off money in accounts at NorthSide that are in Constitutional's name against the obligations due under the Loan Agreement.

The Parties, Jurisdiction and Venue

5. Constitutional is an Illinois insurance company, and is headquartered in Cook County, Illinois.

6. NorthSide is an Illinois banking corporation at which Constitutional owns eight accounts. NorthSide is headquartered in Lake County, Illinois, and has two branch locations in Cook County and three locations, including its headquarters, in Lake County, Illinois.

7. Jurisdiction is proper under 735 ILCS 5/2-209(b)(3) because NorthSide is a corporation organized under the laws of Illinois.

8. Venue for this Counterclaim is proper under 735 ILCS 5/2-101(1) and 735 ILCS 5/2-102(a) because NorthSide has branch locations that transact business in Cook County.

Background Facts

9. Stride Sr. is and has always been the sole owner of Copco. Copco, in turn, is the sole owner of Constitutional. Stride Sr. and his son, Herbert L. Stride ("Chip"), have total control over Copco and Constitutional, given their financial control and management of each entity.

10. The Stride Sr. and Chip use their influence over Copco and Constitutional—and each company's board of directors—to move money and obtain benefits from each company as they see fit.

11. Financial records reveal inter-corporate transactions designed to create the greatest benefit for Stride Sr. himself and for his family members. Using their control, the Strides profit personally at the expense of Constitutional, Copco and its creditors. Indeed, it is clear that the Strides treat the assets of these corporations as their own.

12. Although there are several such examples, one concrete example of the Strides' control over, and the lack of corporate formalities between, Copco and Constitutional demonstrates the manner in which the Strides use these entities as the Stride family piggy-bank. In 2009, Stride Sr. received approximately \$500,000 from Copco as annual interest on a loan Copco received from Stride Sr. The money Copco used to pay Stride Sr. flowed up from Constitutional as dividend and distribution or commission payments. In late 2009, Copco was prevented from acting as a broker for Constitutional and, as a result, no longer received commission payments from Constitutional. Accordingly, Copco could no longer make the \$500,000 annual interest payments to Stride Sr. In order to maintain his extravagant lifestyle, Stride Sr. demanded that Constitutional increase his \$250,000 annual salary to \$750,000. Chip agreed, and Constitutional made the \$500,000 payment, which Copco should have made, directly to Stride Sr.

COUNT I

Constitutional and Copco are Alter Egos

13. NorthSide incorporates and realleges the allegations set forth in Paragraphs 1 – 12 as if fully set forth herein.

14. Copco was able to obtain the Loan Agreement based on the financial condition of the Stride family enterprise, including Constitutional. Ultimately, Constitutional obtained benefits from the Loan Agreement, which allowed it to maintain a significant cash capital cushion—while still paying high six-figure salaries to Stride Sr. and Chip.

15. As a result of the Strides' disregard for corporate formalities—a disregard that has been recognized and reprimanded through the legal process—there is such a unity of interest and ownership that the separate personalities of Copco and Constitutional have melded into that of the Stride family itself.

16. Allowing Constitutional to avoid the obligations imposed by the Loan Agreement while obtaining the benefits of the Loan Agreement would promote injustice and result in an inequitable outcome.

WHEREFORE, NorthSide Community Bank requests that the Court enter an order that: (i) Constitutional Casualty Company and Copco, Inc. are the alter egos of one another; and (ii) accordingly, NorthSide's October 6, 2010 set off of funds from bank accounts held in the name of Constitutional Casualty Company was proper regardless of whether such set off was specifically authorized by the terms of the Loan Agreement.

COUNT II

Attorneys' Fees

17. NorthSide incorporates and realleges the allegations set forth in Paragraphs 1 – 16 as if fully set forth herein.

18. The Loan Agreement contains an attorneys' fees provision in section entitled "Attorney's Fees; Expenses."

19. The "Attorneys' Fees; Expenses" provision states:

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

20. Constitutional is a "Borrower" under the Loan Agreement and, therefore, is responsible to pay NorthSide's attorneys' fees and expenses in this matter.

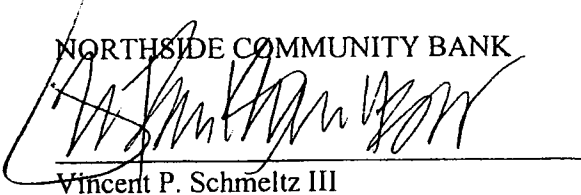
21. Constitutional is Copco's alter ego and, as a result, is required to pay NorthSide's attorneys' fees and expenses in this matter, even if Constitutional is not a "Borrower" under the Loan Agreement.

WHEREFORE, NorthSide Community Bank requests that the Court enter an order requiring Constitutional to pay NorthSide's attorneys' fees and expenses incurred in this matter, in an amount to be determined.

Dated: December 3, 2010

Respectfully submitted,

NORTHSIDE COMMUNITY BANK

A handwritten signature in black ink, appearing to read "Vincent P. Schmeltz III", is written over a horizontal line.

Vincent P. Schmeltz III

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ATTORNEYS FOR DEFENDANTS

CERTIFICATE OF SERVICE

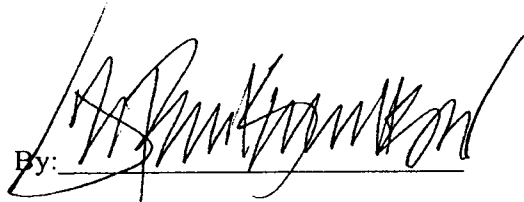
I, Vincent P. Schmeltz III, an attorney for NorthSide Community Bank, certify that on December 3, 2010, I caused a copy of the foregoing **NORTHSIDE COMMUNITY BANK'S ANSWER, AFFIRMATIVE AND ADDITIONAL DEFENSES, AND COUNTERCLAIMS**, and the **NOTICE OF FILING** thereof, to be served on the following parties by e-mail and U.S.

Mail:

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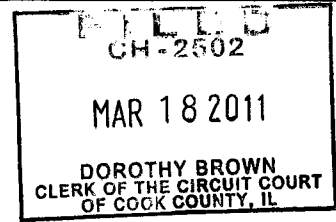
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By: 

IN THE CIRCUIT COURT OF COOK COUNTY, ILLINOIS
COUNTY DEPARTMENT, CHANCERY DIVISION

IN THE MATTER OF THE LIQUIDATION OF
CONSTITUTIONAL CASUALTY COMPANY

NO. 10 CH 47490



NOTICE OF MOTION

To: See Attached Service List

On APR 04 2011, at 9:30 a.m. or as soon thereafter as counsel

may be heard, I shall appear before the Honorable Judge Richard J. Billik, Jr. or any Judge sitting in that
Judge's stead, in the courtroom usually occupied by her, located in room 2601 of the Richard J. Daley Center,
Chicago, Illinois, and present the attached petition at which time you may appear.

Name	<u>Daniel A. Guberman, Esq.</u>	Atty. No.	<u>16819</u>
Address	<u>222 Merchandise Mart Plaza, Suite 1450</u>	Attorney for	<u>Liquidator</u>
Telephone	<u>312-836-9500</u>	City/Zip	<u>Chicago, IL 60654</u>

PROOF OF SERVICE BY DELIVERY

I, _____, the non attorney* certify that on the _____ day of
(*strike one)

_____, I served this notice by delivering a copy personally to each person to whom it is directed.

Under penalties as provided by law pursuant to 735
ILCS 5/1-109 I certify that the statements set forth
herein are true and correct.*

Date _____

Signature/Certification

PROOF OF SERVICE BY MAIL

I, Venesha Lee, the non attorney certify that I served this notice by mailing

a copy to each party listed at their respective addresses
(address on envelope)

and depositing the same in the U.S. Mail at 222 Merchandise Mart Plaza, Chicago, Illinois
(place of mailing)

at, or before, 4:30 p.m. on the 18th day of March, 2011, with proper postage prepaid.

Under penalties as provided by law pursuant to 735 ILCS
5/1-109 I certify that the statements set forth herein are
true and correct.

Date March 18, 2011

Venesha Lee

Signature/Certification

NOTE: If more than one person served by mail, additional proof of service may be on the reverse side.

SERVICE LIST

CONSTITUTIONAL CASUALTY COMPANY

(No. 10 CH 47490)

MARK GOODMAN
DEWEY & LEBOEUF
TWO PRUDENTIAL PLAZA
SUITE 3700
180 NORTH STETSON AVENUE
CHICAGO, ILLINOIS 60601

COURTESY COPY TO:

THE HONORABLE JUDGE RICHARD J. BILLIK, JR.
ROOM 2601
THE RICHARD J. DALEY CENTER
50 WEST WASHINGTON STREET
CHICAGO, ILLINOIS 60602