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Cook County Recorder

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LOAN EXTENSION AND MODIFICATION AGREEMENT



THIS EXTENSION AND MODIFICATION AGREEMENT dated as of April

by and between Inocencio Arceo (the "Borrower"), Pioneer Bank & Trust Company n/k/a Banco Popular North America ("Lender") and Inocencio Arceo ("Guarantor").

WHEREAS, the Lender gave Borrower an \$70,000.0 loan (the "Loan") as evidenced by a \$70,000.00 Secured Promissory Note (the "Note") executed by Borrower on June 15, 1994, which is attached as Exhibit A hereto and made a part hereof; and

WHEREAS, the Loan and Note are secured by a Real Estate Mortgage (the "Mortgage") executed by Borrower on June 15, 1994, which is attached as Exhibit B hereto and made a part hereof; and

WHEREAS, the Loan and Note are further secured by an Assignment of Leases and Rents (the "Assignment") executed by Borrower on June 15, 1994, and which is attached as Exhibit C hereto and made a part hereof; and

WHEREAS, the Loan and Note are further secured by a Guaranty (the "Guaranty") executed by Guarantor on June 15, 1994, which is attached as Exhibit D hereto and made a part hereof; and

WHEREAS, Borrower and Guarantor have requested that the Loan and Note be modified to reflect a Twelve (12) month amortization schedule; and

WHEREAS, Lender has agreed to the request of Borrower and Guarantor to modify the Note and Loan to reflect a Twelve (12) month amortization schedule; and

WHEREAS, Borrower and Guarantor have requested an extension of the maturity of the Loan and Note from July 1, 1999 until April 1, 2001; and

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WHEREAS, Lender has agreed to extend the maturity date of the Loan and Note until April 1, 2001 on the terms and conditions stated below; and

WHEREAS, the balance on the Loan and Note (the "Note Balance") is \$15,856.93 as of April 14, 2000,

WHEREAS, Lender is currently prosecuting a foreclosure case in the Circuit Court of Cook County, Illinois under case number 99 CH 18519 and known as *Pioneer Bank & Trust Company n/k/a Banco Popular, Illinois v. Inocencio Arceo, et al.*;

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties hereto agree as follows:

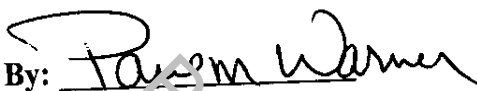
1. The recital provisions are incorporated by reference and made a part hereof.
2. The principal amount of the Note Balance is \$15,856.93 as of April 14, 2000.
3. Borrower shall commence making Note Balance installment payments beginning May 1, 2000 and continuing on the same day of every succeeding month thereafter until the extended date of maturity, April 1, 2001, at which time the remaining Note Balance plus all accrued interest shall become due and owing. The monthly Note Balance installments, commencing May 1, 2000, shall each be in the amount of \$1,395.11 and interest shall continue to accrue on the Note Balance at the rate of Ten (10%) percent per annum until the date of maturity.
4. Nothing herein contained shall in any manner whatsoever impair the Note, Assignment, Mortgage or Guaranty as modified hereby, or the first lien created thereby or any other documents executed in connection therewith, or alter, waive, vary or affect any promise, agreement, covenant or condition recited in any of the above-mentioned documents, except as herein expressly modified, nor affect or impair any rights, powers, or remedies of Lender under

any of the above-mentioned documents. Except as hereinabove otherwise provided, all terms and provisions of the Note, Assignment, Mortgage and Guaranty and other instruments and documents executed in connection with the Loan and Note, shall remain unchanged and in full force and effect and shall be binding upon the parties hereto, their successors and assigns.

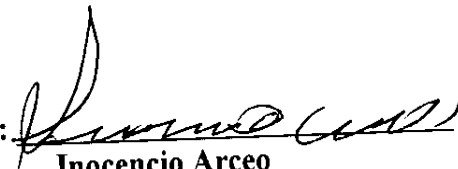
5. Borrower and Guarantor acknowledge that they have thoroughly read and reviewed the terms and provisions of this Agreement and are familiar with same, that the terms and provisions contained herein are clearly understood by them and have been fully and unconditionally consented to by them, and that they have had full benefit and advice of counsel of their own selection, in regard to understanding the terms, meaning and effect of this Agreement, and the execution by Borrower and Guarantor of this Agreement is done freely, voluntarily, with full knowledge, and without duress, and that in executing this Agreement, Borrower and Guarantor are relying on no other representations either written or oral, express or implied, made to Borrower or Guarantor by any other party hereto, and that the consideration received by Borrower and Guarantor hereunder is actual and adequate.

IN WITNESS HEREOF, the parties hereto have executed this Loan Extension and Modification Agreement as of the date first above written.

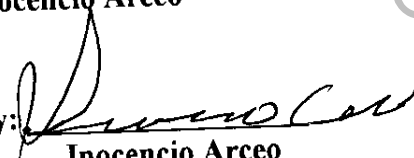
Banco Popular North America

By: 
Paul M. Warner,
Vice President
Lender

Inocencio Arceo

By: 
Inocencio Arceo
Borrower

Inocencio Arceo

By: 
Inocencio Arceo
Guarantor

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STATE OF ILLINOIS)
)
COUNTY OF Cook) SS:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that **Inocencio Arceo** who is personally known to me to be the same person whose name is subscribed to the foregoing instrument (in 2 places), appeared before me this day in person and acknowledged that he signed and delivered the said instrument as his own free and voluntary act for the uses and purposes therein set forth.

Given under my hand and notary seal, this 18th day of April, 2000

Miriam Martinez
Notary Public

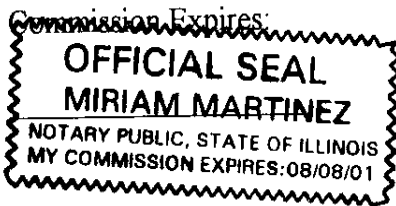


STATE OF ILLINOIS)
)
COUNTY OF COOK) SS:

I, the undersigned, a Notary Public, in and for the County and State aforesaid, DO HEREBY CERTIFY, that **Paul Warner, Vice President of Banco Popular North America**, is personally known to me to be the same person whose name is subscribed to the foregoing instrument, as such, appeared before me this day in person and acknowledged that he signed and delivered the said instrument as the free and voluntary act of said bank, for the uses and purposes therein set forth.

Given under my hand and notary seal, this 19 day of April, 1999.

Miriam Martinez
Notary Public



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Amount: \$70,000.00

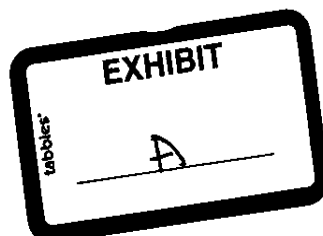
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Date: June 15, 1994



SECURED PROMISSORY NOTE

For value received the undersigned, PIONNER BANK & TRUST COMPANY, not personally, but as Trustee under a written Trust Agreement dated May 13, 1994, and known as Trust No. 25864, promises to pay to the order of PIONEER BANK & TRUST COMPANY ("Bank") at its offices in Chicago, Illinois the principal sum of Seventy Thousand and 00/100 Dollars (\$70,000.00) upon the terms and conditions set forth below together with interest on the principal balance hereof from time to time unpaid at a rate per annum of Nine and One-Half Percent (9.5%). Interest shall be payable from the date of disbursement, calculated on the basis of the actual number of days elapsed over a year of 360 days but shall not exceed the maximum rate of interest allowable under applicable law for loans of this type. Principal due hereunder shall bear interest after maturity, whether pursuant to acceleration, expiration of the term of this Note or otherwise, at five percent (5%) per annum plus the prematurity rate.

Principal and interest due hereunder shall be payable in Fifty-Nine (59) consecutive monthly installments commencing August 1, 1994, of One Thousand Four Hundred Seventy and 13/100 Dollars (\$1,470.13) and a final installment due July 1, 1999, of all sums remaining unpaid hereon. The undersigned shall pay to the Bank a late charge of five percent (5%) of any installment not received by the Bank within fifteen (15) days after the installment is due.



At any time any deposit or other indebtedness credited by or due from the holder hereof to the undersigned may be set off against or applied in whole or partial payment of amounts owing hereunder or in whole or partial payment of any other liability of the undersigned to the holder whether now existing or hereafter arising, direct or indirect, absolute or contingent, or whether due or to become due. Amounts owing hereunder are secured as set forth in a certain Real Estate Mortgage and Assignment of Leases and Rents of even date herewith, executed by the undersigned and delivered to the Bank, the terms and conditions of which are incorporated by reference herein; and as additional security for amounts owing hereunder the undersigned grants to the holder a continuing security interest in all property of the undersigned now or hereafter in the possession or control of the holder hereof.

Upon nonpayment of the indebtedness evidenced by this note or any obligation or liability of the undersigned to the holder hereof in accordance with its terms or upon the occurrence of an event of default as defined in the aforesaid Real Estate Mortgage or Assignment of Leases and Rents or any agreement given to secure this note or any other note or obligation of the undersigned to the Bank, or if Bank shall in good faith deem itself to be insecure for any reason whatsoever then unless Bank shall otherwise elect the full amount due hereunder shall be immediately due and payable, without notice and demand.

No delay on the part of the holder hereof in the exercise of any right or remedy shall operate as a waiver thereof, no single

or partial exercise by said holder of any right or remedy shall preclude any other future exercise thereof or the exercise of any other right or remedy and no waiver or indulgence by said holder of any default shall be effective unless in writing and signed by the holder hereof nor shall waiver by the holder hereof of any right on one occasion be construed as or be a bar to or waiver of any such right on any future occasion.

The undersigned, each endorser hereof and any other party liable for the indebtedness evidenced hereby severally waive demand, presentment, notice of dishonor and consent to: any extension or postponement of the time for its payment; release of any security interest securing this note; or the addition of any party hereto or the release or discharge of or suspension of any rights or remedies against any person who may be liable for the payment of the indebtedness evidenced hereby.

The undersigned may prepay the Loan, in whole but not in part, on a regularly scheduled installment date, provided that the undersigned shall have given written notice to the Bank of the date on which the undersigned proposes to make such prepayment (the "Prepayment Date") no later than 30 days prior to the Prepayment Date and the undersigned shall have paid to the Bank on the Prepayment Date the entire unpaid principal amount hereof, all accrued interest thereon and all other sums payable hereunder plus a premium (the "Premium") equal to an amount calculated as follows:

- (a) There shall be determined, as of the seventh business day preceding the Prepayment Date, the

amount, if any, by which the rate of interest chargeable hereunder exceeds the annual yield for United States Government Treasury bills, bonds or notes maturing nearest the maturity date hereof as reported by The Wall Street Journal having reference to the Treasury Issue Quotations as they appear therein, or, if The Wall Street Journal is no longer published or no longer publishes annual yields for United States Government Treasury bills, bonds or notes, some other daily financial or governmental publication of national circulation determined by the Bank, in its sole discretion;

- (b) The difference calculated pursuant to clause (a) above, if any, shall be multiplied by the outstanding principal balance hereof as of the Prepayment Date;
- (c) The product calculated pursuant to clause (b) above shall be divided by 12;
- (d) The quotient calculated pursuant to clause (c) above shall be multiplied by the number of whole and partial months from the Prepayment Date to and including the maturity date hereof which product shall be the premium.

Notwithstanding the foregoing, no premium shall be payable if the annual yield for United States Government Treasury bills, bonds or notes maturing nearest the maturity date hereof determined pursuant

to clause (a) above is equal to or greater than the rate of interest chargeable hereunder or if the Prepayment Date is six months or fewer prior to the maturity date hereof.

The undersigned warrants and agrees that (1) the obligation evidenced by this note is an exempted transaction under the Truth-in-Lending Act, 15 U.S.C. § 1601, et seq.; and (2) said obligation constitutes a business loan which comes within the purview of subparagraph (1)(c) of Section 4, and a loan secured by a mortgage on real estate which comes within the purview of subparagraph (1)(1) of Section 4 of "an Act in relation to the rate of interest and other charges in connection with sales on credit and the lending of money," approved May 24, 1879, as amended (815 ILCS 205-4 (1992)).

The loan evidenced hereby has been made and this note has been delivered at Chicago, Illinois, and shall be governed by the laws of the State of Illinois. Wherever possible each provision of this note shall be interpreted in such manner as to be effective and valid under applicable law but if any provision of this note shall be prohibited by or invalid under such law such provision shall be ineffective to the extent of such prohibition or invalidity without invalidating the remainder of such provision or the remaining provisions of this note.

The undersigned agrees to pay all expenses, costs, fees of collection of amounts evidenced under this note including reasonable attorneys' fees and legal expenses. This note shall be binding upon the heirs, successors, and assigns of the undersigned.

This Secured Promissory Note is executed by PIONEER BANK & TRUST COMPANY, ("Trustee"), not personally but as Trustee as aforesaid in the exercise of the power and authority conferred upon and invested in it as such Trustee and Trustee hereby warrants that it possesses full power and authority to execute this instrument. It is expressly understood and agreed that except for the preceding sentence nothing contained herein or in the Mortgage described above shall be construed as creating any liability on said Trustee personally to pay this Note or any interest that may accrue hereon or any indebtedness accruing hereunder or to perform any covenant, either express or implied, herein contained; all such liability, if any, being expressly waived by the Bank and by every person now or hereafter claiming any right or security hereunder, and that so far as said Trustee personally is concerned, the legal holder or holders hereof shall look solely to the premises conveyed pursuant to the above described mortgage to the enforcement of the lien thereby created or to an action to enforce the personal liability of any Guarantor hereof.

PIONEER BANK & TRUST COMPANY, not personally, but as Trustee under a written Trust Agreement dated May 13, 1994, and known as Trust No. 25864

By: _____
 Its: TRUST OFFICER

ATTEST:

 Its: ASST. SECRETARY

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REAL ESTATE MORTGAGE

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THIS AGREEMENT (the "Mortgage") made as of this 15th day of June, 1994, between PIONEER BANK & TRUST COMPANY, not personally, but as Trustee under a written Trust Agreement dated May 13, 1994, and known as Trust No. 25864 (the "Mortgagor"), and PIONEER BANK & TRUST COMPANY (the "Mortgagee").

WITNESSETH: That to secure the payment of the Secured Promissory Note of Mortgagor in the original principal amount of Seventy Thousand and 00/100 Dollars (\$70,000.00) together with interest thereon at a rate per annum of Nine and one-half percent (9.5%) and the payment of any and all sums heretofore or hereafter loaned and advanced by Mortgagee to Mortgagor all of which sums together with the amount owing on the aforesaid Note shall not exceed Two hundred Ten Thousand and 00/100 Dollars (\$210,000.00) and the performance and observance by the Mortgagor, and any guarantors of any indebtedness secured hereby, of all of the covenants, agreements, and conditions contained in said Note, this Mortgage, in all other instruments pertaining to the repayment of any indebtedness secured hereby (including any Guaranty thereof) and in any other security agreement relating to sums secured hereby, the Mortgagor hereby mortgages and conveys to the Mortgagee:

All those certain lots, pieces, or parcels of land with the buildings and improvements thereon situated, lying and being in the County of Cook, in the State of Illinois, as set forth in Exhibit A, attached hereto and made a part hereof.

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TOGETHER with all improvements, tenements, hereditaments, gas, oil, minerals, easements, fixtures and appurtenances thereunto belonging or pertaining; all apparatus, equipment and appliances now or hereafter therein or thereon used to supply heat, gas, air conditioning, water, light, power, ventilation and refrigeration; all machinery and other equipment of every nature and kind used or useful in connection with the maintenance and operation of the premises and intended for the use of tenants or occupants, (all of the foregoing whether now on the premises or hereafter erected, installed or placed thereon or therein, or whether physically attached thereto or not, are and shall be deemed a part of said real estate as between the parties hereto and all persons claiming by, through or under them, and a portion of the security for said indebtedness); and also all the estate, right, title and interest of the Mortgagor in and to the premises. As to any of the property aforesaid which (notwithstanding the aforesaid declaration and agreement) does not so form a part and parcel of the real estate, this Mortgage is hereby deemed to be, as well, a Security Agreement under the Uniform Commercial Code for the purpose of creating hereby a security interest in such property, which Mortgagor hereby grants to Mortgagee as Secured Party (as said term is defined in the Uniform Commercial Code), securing said indebtedness and

will be to be put in 8/05/11

EXHIBIT
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obligations. Mortgagor represents and warrants that it is lawfully seized of the premises, that the same are unencumbered, and that it has good right, full power and lawful authority to convey and mortgage the same, and covenants that it will warrant and forever defend said premises and the quiet and peaceful possession of the same against any and all claims of all persons whomsoever;

TO HAVE AND HOLD the premises unto Mortgagee, its successors and assigns, forever, for the purposes and uses herein set forth, free from all rights and benefits under the Homestead Exemption Laws of the State of Illinois, which said rights and benefits Mortgagee does hereby expressly release and waive.

Mortgagor covenants and agrees:

1. To pay, when due, all sums secured hereby.
2. Not to abandon the premises; to keep the premises in good condition and repair and not to commit or suffer waste; to pay for and complete within a reasonable time any building at any time in the process of erection upon the premises; to promptly repair, restore, or rebuild any building or improvement now or hereafter on the premises which may become damaged or destroyed; to refrain from impairing or diminishing the value of the security and to make no material alterations of the premises.
3. To comply with all requirements of law or municipal ordinances governing the premises and the use thereof; and to permit Mortgagee to inspect the premises at all reasonable times.
4. To keep the premises free from mechanics or other liens or claims for liens of any kind; to pay when due any indebtedness which may be secured by a lien or charge on the premises, including, without limitation, any condominium association assessments, dues or charges, and, upon request, to exhibit to Mortgagee satisfactory evidence of the payment and discharge of such liens or claims.
5. To pay, ten days before any penalty attaches, all general taxes and to pay, when due, all special taxes, special assessments, water charges, drainage charges, sewer service charges and other charges against the premises, of any kind whatsoever, which may be levied, assessed, charged or imposed on the premises or any part thereof.
6. To promptly pay all taxes and assessments assessed or levied under or by virtue of any state, federal or municipal law or regulation now existing or hereafter adopted against Mortgagee upon this mortgage, or the debt hereby secured, or upon Mortgagee's interest under this mortgage, provided however, that the total amount so paid for any such taxes pursuant to this paragraph together with the interest payable on said indebtedness shall not

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exceed the highest lawful rate of interest in the State of Illinois for commercial business loans of this type and provided further that in the event of the adoption of any law or regulation affecting such highest lawful rate of interest, the entire indebtedness secured by this mortgage shall thereupon become immediately due and payable at the option of Mortgagee.

7. To exhibit to Mortgagee, at least annually and at any time upon request, official receipts showing full payment of all taxes, assessments and charges which Mortgagor is required or shall elect to pay hereunder.

8. To keep the premises continuously insured until the indebtedness secured hereby is fully paid (or in case of foreclosure until expiration of the period of redemption, if any) against loss or damage under such types of hazard, liability and environmental hazard insurance, in such forms and amounts and written by such companies as may be approved or reasonably required from time to time by Mortgagee; all policies whether or not required by the terms of this mortgage, shall contain loss payable clauses in favor of the Mortgagee (or, in case of foreclosure sale, in favor of the owner of the certificate of sale); in the event of loss, penalty or judgment, Mortgagor shall immediately notify Mortgagee in writing and Mortgagor hereby authorizes and directs each and every insurance company concerned to make payments for such loss, penalty or judgment jointly to Mortgagor and Mortgagee, and the insurance proceeds or any part thereof may be applied by Mortgagee, at its option, either to the reduction of the indebtedness hereby secured, or to the restoration or repair of the property damaged, or to the payment of any fine, penalty, judgment or clean-up costs assessed against Mortgagor or Mortgagee and any application thereof to the indebtedness shall not relieve Mortgagor from making any payments herein required until the indebtedness is paid in full.

9. To deliver to Mortgagee all policies of insurance, with evidence of premiums prepaid (renewal policies to be delivered not less than ten days prior to the respective dates of expiration), and all abstracts of title, title guarantee policies, Torrens certificates of title and other evidence of title to the premises, all of which shall be held by Mortgagee without liability, and in the event of foreclosure of this mortgage or transfer of title to the premises in extinguishment of said indebtedness, shall become the absolute property of Mortgagee. Mortgagee may, from time to time, at its option, waive, and after any such waiver, reinstate, any or all provisions hereof requiring deposit of insurance policies, by notice to Mortgagor in writing.

10. To make monthly deposits with Mortgagee, in addition to any other payments required to be made hereunder of a sum equal to one-twelfth (1/12th) of the yearly taxes and assessments which may be levied against the premises and one-twelfth (1/12th) of the

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annual premium on the insurance policies covering the premises, upon request of the Mortgagee. The amount of such taxes and assessments and premiums, when unknown, shall be estimated by Mortgagee. Such deposits shall be used by Mortgagee to pay such taxes and assessments and premiums when due. Any insufficiency of such deposits to pay such taxes and assessments and premiums when due shall be paid by Mortgagor to Mortgagee on demand. Upon any default under this mortgage, Mortgagee may apply any such deposits to any obligation secured hereby or due hereunder. The enforceability of the covenants relating to taxes and assessments and premiums herein otherwise provided, shall not be affected except insofar as the obligations thereunder have been actually met by compliance with this paragraph. Mortgagee may from time to time at its option waive, and after any such waiver reinstate, any or all provisions hereof requiring deposits for taxes and assessments and premiums, by notice to Mortgagor in writing. While any such waiver is in effect, Mortgagor shall pay taxes and assessments and premiums as herein elsewhere provided.

11. To pay to Mortgagee any awards of damage resulting from condemnation proceedings or the taking or injury of the premises for public use, less reasonable costs and associated attorneys' fees and expenses of Mortgagor and the proceeds or any part thereof shall be applied by Mortgagee, at its option, after the payment of all of its expenses, including costs and attorneys' fees, to the reduction of the indebtedness hereby secured.

12. To deliver to the Mortgagee reports of the rental income and expenses of the premises in such reasonable detail as the Mortgagee may require signed by the responsible operating official of the premises, and to deliver financial statements of the Mortgagor or its beneficiary as requested by the Mortgagee. Any detail needed to explain said reports shall be furnished on request from the Mortgagee including but not limited to copies of any subleases of the premises. Mortgagor agrees to pay to Mortgagee a penalty of \$500.00 in the event that financial statements requested by Mortgagee shall not be delivered within ten (10) days of such request.

13. In the event of default in performance of any of the covenants or agreements herein contained, Mortgagee may, but need not, make any payment or perform any act hereinbefore required of Mortgagor, in any form and manner deemed expedient and may, but need not, make full or partial payments of principal or interest on prior encumbrances, if any, and purchase, discharge, compromise or settle any tax lien or any other lien, encumbrance, suit title or claim thereof, or redeem from any tax sale or forfeiture affecting the premises or contest any tax or assessment. All monies paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other monies advanced by Mortgagee to protect the premises and the lien hereof shall be so much

additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the rate in effect after maturity as set forth in the note described above. Mortgagee, making any payment hereby authorized relating to taxes or assessments, shall be the sole judge of the legality and validity thereof and of the amount necessary to be paid in satisfaction thereof.

14. If (a) default be made in payment, when due, of any sum secured hereby, or in any of the other covenants or agreements herein contained to be performed by Mortgagor or, (b) if there be a default in the terms and/or conditions of any other agreement between the Mortgagor and the Mortgagee relating to the sum hereby secured or to any other indebtedness of the Mortgagor to Mortgagee or, (c) if there be a default in the terms or conditions of any other agreement between the Mortgagor or any Guarantor and the Mortgagee, (d) if any proceedings be instituted or process issued (i) to enforce any other lien, charge, or encumbrance against the premises, or (ii) against Mortgagor or any guarantor under any bankruptcy or insolvency laws, or (iii) to place the premises or any part thereof in the custody or control of any court through its receiver or other officer, and such proceedings are not dismissed or stayed on appeal or such process withdrawn within ten days after written notice to Mortgagor, or (e) in the event the Mortgagor shall create or permit to exist any mortgage, lien or other encumbrance on the premises other than the encumbrance represented by this Mortgage, or (f) in the event the Mortgagor shall convey title to any person or persons other than the Mortgagor, enter in any lease with a term, including renewal options exercisable at lessee's discretion, in excess of one year, enter into any lease or other agreement containing an option to purchase or receive title to the premises, or shall suffer or permit Mortgagor's equity of redemption to become vested in any person or persons other than the Mortgagor; or (g) if Mortgagor or any guarantor makes any assignment for the benefit of creditors, or is at any time insolvent, or (h) if, at any time, the ratio of net operating income earned from the premises to the amount of debt service required on loans secured by the premises shall be less than 1.25, or (i) if by or with the consent or at the instance of Mortgagor or any guarantor proceedings to extend the time of payment of any sums secured hereby or to change the terms of this mortgage be instituted; then,

- I. All sums secured hereby shall, at the option of Mortgagee, become immediately due and payable without notice, with interest thereon,
- II. Mortgagor shall at its expense deliver to Mortgagee an environmental audit report concerning the premises in such detail and by such persons as shall be satisfactory to Mortgagee in its reasonable discretion,

III. Mortgagee may immediately foreclose this mortgage. The Court in which any proceeding is pending for that purpose may, at once or at any time thereafter, either before or after sale, and without regard to the solvency or insolvency of any person liable for payment of the indebtedness secured hereby, and without regard to the then value of the premises, appoint a receiver (the provisions for the appointment of a receiver and assignment of rents being an express condition upon which the loan hereby secured is made), for the benefit of Mortgagee, with power to collect the rents, issues and profits of the premises, due and to become due during such foreclosure suit and the full statutory period of redemption notwithstanding any redemption. The receiver, out of such rents, issues and profits when collected, may pay costs incurred in the management and operation of the premises, prior and subordinate liens, if any, and taxes, assessments, water and other utilities and insurance, then due or thereafter accruing, and may make and pay for any necessary repairs to the premises, and may pay all or any part of the indebtedness secured hereby or any deficiency decree, and Mortgagor hereby grants to Mortgagee the right, acting through itself, its agents or attorneys, either with or without process of law, forcibly or otherwise, to enter upon and take possession of the premises and property, expel and remove any persons, goods or chattels, occupying or upon the same, and to collect or receive all the rents, issues and profits thereof, and to manage and control the same, and to lease the same or any part thereof from time to time, and after deducting all reasonable attorneys' fees, and all expenses incurred in the protection, care, maintenance, management and operation of the premises, apply the remaining net income upon the indebtedness secured hereby, or upon any deficiency decree entered by virtue of any sale held pursuant to a decree of foreclosure.

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15. In any foreclosure of this mortgage there shall be allowed and included in the decree for sale, to be paid out of the rents or proceeds of such sale:

- (a) All sums secured hereby and remaining unpaid,
- (b) All sums advanced or paid by Mortgagee pursuant to this mortgage with interest,
- (c) All court costs, attorneys' fees, appraisers' fees, expenditures for documentary and expert evidence, stenographers' charges, publication costs and costs (which may be estimated as to items to be expended after

entry of the decree) of procuring all abstracts of title, title searches and examinations, title guarantee policies, Torrens certificates and similar data with respect to title, as Mortgagee may deem necessary in connection with (i) any proceeding, including probate and bankruptcy proceedings, to which Mortgagee shall be a party, either as plaintiff, claimant, or defendant, by reason of this Mortgage or any indebtedness hereby secured; or (ii) preparations for the commencement of any suit for the foreclosure hereof after accrual of such right to foreclose whether or not actually commenced; or (iii) preparations for the defense of any threatened suit or proceeding which might affect the premises or the security hereof, whether or not actually commenced. All expenditures and expenses of this type mentioned in this subparagraph (c) shall become so much additional indebtedness secured hereby and immediately due and payable, with interest thereon. The proceeds of any foreclosure sale shall be distributed and applied to the items described in subparagraphs (a), (b), and (c) in order of priority inversely to the manner in which said subparagraphs are above listed and any surplus of the proceeds of such sale shall be paid to Mortgagor.

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16. Mortgagor hereby waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage, on their own behalf and on behalf of each and every person, except decree or judgment creditors of the Mortgagor, acquiring any interest in the title to the Premises subsequent to the date of this Mortgage.

17. No remedy or right of Mortgagee shall be exclusive of but shall be in addition to every other remedy of right now, or hereafter, existing at law or in equity. No delay in exercising, or omission to exercise, any remedy or right, accruing on any default shall impair any such remedy or right, or shall be construed to be a waiver of any such default, or acquiescence therein, nor shall it affect any subsequent default of the same or a different nature. Every such remedy or right may be exercised concurrently or independently, and when and as often as may be deemed expedient by Mortgagee.

18. Without affecting the liability of Mortgagor or any other person (except any person expressly released in writing) for payment of any indebtedness secured hereby or for performance of any obligation contained herein, and without affecting the rights of Mortgagee with respect to any security not expressly released in writing, Mortgagee may, at any time and from time to time, either before or after the maturity of said note, and without notice or consent:

- (a) release any person liable for payment of all or any part of the indebtedness or for performance of any obligation,
- (b) make any agreement extending the time or otherwise altering the terms of payment of all or any part of the indebtedness, or modifying or waiving any obligation, or subordinating, modifying or otherwise dealing with the lien or charge hereof,
- (c) exercise or refrain from exercising or waive any right Mortgagee may have,
- (d) accept additional security of any kind,
- (e) release or otherwise deal with any property, real or personal, securing the indebtedness, including all or any part of the property mortgaged hereby.

Upon full payment of all sums secured hereby at the time and in the manner provided, then this conveyance shall be null and void and a reconveyance or release of the premises shall be made by Mortgagee to Mortgagor.

19. Mortgagor represents and warrants that, to the best of Mortgagor's knowledge, after due inquiry, the Mortgaged Premises complies as of the date hereof, and Mortgagor covenants and agrees that it and the Mortgaged Premises will from the date hereof comply, in all material respects with all applicable federal, state, regional, county or local laws, statutes, rules, regulations or ordinances, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 et seq., the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §6901 et seq., the Federal Water Pollution Control Act, as amended by the Clean Water Act of 1977, 33 U.S.C. §1251 et seq., the Toxic Substances Control Act of 1976, 15 U.S.C. §2601 et seq., the Emergency Planning and Community Right-to-Know Act of 1986, 42 U.S.C. §11001 et seq., the Clean Air Act of 1966, as amended 42 U.S.C. §7401 et seq., the National Environmental Policy Act of 1975, 42 U.S.C. § 4321, the Rivers and Harbors Act of 1899, 33 U.S.C. §401 et seq., the Occupational Safety and Health Act of 1970, 29 U.S.C. §651 et seq., and the Safe Drinking Water Act of 1974, as amended, 42 U.S.C. §300 (f) et seq., the Illinois Environmental Protection Act, as amended, Ill. Rev. Stat. Ch. 11156 § 1001, et seq. (1987), the Illinois Chemical Safety Act, as amended, Ill. Rev. Stat. Ch. 11156 § 951, et seq. (1987), and the Illinois Responsible Property Transfer Act, as amended, Ill. Rev. Stat. Ch. 30 § 901 et seq (1987), and all rules, regulations and guidance documents promulgated or published thereunder, and any state, regional, county or local statute, law, rule, regulation or ordinance relating to public health, safety or

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the environment, including, without limitation, relating to releases, discharges, emissions or disposals to air, water, land or groundwater, to the withdrawal or use of groundwater, to the use, handling or disposal of polychlorinated biphenyls (PCB's), asbestos or urea formaldehyde, to the treatment, storage, disposal or management of hazardous substances (including, without limitation, petroleum, its derivatives by-products or other hydrocarbons), to exposure to toxic, hazardous, or other controlled, prohibited or regulated substances, to the transportation, storage, disposal, management or release of gaseous or liquid substances, and any regulation, order, injunction, judgment, declaration, notice or demand issued thereunder.

20. Mortgagor warrants and represents that, to the best of its knowledge, after due inquiry, the Mortgaged Premises, including all personal property, is free from contamination, that there has not been thereon a release, discharge or emission, or threat of release, discharge or emission, of any hazardous substances, gas or liquid (including without limitation, petroleum, its derivatives or by-products, or other hydrocarbons), or any other substance, gas or liquid, which is prohibited, controlled or regulated under applicable law, or which poses a threat or nuisance to safety, health or the environment, and that the Mortgaged Premises does not contain, or is not affected by: (i) asbestos, (ii) urea formaldehyde foam insulation, (iii) polychlorinated biphenyls (PCB's), (iv) underground storage tanks, (v) landfills, land disposals or dumps.

21. Mortgagor represents and warrants that it has not given, nor should it give, nor has it received, any notice, letter, citation, order, warning, complaint, inquiry, claim or demand that: (i) Mortgagor has violated, or is about to violate, any federal, state, regional, county or local environmental, healthy or safety statute, law, rule, regulation, ordinance, judgment or order; (ii) there has been a release, or there is threat of release, of hazardous substances (including, without limitation, petroleum, its by-products or derivatives or other hydrocarbons) from the Mortgaged Premises; (iii) Mortgagor may be or is liable, in whole or in part, for the costs or cleaning up, remediating or responding to a release of hazardous substances on or from the Mortgaged Premises (including, without limitation, petroleum, its by-products or derivatives, or other hydrocarbons); (iv) any of the Mortgagor's property or assets are subject to a lien in favor of any Governmental Body for any liability, costs or damages, under federal, state or local environmental law, rule or regulation arising from or costs incurred by such governmental entity in response to a release of a hazardous substances (including, without limitation, petroleum, its by-products or derivatives, or other hydrocarbons). In the event that Mortgagor receives any notice of the type described in this Section 4, Mortgagor shall promptly provide a copy to Mortgagee, and in no event, later than fifteen (15) days from Mortgagor's receipt or submission thereof.

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22. Mortgagor represents and warrants that to the best of its knowledge, after due inquiry, it has never in the past engaged in, and agrees that in the future it shall not conduct, any business, operations or activity on the Mortgaged Premises, or employ or use the personal property or facilities, to manufacture, use, generate, treat, store, transport or dispose of any hazardous substance (including without limitation, petroleum, its derivatives or by-products, or other hydrocarbons), or any other substance which is prohibited, controlled or regulated under applicable law, or which poses a threat or nuisance to safety, healthy or the environment, including, without limitation, any business, operation or activity which would bring Mortgagor, its property or facilities, within the ambit of the Resource Conservation and Recovery Act of 1976, as amended by the Solid and Hazardous Waste Amendments of 1984, 42 U.S.C. §6901 et seq., the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended by the Superfund Amendments and Reauthorization Act of 1986, 42 U.S.C. §9601 et seq., the Illinois Environmental Protection Act, as amended, Ill. Rev. Stat. Ch. 11156 § 1001, et seq. (1987), the Clean Air Act of 1966, as amended, 42 U.S.C. §7401 et seq., or any similar, state, county regional or local statute, law, regulation, rule or ordinance, including, without limitation, any state statute providing for financial responsibility for cleanup for the release or threatened release of substances provided for thereunder. The provisions of this Paragraph 23 shall apply to all real and personal property, without limitation, owned or controlled by Mortgagor or its subsidiaries.

23. All provisions hereof shall inure to and bind the respective heirs, executors, administrators, successors, vendees and assigns of the parties hereto, and the word Mortgagor shall include all persons claiming under or through Mortgagor (including, if this Mortgage is executed by a trust or trustee, any beneficiary thereof) and all persons liable for the payment of the indebtedness or any part thereof, whether or not such persons shall have executed the Note, any guaranty or this mortgage. Wherever used, the singular number shall include the plural and the singular, and the use of any gender shall be applicable to all genders.

THIS MORTGAGE is executed by PIONNER BANK & TRUST COMPANY, not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and invested in it as such Trustee and said Trustee hereby warrants that it possesses full power and authority to execute this instrument. It is expressly understood and agreed that nothing contained herein shall be construed as creating any liability on the part of Mortgagor individually to pay the Mortgagor's Note or any interest thereon, or any indebtedness accruing thereunder, or to perform any covenant either express or implied herein contained; all such liability, if any, being expressly waived by the Mortgagee and by every person now or hereafter claiming any right of security hereunder and that

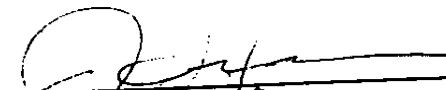
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so far as said Trustee personally is concerned, the legal holder or holders hereof shall look solely to the premises hereby conveyed and the enforcement of the lien hereby created or to an action to enforce the personal liability of any guarantor hereof.

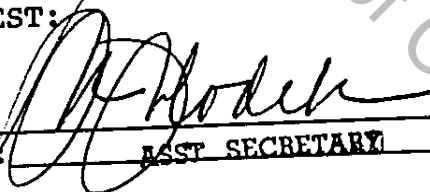
IN WITNESS WHEREOF, the undersigned have executed this Mortgage as of the day and year first written above.

PIONEER BANK & TRUST COMPANY, not personally, but as Trustee under a written Trust Agreement dated May 13, 1994, and known as Trust No. 25864.

By: 
Name: LAURA HUGHES
Title: TRUST OFFICER

Property of Cook County Clerk's Office

ATTEST:


Its: ASST SECRETARY

This instrument was prepared by:

David H. Hight
Keck, Mahin & Cate
One Mid America Plaza
Suite 1000
Oakbrook Terrace, IL 60181
(708) 954-2100

Mail To:

David H. Hight
Keck, Mahin & Cate
One Mid America Plaza
Suite 1000
Oakbrook Terrace, IL 60181
(708) 954-2100

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EXHIBIT "A"

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PARCEL 1:

Lot 18 in Block 27 in Garfield, a subdivision of the South East 1/4 of Section 34, Township 40 North, Range 13 (except the West 307 feet of the North 631.75 feet and the West 333 feet of the South 1295 feet thereof) in Cook County, Illinois

Permanent Index No.: 13-34-428-030-0000 (Vol. 371)

Commonly known as: 4124 W. North Avenue
Chicago, Illinois

Property of Cook County Clerk's Office

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ACKNOWLEDGMENT

STATE OF ILLINOIS))
)) SS.
COUNTY OF Cook))

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I, Rosa Ibette Cortes, a Notary Public in and for and residing in said County and State, DO HEREBY CERTIFY that Laura Hughes and Daniel Wlodek, the Trust Officer and Assistant Secretary of PIONEER BANK & TRUST COMPANY, personally known to me to be the same persons whose names are subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that they signed and delivered said instrument as their own free and voluntary act and as the free and voluntary act of said company for the uses and purposes set forth therein.

GIVEN under my hand and notarial seal this 14th day of June, 1994.

Rosa Ibette Cortes
Notary Public

My commission expires:



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ASSIGNMENT OF LEASES AND RENTS

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THIS ASSIGNMENT OF LEASES AND RENTS dated as of June 15, 1994, is made and executed by PIONEER BANK & TRUST COMPANY, not personally, but as Trustee under a written Trust Agreement dated May 13, 1994, and known as Trust No. 25864 in favor of PIONEER BANK & TRUST COMPANY, Chicago, Illinois.

DEFINITIONS

(a) "Assignee" shall mean PIONEER BANK & TRUST COMPANY.

(b) "Assignment" shall mean this Assignment of Leases and Rents.

(c) "Assignor" shall mean PIONEER BANK & TRUST COMPANY, not personally, but as Trustee under a written Trust Agreement dated May 13, 1994, and known as Trust No. 25864.

(d) "Assignor's Liabilities" shall mean all indebtedness or liabilities of the Assignor and any guarantor thereof to the Assignee of every kind, nature and description, whether direct or indirect, absolute or contingent, now or hereafter owing, together with the performance and observance of all covenants and obligations made by the Assignor or any guarantor in favor of the Assignee.

(e) "Collateral" shall mean collectively the Leases, Rents, Rights and Guaranties.

(f) "Default Rate" shall mean the per annum rate of interest charged upon the unpaid principal balance of the Note following a default thereunder and while the same shall be continuing.

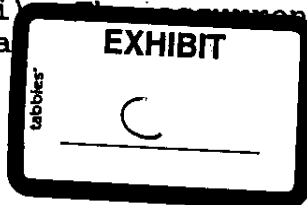
(g) "Environmental Indemnity" shall mean that certain Environmental Indemnity of even date herewith executed by the Assignor and delivered to Assignee.

(h) "Event of Default" shall mean any one or more of the following events:

(i) Assignor's failure to pay when due any payment of principal or interest under the Note, whether at maturity or otherwise; or

(ii) Assignor's failure to keep, perform or observe any of Assignor's Liabilities or any other covenant, condition or agreement contained or expressed herein.

(iii) The occurrence of any default under any of the other Loan Documents if the same is not cured within any



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cure, grace or other period provided for in such Instrument.

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(i) "Guaranty" shall mean any and all agreements executed in Assignor's favor guaranteeing, insuring or otherwise securing the obligations of any Lessee under any of the Leases, together with all rights, powers and privileges and other benefits of the Assignor thereunder.

(j) "Leases" shall mean all oral and written leases with or other agreements for the use and occupancy made by any person or entity for the use, occupancy or enjoyment of the Mortgaged Property or the avails thereof, including all renewals, extensions, amendments, modification and replacements thereof, whether now existing or hereafter arising.

(k) "Loan" shall mean that certain extension of credit by the Assignee to the Assignor in an original principal amount of Seventy Thousand and 00/100 Dollars (\$70,000.00) all as evidenced by the Loan Instruments.

(l) "Loan Instruments" shall mean this Assignment, the Note, the Mortgage, any and all other agreements or understandings given to secure the payment of the indebtedness evidenced by the Note or in connection with the Loan, that certain Credit Agreement dated as of an even date herewith to which this Assignment is attached and all renewals, extensions, amendments, modification and replacements thereof.

(m) "Mortgage" shall mean that certain Real Estate Mortgage of even date herewith securing the indebtedness evidenced by the Note, executed by the Assignor and pertaining to the Mortgaged Property.

(n) "Mortgaged Property" shall mean the real property described in Exhibit "A" hereto and all improvements thereon and appurtenances thereto.

(o) "Note" shall mean that certain Secured Promissory Note of even date herewith evidencing the Loan and executed by the Assignor and delivered to the Assignee, and any and all renewals, extensions, amendments, modifications or replacements thereof.

(p) "Rents" shall mean all sums which are due or may hereafter become due, whether pursuant to any of the Leases or otherwise from any Lessee, user or occupant of the Mortgaged Property to the Assignor, including, without limitation securing deposits, insurance or condemnation proceeds or awards, damages or other sums.

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(g) "Rights shall mean all rights, powers, privileges, options and other benefits of the Assignor under the Leases, including but not limited to:

(i) The immediate and continuing right to receive and collect all rents, income, revenues, issues, profits, insurance proceeds, condemnation awards, monies and security deposits or the like;

(ii) The right to make all waivers and agreements, including any waivers pertaining to the obligations of lessees;

(iii) The right to give all notices, permissions, consents and releases, including consents to any instrument which subordinates or makes paramount the interest of a lessee to the Mortgage;

(iv) The right to take such action upon the happening of a default under any of the Leases (including the commencement, conduct and consummation of proceedings at law or in equity) as shall be permitted under any provisions of the Leases or by law;

(v) The right to do any and all other things whatsoever which Assignor is or may become entitled to do under the Leases including, without limitation, the right to cancel or alter Leases;

(vi) The right to exercise any option required or permitted under any of the Leases;

(vii) The right to execute new leases of the Mortgaged Property; and

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GRANTING CLAUSES

In consideration of the Loan, to secure the payment of the indebtedness evidenced by the Note, to secure the payment of all amounts due under and the performance and observance of all covenants, conditions and obligations contained in the Loan Instruments and to secure Assignor's payment of all other of Assignor's Liabilities and performance under all other agreements between Assignor and Assignee, Assignor hereby assigns to Assignee, all of the right, title and interest of Assignor in:

(a) the Leases;

(b) the Rents;

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- (c) the Rights; and
- (d) the Guaranties;

and Assignor authorizes Assignee:

(a) to manage the Mortgaged Property and take possession of the books and records relating thereto;

(b) to prosecute or defend any suits in connection with the Mortgaged Property or enforce or take any other action in connection with the Leases in the name of Assignee;

(c) to make such repairs to the Mortgaged Property as Assignee may deem advisable; and

(d) to do any and all other things with respect to the Mortgaged Property and the Collateral which an absolute owner or landlord has the right to do.

COVENANTS AND WARRANTIES

(a) Notwithstanding that this Assignment constitutes a present assignment of leases and rents, Assignor may collect the Rents and, subject to the terms and provisions of the Loan Instruments, manage the Mortgaged Property in the same manner as if this Assignment had not been given, but only if and so long as an Event of Default has not occurred. If an Event of Default occurs, the right of Assignor to collect the Rents and to manage the Mortgaged Property shall thereupon automatically terminate and such right together with the other rights, powers and authorizations contained herein shall belong exclusively to Assignee.

(b) This Assignment confers upon Assignee a power coupled with an interest and cannot be revoked by Assignor.

(c) Assignor represents and warrants as follows: (i) Assignor is the sole owner of the lessor's entire interest in the Leases and the other Collateral and has full right to assign the Collateral; (ii) there has been no previous assignment and, without Assignee's prior written consent, Assignor will permit no future assignment (as collateral or otherwise) of the lessor's right, title or interest in any of the Leases or other Collateral; (iii) the Leases are valid and enforceable in accordance with their terms and have not been altered, modified or amended in any manner whatsoever; (iv) the lessees are not in default under the Leases and have no defenses, set-offs or counterclaims against the lessor under the Leases and have not been granted any waiver, release, reduction, discount, discharge, compromise or other concession by

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the lessor; (v) Assignor shall not permit or suffer to occur any default in the performance of any of its obligations under the Leases, nor shall it permit or suffer any waiver of any of its rights or remedies pursuant to the Leases; (vi) no Rent reserved in the Leases has been assigned; and (vii) no Rent for any period subsequent to the date hereof has been collected more than thirty (30) days in advance of the time when said Rent becomes or would become due under the terms of the Leases.

(d) Assignor covenants that (i) it will deliver to Assignee reports of the rental income and expenses of the Mortgaged Property in such reasonable detail and at such times as Assignee may require verified by the responsible operating official of the Mortgaged Property; (ii) it will not modify, change, alter, supplement, amend, cancel, surrender or accept surrender of any of the Leases without Assignee's consent; (iii) it will not consent to any assignment or subletting of the lessee's interest under any of the Leases without Assignee's consent; (iv) it will not accept Rent more than thirty (30) days in advance under any of the Leases and (v) it will not assert any right of setoff or other claim or take any action against any lessee under any of the Leases, or otherwise seek recovery, damages or other relief against any such lessee, which would have the effect of relieving such lessee from any obligation or liability or which would affect, impair or discharge any right of Assignee and, if Assignor shall recover any such sums from such lessee, Assignor will forthwith pay over the same to Assignee for application to the indebtedness secured hereby. Assignor further covenants that if any Lease provides for the abatement of rent during repair of the premises demised thereunder by reason of fire or other casualty, Assignor shall furnish to Assignee rental insurance in an amount and form and written by insurance companies as shall be satisfactory to Assignee.

(e) Assignor shall execute and deliver, at the written request of Assignee, all such further assurances and assignments as Assignee from time to time shall determine are necessary to effectuate the terms and provisions of this Assignment.

(f) Assignee shall be deemed to be the creditor of each lessee under the Leases in any assignments for the benefit of creditors and bankruptcy, reorganization, insolvency, dissolution, receivership or probate proceedings affecting such lessee (without any obligation on the part of Assignee to file claims or otherwise to pursue creditors rights in such proceedings). All monies received in connection with any such proceedings or occurrences shall constitute additional Rents hereunder.

DEFAULTS AND REMEDIES

(a) If an Event of Default shall occur or be continuing:

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(i) Assignee may exercise its rights as provided in this Assignment without regard to the adequacy of the security and without waiving any other remedy available to Assignee and without waiving such Event of Default;

(ii) In the event Assignee elects to invoke any of its rights hereunder and thereafter, for any reason, relinquishes to Assignor such rights, this Assignment shall not be terminated, but shall remain in full force and effect until Borrower's Liabilities are paid in full, it being the intent of the parties that Assignee shall, until release of this Assignment, have all the rights granted hereby and be able to exercise them from time to time if an Event of Default occurs.

(b) No delay or omission on the part of Assignee in the exercise of any remedy for an Event of Default shall operate as a waiver thereof. The remedies available to Assignee under this Assignment shall be in addition to, and exercisable in any combination with, any and all remedies available by operation of law and under the other Loan Instruments. Said remedies shall be cumulative and concurrent, may be pursued separately, successively or together against Assignor or the Mortgaged Property at the sole discretion of Assignee and may be exercised as often as occasion therefor shall arise.

(c) Assignee may apply the Rents, in such order as Assignee may determine, to the payment of Assignor's Liabilities and of all expenses for the care and management of the Mortgaged Property, including taxes, insurance, assessments, management fees, usual and customary commissions to real estate brokers for leasing real estate and the reasonable expenses and fees of all attorneys, agents and employees engaged in connection with the exercise of the rights and powers granted to Assignee hereunder. For purposes of the preceding sentence, attorneys' fees shall be deemed to include compensation and actual overhead of staff counsel, if any, of Assignee in addition to the fees of any other attorneys engaged by Assignee and shall include fees and expenses incurred in connection with the appeal of any matter arising under the Loan Instruments if Assignee is the prevailing party therein.

(d) The receipt by Assignee of any Rents pursuant to this Assignment following an Event of Default and the exercise of any remedies provided for herein or in the other Loan Instruments shall not cure such Event of Default or affect or prejudice the exercise of such remedies.

(e) Assignee's obligations as to any Rents actually collected shall be discharged by application of such Rents to any of the purposes specified in subparagraph (c), above. Assignee shall not be liable for uncollected Rents or for failure to collect Rents or for any claim for damages or setoffs arising out of Assignee's

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management of the Mortgaged Property. Assignee shall not be liable to any lessee for the return of any security deposit made under any Lease unless Assignee shall have received such security deposit from the Assignor or such lessee. Assignee shall not by reason of this Assignment or the exercise of any right granted herein be obligated to perform any obligation of the lessor under any of the Leases, nor shall Assignee be responsible for any act committed by the lessor, or any breach or failure to perform by the lessor with respect to any of the Leases. Nothing contained herein shall be deemed to have the effect of making Assignee a mortgagee in possession of the Mortgaged Property or any part thereof.

(f) Assignor shall reimburse Assignee for and indemnify Assignee against all expenses, losses, damages and liabilities which Assignee may incur by reason of this Assignment or the exercise of any of the rights granted hereunder. Any and all amounts due and payable, shall be added to Assignor's Liabilities, shall bear interest at the Default Rate and shall be secured by this Assignment and the other Loan Instruments.

(g) Each present and future lessee under any of the Leases is hereby authorized and directed to pay the rent payable thereunder to Assignee upon written demand from Assignee stating that an Event of Default has occurred without inquiry as to whether any such default has occurred or whether Assignee is rightfully entitled to such rent. Following receipt of any such demand, no lessee shall be given credit for any rent paid other than to Assignee thereafter until Assignee instructs such lessee otherwise in writing.

MISCELLANEOUS

(a) If the time of payment of any indebtedness secured hereby is extended at any time or times, if the Note is renewed, modified or replaced or if any security for the Note is released, Assignor and any other parties now or hereafter liable therefor or interested in the Mortgaged Property shall be deemed to have consented to such extensions, renewals, modifications, replacements and releases, and their liability and the lien hereof and of the other Loan Instruments shall not be released and the rights created hereby and thereby shall continue in full force, the right of recourse against all such parties being reserved by Assignee.

(b) Successors and Assigns. This Assignment shall inure to the benefit of Assignee and be binding upon Assignor, the heirs, legal representatives, successors and assigns of Assignor and all persons and entities (including owners and lessees) which may hereafter have any interest in the Mortgaged Property. Whenever Assignor or Assignee is referred to herein, such heirs, legal representatives, successors and assigns thereof shall be included in such reference. Notwithstanding the foregoing, Assignor shall

may not assign its rights and obligations hereunder without Assignee's prior written consent.

(c) Notwithstanding the conveyance or transfer of title to any or all of the Mortgaged Property to any lessee under any of the Leases, the lessee's leasehold estate under such Lease shall not merge into the fee estate and the lessee shall remain obligated under such lease as assigned by this Assignment.

(d) All notices, reports, requests, demands or other instruments required or contemplated to be given or furnished under this Assignment to Assignor or Assignee shall be directed to Assignor or Assignee, as the case may be, at the following addresses:

Assignee: Pioneer Bank & Trust Company
4000 West North Avenue
Chicago, Illinois 60639
Attention: Eric Hubbard

with a copy
to:

David H. Hight
Keck, Mahin & Cate
One Mid America Plaza, Suite 1000
Oakbrook Terrace, IL 60181

Assignor:

Pioneer Bank & Trust Company
Trustee of Trust No. 25864
4000 West North Avenue
Chicago, Illinois 60639

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Notices shall be either (i) personally delivered to the addresses set forth above, in which case they shall be deemed delivered on the date of such delivery or (ii) sent by certified mail, return receipt requested, in which case they shall be deemed delivered on the date of delivery set forth in the return receipt, unless delivery is delayed or refused by the addressee, in which event they shall be deemed delivered on the date mailed to such addressee. Any party may change the address to which any such notice, report, demand or other instrument is to be delivered by furnishing written notice of such change to the other parties in compliance with the foregoing provisions.

(e) The headings of the various sections, paragraphs and subdivisions of this Assignment are for convenience only, are not

to be considered a part hereof, and shall not limit, expand or otherwise affect any of the terms hereof.

(f) In the event that any of the covenants, agreements, terms or provisions, or the application thereof to any persons, entities or circumstances, contained in the Note, this Assignment or in any other Loan Instrument shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein or in the Note or in any other Loan Instrument (or the application of the covenant, agreement or term held to be invalid, illegal or unenforceable, to persons, entities or circumstances other than those in respect of which it is invalid, illegal or unenforceable) shall be in no way affected, prejudiced or disturbed thereby.

(g) Neither this Assignment nor any term hereof may be released, changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the release, change, waiver, discharge or termination is sought. To the extent permitted by law, any agreement hereafter made by the Assignor and Assignee relating to this Assignment shall be superior to the rights of the holder of any intervening lien or encumbrance.

(h) This Assignment shall be construed, interpreted, enforced and governed by and in accordance with the laws of the State of Illinois.

(i) This Assignment is given to secure not only existing indebtedness, but also such future advances, whether such advances are obligatory or are to be made at the option of Assignee, or otherwise, as are made by Assignee under the Note, to the same extent as if such future advances were made on the date of the execution of this Assignment.

THIS ASSIGNMENT is executed by PIONEER BANK & TRUST COMPANY, not personally, but as Trustee as aforesaid in the exercise of the power and authority conferred upon and invested in it as such Trustee and said Trustee hereby warrants that it possesses full power and authority to execute this instrument. It is expressly understood and agreed that nothing contained herein shall be construed as creating any liability on the part of the Assignor individually to pay the Assignor's Notes or any interest thereon, or any indebtedness accruing thereunder, or to perform any covenant either express or implied herein contained; all such liability, if any, being expressly waived by the Assignee and by every person now or hereafter claiming any right or security hereunder and that so far as Trustee personally is concerned, the legal holder or holders hereof shall look solely to the premises hereby conveyed and the enforcement of the lien hereby created or to an action to enforce the personal liability of any guarantor hereof.

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IN WITNESS WHEREOF, the undersigned has executed this Assignment on the date first above written.

ASSIGNOR:

PIONEER BANK & TRUST CO., not personally, but as Trustee under a written Trust Agreement dated May 13, 1994, and known as Trust No. 25864.

By: _____
Name: LAURA HUGHES
Title: TRUST OFFICER

ATTEST:


Its: ASST. SECRETARY

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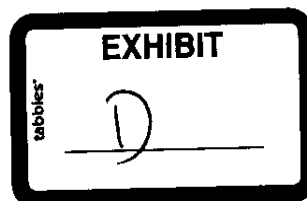
94532489

GUARANTY

TO: PIONEER BANK & TRUST COMPANY
4000 W. North Avenue
Chicago, Illinois 60639

To induce you to extend credit to PIONEER BANK & TRUST COMPANY, not personally, but as Trustee under a written Trust Agreement dated May 13, 1994, and known as Trust No. 25864, (hereinafter called "Client") and in consideration of advances to be made to Client and of any loans, advances or financial accommodations heretofore or hereafter granted by you to or for the account of the Client, the undersigned Guarantors, jointly and severally, guarantee the payment to you of all sums which may be presently due and owing and of all sums which shall in the future become due and owing to you from the Client; and also guarantees the due performance of all their respective obligations under any Note, any Mortgage, any Assignment of Leases and Rents and under all other present and future contracts and agreements with you.

This Guaranty shall not be impaired by any modification, supplement, extension or amendment of any contract or agreement to which the parties thereto may hereafter agree, nor by any modification, release or other alteration of any of the obligations hereby guaranteed or of any security therefor, nor by any agreements or arrangements whatever with the Client or any one else. In addition, Guarantors shall be liable to you for reasonable attorneys' fees, if any claim hereunder or under any other instrument or guaranty is referred to an attorney for collection. The liability of Guarantors hereunder is direct and unconditional and may be enforced without requiring you first to resort to any other right, remedy or security. Guarantors shall not have any right of subrogation, reimbursement or indemnity whatsoever, nor any right of recourse to security for the debts and obligations of the Client to you, unless and until all of said debts and obligations have been paid in full. If there is more than one Guarantor, the liability of the Guarantors shall be joint and several. If the Client or any Guarantors should at any time be adjudicated insolvent or admits in writing of their inability to pay their debts as they become due, or make a general assignment, or if a petition in bankruptcy or any insolvency or reorganization proceedings shall be filed or commenced by, against or in respect of the Client or any Guarantors which is not vacated within thirty (30) days, any and all obligations of each Guarantors shall at your option, forthwith become due and payable without notice. Your records showing the account between you and the Client shall be admissible in any action or proceeding, shall be binding upon each Guarantors for the purpose of establishing the items therein set



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forth and shall constitute prima facie proof thereof. This Guaranty is, as to Guarantors, a continuing Guaranty which shall remain effective until expressly terminated and nothing shall discharge or satisfy the liability of any Guarantor hereunder except the full payment and performance of all of the Client's debts and obligations to you with interest. Any and all present and future debts and obligations of the Client to each Guarantor are hereby waived and postponed in favor of and subordinated to the full payment and performance of all present and future debts and obligations of the Client to you; and all sums at any time to the credit of each Guarantor and any of the property of each Guarantor at any time in your possession may be held by you as security for any and all obligations of such Guarantor to you and to your subsidiaries, no matter how or when arising, whether absolute or contingent, whether due or to become due and whether under this Guaranty or otherwise.

All of the obligations of Guarantors hereunder are secured as set forth in the Assignment Under Land Trust of even date herewith, whereby the undersigned has assigned and conveyed to you all of its right, title and interest in and to PIONEER BANK & TRUST COMPANY, not personally, but as Trustee under a written Trust Agreement dated May 13, 1994 and known as Trust No. 25864.

Guarantors waive notice of acceptance hereof, presentment and protest of any instrument and any other notice to which the Guarantors may otherwise be entitled. Guarantor also waives any claim or other right which Guarantor may now have or hereafter acquire against the Client or any other person that is primarily or contingently liable on the guaranteed obligation that arises from this Guaranty, including, without limitation, any right of subrogation, reimbursement, exoneration, contribution, indemnification, any right to participate in any claim or remedy you may have against the Client or any collateral security therefor, which you now have or hereafter acquire; whether or not such claim, remedy or right arises in equity, or under contract, statute or common law.


This Guaranty, all acts and transactions hereunder, and the rights and obligations of the parties hereto shall be governed, construed and interpreted according to the laws of the State of Illinois, shall be binding upon the heirs, executors, administrators, successors and assigns of Guarantors and shall inure to the benefit of your successors and assigns. The words "you" and "your" as used herein shall mean and include and this Guaranty shall apply in favor of and be jointly and severally enforceable against each of the Guarantors by the addressee above

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named and each of its subsidiaries. This Guaranty is a key element in the extension of credit to Client and the undersigned directly benefit therefrom.

Dated: June 15, 1994



Inocencio Arceo

4124 W. North Avenue
Chicago, Illinois 60639

(bjd m7:ARC-Guar.)
6/10/94

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