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This instrument prepared by  
and please return to:  
Kimberly K. Enders, Esq.  
100 West Monroe Street #1500  
Chicago, Illinois 60603

3604/0200 30 001 Page 1 of 41  
1998-12-01 10:47:56  
Cook County Recorder 101.00



P.I.N.: 16-06-201-006-0000; 16-06-201-007-0000  
COMMONLY KNOWN AS: 6707 W. North Avenue, Oak Park, Illinois

REAL ESTATE MORTGAGE, ASSIGNMENT OF RENTS, SECURITY AGREEMENT  
AND UCC-2 FINANCING STATEMENT

41

778062 TMS

THIS INSTRUMENT is a Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC-2 Financing Statement ("Mortgage") made and delivered by Ann C. Adams, never married, and Tamara M. Müller, never married (collectively "Mortgagor"), jointly and severally, to The PrivateBank and Trust Company (herein, together with its successors and assigns, called the "Mortgagee").

WHEREAS, Mortgagor and Independence Plus, Inc., an Illinois corporation, have concurrently herewith executed and delivered a Third Loan and Security Modification Agreement ("Third Modification") pursuant to which Independence Plus, Inc. has concurrently herewith executed and delivered to Mortgagee two promissory notes dated the date hereof, as follows: (1) "Promissory Note" in the principal amount of \$555,704 ("Revised Note No. 2") and (2) "Promissory Note Evidencing a Revolving Line of Credit" in the principal amount of \$150,000 ("Note No. 3"); and Independence Plus, Inc. and Mortgagor have concurrently herewith executed and delivered to Mortgagee a promissory note entitled "Promissory Note" in the principal amount of \$131,000 ("Note No. 4") (Revised Note No. 2, Note No. 3 and Note No. 4 are collectively referred to herein as "Note"), each bearing interest and payable in the amounts and at the times set forth and otherwise in the form attached hereto as Exhibits A-1, A-2 and A-3 respectively ; and

WHEREAS, the indebtedness evidenced by the Note, the undertakings by Mortgagor in this instrument and the Third Modification and any and all other sums which may at any time be due, owing or required to be paid as herein or in the Note provided are herein called "Indebtedness Hereby Secured." In no event shall the

BOX 333-CTI

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Indebtedness Hereby Secured exceed 300% of the principal amount of the Note.

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## NOW, THEREFORE:

TO SECURE the payment and performance of Indebtedness Hereby Secured and other good and valuable considerations, the receipt and sufficiency of which is hereby acknowledged, Mortgagor does hereby MORTGAGE, WARRANT and CONVEY to Mortgagee the Real Estate described in Exhibit B ("Real Estate") together with the property mentioned in the next succeeding paragraphs (collectively "Premises").

TOGETHER with and including within the term "Premises" as used herein any and all equipment, personal property, improvements, buildings, structures, easements, fixtures, privileges, reservations, appurtenances, rights and estates in reversion or remainder, rights in or to adjacent sidewalks, alleys, streets and vaults, and any and all rights and interests of every name and nature now or hereafter owned by Mortgagor, forming a part of and/or used in connection with the Real Estate and/or the operation and convenience of the buildings and improvements now or hereafter located thereon.

AND TOGETHER with a security interest in (by way of enumeration but without limitation) all personal property, accounts receivable, bank accounts, furniture, furnishings and equipment used in connection with the existence and operation of the Real Estate or furnished by Mortgagor to tenants thereof, all building materials located at the Real Estate and intended to be incorporated in improvements now or hereafter to be constructed thereon, whether or not incorporated therein, machines, machinery, fixtures, apparatus, equipment and articles used to supply heating, gas, electricity, air conditioning, water, light, power, sprinkler protection, waste removal, refrigeration and ventilation, and all floor coverings, screens, storm windows, blinds, awnings; in each case now or hereafter placed in, on or at the Real Estate and all additions and accessions and all proceeds of all of the foregoing. All of the foregoing shall hereinafter be referred to as "Personal Property." The enumeration of any specific articles of Personal Property shall in no way exclude or be held to exclude any items of property not specifically enumerated.

AND TOGETHER with all of the rents, income, receipts, revenues, issues and profits thereof and therefrom; and all of the land, estate, property and rights hereinabove described and hereby conveyed and intended so to be, whether real, personal or mixed, and whether or not affixed or annexed to the Real Estate are intended to be as a unit and are hereby understood, agreed and declared to form a part and parcel of the Premises and to be appropriated to the use of the Premises and for the purposes hereof shall be deemed to be real estate mortgaged and warranted hereby.

TO HAVE AND TO HOLD all and sundry of the Premises hereby mortgaged and warranted or intended so to be, together with the rents, issues and profits thereof, unto Mortgagee forever, free from all rights and benefits under and by virtue of the Homestead Exemption Laws of the State of Illinois (which rights and benefits are hereby expressly released and waived), for the uses and purposes herein set forth, together with all right to retain possession of the Premises after any default in the payment of all or any part of the Indebtedness Hereby Secured, or the breach of any covenant or agreement herein contained, or upon the occurrence of any Event of Default as hereinafter defined.

PROVIDED, that if all Indebtedness Hereby Secured shall be duly and punctually paid and all terms, provisions, conditions and agreements herein contained on the part of Mortgagor to be performed or observed shall be strictly performed and observed, then this Mortgage and the estate, right and interest of Mortgagee in the Premises shall cease and be of no effect.

AND IT IS FURTHER AGREED THAT:

1. Payment of Indebtedness. Mortgagor will promptly pay the principal and interest on the Note, and all other Indebtedness Hereby Secured, as the same become due, and will duly perform and observe all of the covenants, agreements and provisions herein and in the Note required.

2. Maintenance, Repair, Restoration, Prior Liens, Parking, Etc. Mortgagor will (a) promptly construct, repair, restore and rebuild any buildings or improvements now or hereafter on the Premises or Personal Property used on or in connection with the Real Estate which may become damaged or be destroyed whether or not proceeds of insurance are available or sufficient for the purpose; (b) keep the Premises and Personal Property in good condition and repair, without waste, and free from mechanics', materialmen's or like liens or claims or other liens or claims for lien; (c) pay, when due, any indebtedness which may be secured by a lien or charge on the Premises or Personal Property superior to the lien hereof, and upon request exhibit satisfactory evidence of the discharge of such prior lien to Mortgagee; (d) complete, within a reasonable time, any building or buildings now or at any time in the process of erection upon the Premises; (e) comply with all requirements of law, municipal ordinances or restrictions and covenants of record with respect to the Premises and Personal Property and the use thereof; (f) make no material alterations in the Premises, except as permitted by the Third Modification or as required by law or municipal ordinance without Mortgagee's prior written consent; (g) make or permit no change in the general nature of the occupancy of the Premises without Mortgagee's prior written consent; (h) pay all operating costs of the Premises; (i) not initiate nor acquiesce in any zoning reclassification with respect to the Premises without Mortgagee's prior written consent and (j) provide, improve, grade,

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surface and thereafter maintain, clean and repair any sidewalks, aisles, streets, driveways and sidewalk cuts and paved areas for parking and for ingress, egress and right-of-way to and from the adjacent public thoroughfares necessary or desirable for the use thereof; and reserve and use all such areas solely and exclusively for the purpose of providing parking, ingress and egress for tenants or invitees of tenants of the Premises; and Mortgagor will not reduce, build upon, obstruct, redesignate or relocate any such areas or rights-of-way or lease or grant any rights to use the same to any person except tenants and invitees of tenants of the Premises without prior written consent of Mortgagee.

3. Taxes. Mortgagor will pay when due before any penalty attaches all general and special taxes, assessments, water charges, sewer charges, and other fees, taxes, charges and assessments of every kind and nature whatsoever (all herein generally called "Taxes") assessed against or applicable to the Premises, the Personal Property or any interest therein, or the Indebtedness Hereby Secured, and Mortgagor will furnish to Mortgagee duplicate receipts therefor. Mortgagor will pay in full, under protest in the manner provided by statute, any Taxes which Mortgagor may desire to contest. However, if deferment of payment is required to conduct any contest or review, Mortgagor shall deposit the full amount thereof, together with an amount equal to the interest and penalties during the period of contest (as estimated by Mortgagee) with Mortgagee. In any event, Mortgagor shall (and if Mortgagor shall fail to do so, Mortgagee may, but shall not be required to, use the monies deposited as aforesaid) pay all Taxes, notwithstanding such contest, if in the opinion of Mortgagee, the Premises shall be in jeopardy or in danger of being forfeited or foreclosed. In the event any law or court decree has the effect of deducting from the value of land for the purpose of taxation any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the Taxes or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the interest of Mortgagee in the Premises or the manner of collection of Taxes so as to affect this Mortgage or the Indebtedness Hereby Secured or the holder thereof, then, and in any such event, Mortgagor upon demand by Mortgagee will pay such Taxes or reimburse Mortgagee therefore. Nothing herein contained shall require Mortgagor to pay any income, franchise or excise tax imposed upon Mortgagee, excepting only such which may be levied against such income expressly as and for a specific substitute for Taxes on the Premises and then only in an amount computed as if Mortgagee derived no income from any source other than its interest hereunder.

4. Insurance Coverage. Mortgagor will keep insured all buildings and improvements on the Premises and all Personal Property against such risks, perils and hazards as Mortgagee may from time to time require, including but not limited to:



(a) Insurance against loss by fire and risks covered by the so-called extended coverage endorsement in amounts equal to the full replacement value of the Premises but not less than the amount of the Note;

(b) Public liability insurance against bodily injury, death and property damage in the amount of not less than \$1,000,000 with respect to each person and to a limit of no less than \$2,000,000 with respect to any one occurrence causing injury or damage, and to the limit of not less than \$500,000 in respect to property damage;

(c) Steam boiler, machinery and other insurance of the types and in amounts as Mortgagee may require;

(d) Flood insurance if required by the Flood Disaster Protection Act of 1973 as a condition of receipt of federal or federally related financial assistance for acquisition and/or construction of buildings in amounts required by such Act.

5. Insurance Policies. All policies of insurance herein required shall be in forms, companies and amounts reasonably satisfactory to Mortgagee. Unless otherwise specified by Mortgagee, the insuring company must meet the following basic requirements: (a) it must have minimum rating according to Best's Key Rating Guide for Property - Liability of A; (b) it must be a stock company or non-assessable mutual company and incorporated in America, Canada or Britain; (c) it must be licensed to do business in Illinois; (d) it may not have more than 10% of the policyholder's surplus on any one risk; and (e) it must have all policies and endorsements manually signed. Co-insurance requirements, if any, must be met or an agreed amount endorsement attached. The maximum deductible allowable in the policy will be \$5,000 and the policy must contain a standard mortgagee clause in favor of:

The PrivateBank and Trust Company  
its successors and assigns  
10 N. Dearborn Street  
Chicago, Illinois 60602  
Attn: Loan Operations

All policies must contain a provision to the effect that any waiver of subrogation rights by the insured does not void the coverage and must contain any other special endorsements as may be required by the terms of any leases assigned as security for the Note. The Mortgagor will deliver all policies, including additional and renewal policies to Mortgagee. All insurance policies shall be prepaid for one year. In case of insurance policies about to expire, Mortgagor will deliver renewal policies not less than thirty (30) days prior to the respective dates of expiration. All

policies shall provide that such insurance shall not be canceled, modified or terminated without thirty (30) days prior written notice to Mortgagee.

6. Deposits for Taxes and Insurance Premiums. To assure payment of Taxes and insurance premiums payable with respect to the Premises as and when the same shall become due and payable:

(a) The Mortgagor shall deposit with Mortgagee at the time of the disbursement of the proceeds of the Note:

(i) An amount equal to one-twelfth of such Taxes multiplied by the number of months elapsed between the date on which the most recent installment for such taxes was required to be paid and the date hereof; and

(ii) An amount equal to one-twelfth of such annual insurance premiums multiplied by the number of months elapsed between the date premiums on each policy were last paid to and the date of such first deposit.

(b) Concurrently with each monthly payment installment pursuant to the Note, Mortgagor shall deposit with Mortgagee an amount equal to one-twelfth of the Taxes and one-twelfth of the insurance premiums.

(c) The amount of such deposits ("Tax and Insurance Deposits") shall be based upon the most recently available bills therefor. All Tax and Insurance Deposits shall be held by the Mortgagee without any allowance of interest thereon.

(d) Monthly Tax and Insurance Deposits, together with monthly payments of principal, if any, and interest shall be paid in a single payment each month, to be applied to the following items in the following order:

- (i) Tax and Insurance Deposits;
- (ii) Indebtedness Hereby Secured other than principal and interest on the Note;
- (iii) Interest on the Note;
- (iv) Amortization of the principal balance of the Note.

(e) Mortgagee will pay insurance premiums and Taxes from the Tax and Insurance Deposits upon the presentation by Mortgagor of bills therefor, or upon presentation of receipted bills, reimburse Mortgagor for such payments. If the total Tax and Insurance Deposits on hand are not sufficient to pay all of the Taxes and insurance premiums when due, Mortgagor will deposit with

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Mortgagee any amount necessary to make up the deficiency. If the total of such Tax and Insurance Deposits exceeds the amount required to pay Taxes and insurance premiums, such excess shall be credited on subsequent deposits to be made for such items.

(f) In the Event of Default, Mortgagee may, but shall not be required to, apply Tax and Insurance Deposits on any Indebtedness Hereby Secured, in such order and manner as Mortgagee may elect. When the Indebtedness Hereby Secured has been fully paid, any remaining Tax and Insurance Deposits shall be paid to Mortgagor. All Tax and Insurance Deposits are hereby pledged as additional security for Indebtedness Hereby Secured and shall not be subject to the direction or control of the Mortgagor.

(g) Mortgagee shall not be liable for any failure to apply any amounts deposited to the payment of Taxes and insurance premiums unless while no Event of Default exists hereunder Mortgagor shall have presented to Mortgagee the appropriate Tax and insurance premium bills to be paid from the Tax and Insurance Deposits.

7. Proceeds of Insurance. Mortgagor will promptly give Mortgagee notice of damage or destruction to the Premises, and:

In case of loss covered by a policy of insurance ("Insured Casualty"), Mortgagee, or the purchaser at a foreclosure sale, without the consent of Mortgagor, may settle and adjust any claim, or allow Mortgagor to agree with the insurance company or companies on the amount to be paid upon the loss. *Provided* however, if there are no existing Events of Default, Mortgagor may itself adjust losses subject to the consent of the Mortgagee. Mortgagee is hereby authorized to collect and receipt for any such insurance proceeds. Expenses incurred by Mortgagee in adjustment and collection of insurance proceeds shall be additional Indebtedness Hereby Secured, and shall be reimbursed to Mortgagee upon demand. Mortgagor hereby grants to Mortgagee a security interest in all such insurance proceeds.

Mortgagee, in its sole discretion may (i) apply the proceeds of insurance consequent upon any Insured Casualty upon Indebtedness Hereby Secured in such order or manner as Mortgagee may elect or (ii) make the proceeds available to Mortgagor for the restoration, repairing, replacing or rebuilding of the Premises.

In the event proceeds of insurance shall be made available to Mortgagor for the restoring, repairing, replacing or rebuilding of the Premises, Mortgagor covenants to restore, repair, replace or rebuild the same, to be of at least equal value, and of substantially the same character as prior to such damage or destruction; all to be effected in accordance with plans and specifications to be first submitted to and approved by Mortgagee.



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Mortgagor shall pay all costs of such restoring, repairing, replacing or rebuilding in excess of the proceeds of insurance.

8. Disbursement of Insurance Proceeds. If Mortgagor is entitled to reimbursement out of insurance proceeds held by Mortgagee, such proceeds shall be disbursed from time to time, pursuant to a construction escrow established with a title insurance company acceptable to Mortgagee, upon Mortgagee being furnished with (i) satisfactory evidence of the cost of completion of restoration, repair, replacement and rebuilding, (ii) funds sufficient, in addition to the proceeds of insurance, to complete the proposed restoration, repair, replacement and rebuilding, and (iii) such architect's certificates, waivers of lien, contractor's sworn statements and other evidences of cost and payment as the Mortgagee may require and approve. No payment made prior to the final completion of the restoration, repair, replacement or rebuilding shall exceed ninety (90%) percent of the value of the labor and material for work performed from time to time. Funds other than proceeds of insurance shall be disbursed prior to disbursement of insurance proceeds. At all times the undisbursed balance of the insurance proceeds held by Mortgagee, together with funds deposited or irrevocably committed to the satisfaction of the Mortgagee by or on behalf of the Mortgagor for the purpose, shall be at least sufficient, in the judgment of Mortgagee, to pay for the cost of completing the restoration, repair, replacement or rebuilding the Premises, free and clear of all liens or claims for lien. Mortgagee shall deposit such proceeds in a so-called Money Market Account, or a reasonably equivalent account, and the interest earned thereon shall inure to the benefit of Mortgagor. Mortgagor shall pay all costs in connection with disbursement of funds pursuant to this Section.

9. Condemnation. Mortgagor hereby assigns, transfers and sets over unto Mortgagee the entire proceeds of any award or claim for damages for any of the Premises taken or damaged under the power of eminent domain or by condemnation including damages to remainder. Except as hereinafter provided in this Section, Mortgagee may apply the proceeds of the award in reduction of Indebtedness Hereby Secured then most remotely to be paid, whether due or not. Provided, however, if in the judgement of Mortgagee the Premises can be restored or rebuilt to an economic unit not less valuable than prior to the condemnation, and adequately securing the outstanding balance of the Indebtedness Hereby Secured, Mortgagee may require Mortgagor to restore or rebuild the Premises; in which event, provided there then exists no uncured Event of Default, the proceeds held by Mortgagee shall be used to reimburse Mortgagor for the cost of such rebuilding or restoring. If Mortgagor is permitted to rebuild or restore the Premises as aforesaid, such rebuilding or restoration shall be effected in accordance with plans and specifications submitted to and approved by Mortgagee and proceeds of the award shall be paid out in the same manner as provided in Section 8 for the payment of insurance

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proceeds towards the cost of rebuilding or restoration. If the amount of such award is insufficient to cover the cost of rebuilding or restoration, Mortgagor shall pay such costs in excess of the award before being entitled to reimbursement out of the award. Any surplus which may remain out of the award after payment of such costs of rebuilding or restoration shall, at the option of Mortgagee, be applied on account of the Indebtedness Hereby Secured then most remotely to be paid or be paid to any other party entitled thereto. Mortgagee shall deposit such proceeds in a so-called Money Market Account, or a reasonably equivalent account, and the interest earned thereon shall inure to the benefit of Mortgagor.

10. Stamp Tax. If any tax is due or becomes due in respect of the issuance of the Note, Mortgagor shall pay such tax in the manner required by such law.

11. Prepayment Privilege. Mortgagor may prepay the principal of the Note at the times and in the manner set forth in the Note.

12. Effect of Extensions of Time, Amendments on Junior Liens and Others. If payment of the Indebtedness Hereby Secured, or any part thereof, be extended or varied, or if any part of the security be released, all persons now or at any time hereafter liable therefor, or interested in the Premises, shall be held to assent to such extension, variation or release and their liability, and the lien and all provisions hereof shall continue in full force and effect; the right of recourse against all such persons being expressly reserved by Mortgagee, notwithstanding any such extension, variation or release. Any junior mortgage, or other lien upon the Premises or any interest therein, shall be subject to the rights of Mortgagee to amend, modify and supplement this Mortgage, the Note and the assignment of rents and security agreement contained herein, and to extend the maturity of the Indebtedness Hereby Secured, in each and every case without obtaining the consent of the holder of such junior lien and without the lien of this Mortgage, or any part thereof, losing its priority over the rights of any such junior lien.

13. Mortgagee's Performance of Mortgagor's Obligations. In case of an Event of Default, Mortgagee either before or after acceleration of the Indebtedness Hereby Secured or the foreclosure of the lien hereof and during the period of redemption, if any, may, but shall not be required to, make any payment or perform any act herein in any form and manner deemed expedient to Mortgagee. Mortgagee may, but shall not be required to, make full or partial payments of principal or interest on superior encumbrances, if any, and pay, purchase, discharge, compromise or settle any tax lien or other prior lien or title or claim thereof, redeem from any tax sale or forfeiture, contest any tax or assessment, and may, but shall not be required to, complete construction, furnishing and equipping of the improvements upon the Premises and rent, operate

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and manage the Premises and the Personal Property and pay operating costs and expenses, including management fees, of every kind and nature in connection therewith, so that the Premises shall be operational and usable. The amount of all monies paid for any of the purposes herein authorized, and all expenses paid or incurred in connection therewith, including attorneys fees and monies advanced to protect the Premises and the lien hereof, shall be additional Indebtedness Hereby Secured, whether or not they exceed the amount of the Note, and shall become immediately due and payable without notice, and with interest thereon at the Default Rate specified in the Note (herein called the "Default Rate"). Inaction of Mortgagee shall never be considered as a waiver of any right accruing to it on account of any default on the part of Mortgagor. Mortgagee, in making any payment hereby authorized: (a) relating to taxes and assessments, may do so according to any bill, statement or estimate, without inquiry into the validity of any tax, assessment, sale, forfeiture, tax lien or title or claim thereof; (b) for the purchase, discharge, compromise or settlement of any other superior lien, may do so without inquiry as to the validity or amount of any claim for lien which may be asserted; or (c) in connection with the completion of construction, furnishing or equipping of the Premises, the rental, operation or management of the Premises or the payment of operating costs and expenses thereof may do so in such amounts and to such persons as Mortgagee may deem appropriate and may enter into such contracts therefor as Mortgagee may deem appropriate or may perform the same itself.

14. Inspection of Premises. Mortgagee may inspect the Premises at all reasonable times and shall have access thereto permitted for that purpose.

15. Restrictions on Transfer. It shall be an immediate Event of Default and default hereunder if, without the prior written consent of Mortgagee:

(a) Mortgagor shall create, effect, lease, contract or consent to or shall suffer or permit any conveyance, sale, encumbrance, lien or alienation of the Premises or any part thereof or interest therein, except for (i) liens for which Mortgagee gives its written consent, and (ii) sales or other dispositions of any equipment or machinery constituting part of the Premises no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition thereof, such obsolete machinery or equipment has been replaced by machinery and equipment of at least equal value and utility, subject to the first and prior lien hereof; or

(b) All or any part of the beneficial interest in Mortgagor, or any successor in interest shall be sold, assigned or transferred, or contracted to be sold, assigned or transferred without the prior consent of Mortgagee;

in each case it shall be an Event of Default even though such conveyance, sale, assignment, encumbrance, lien or transfer is affected directly, indirectly, voluntarily or involuntarily, by operation of law or otherwise. Provided, however, that the foregoing provisions of this Section shall not apply to liens securing Indebtedness Hereby Secured, nor to the lien of current taxes and assessments not in default.

16. Events of Default. If one or more of the following events (herein called "Events of Default") shall occur:

(a) If default be made for fifteen days in the payment of any installment of principal or interest of the Note, or if default be made for fifteen days after notice in the making of any other payment of monies required to be made hereunder or under the Note or under the Third Modification; or

(b) If a default pursuant to Section 15 hereof shall occur and be continuing, without notice or period of grace of any kind; or

(c) If (and for the purpose of this Section the term Mortgagor includes a beneficiary of Mortgagor and each person who, as co-maker, guarantor or otherwise is, shall be or become liable for or obligated upon all or any part of the Indebtedness Hereby Secured):

(i) any Mortgagor shall file a petition in voluntary bankruptcy under any Federal Bankruptcy Act or similar law, state or federal, now or hereafter in effect,

(ii) any Mortgagor shall file an answer or otherwise in writing admit insolvency or inability to pay its debts,

(iii) within sixty (60) days after the filing against any Mortgagor of any involuntary proceedings under such Bankruptcy Act or similar law, such proceedings shall not have been vacated or stayed,

(iv) any Mortgagor shall be adjudicated a bankrupt, or a trustee or receiver shall be appointed for any Mortgagor or for all or a major part of any Mortgagor's property or the Premises, or any court shall take jurisdiction of all or the major part of any Mortgagor's property or the Premises in any involuntary proceedings for the reorganization, dissolution, liquidation or winding up of any Mortgagor, and such trustee or receiver shall not be discharged or jurisdiction relinquished or vacated or stayed on appeal or otherwise stayed within sixty (60) days, or

(v) any Mortgagor shall make an assignment for the benefit of creditors or shall admit in writing its inability to pay its debts generally as they become due or shall consent to the

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appointment of a receiver or trustee or liquidator of all or the major part of its property or the Premises; or

(d) If default shall continue for fifteen (15) days after notice thereof by Mortgagee to Mortgagor in the due and punctual performance or observance of any other agreement or condition herein or contained in the Note or the Third Modification except if the nature of the default is such that it cannot be cured in fifteen days and cure is begun within fifteen days and thereafter diligently pursued such default shall not be considered an Event of Default; or

(e) If the Premises shall be abandoned; or

(f) If any Maker or Guarantor of the Note shall die or be declared legally incompetent or its existence shall be terminated;

then Mortgagee is authorized and empowered, at its option, without affecting the lien hereby created or the priority of said lien or any right of Mortgagee hereunder, to declare, without further notice all Indebtedness Hereby Secured immediately due and payable, whether or not such default be thereafter remedied by Mortgagor, and Mortgagee may immediately proceed to foreclose this Mortgage and to exercise any right, power or remedy provided by this Mortgage, the Note, any document securing the Note or by law or in equity.

17. Foreclosure. When the Indebtedness Hereby Secured or any part thereof shall become due, by acceleration or otherwise, Mortgagee shall have the right to foreclose the lien hereof for the Indebtedness Hereby Secured or any part thereof. In any suit or proceeding to foreclose the lien hereof, there shall be allowed and included as additional indebtedness in the decree for sale, all expenditures and expenses which may be paid or incurred by or on behalf of Mortgagee for attorneys' fees, appraisers' fees, outlays 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 abstracts of title, title searches and examinations, title insurance policies, and similar data and assurances with respect to title to prosecute such suit or to evidence to bidders at sales, which may be had pursuant to such decree, the true conditions of the title to or value of the Premises. All expenditures and expenses in this Section mentioned and expenses and fees as may be incurred in the protection of said Premises and the maintenance of the lien of this Mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceedings affecting this Mortgage, the Note, the Third Modification or the Premises, including probate and bankruptcy proceedings, or in preparation for the commencement or defense of any proceeding or threatened suit or proceeding, shall

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be immediately due and payable by the Mortgagor, with interest thereon at the Default Rate as set forth in the Note.

18. Receiver. Upon, or at any time after, the filing of a complaint to foreclose this Mortgage, the court may appoint a receiver of the Premises. Such appointment shall be made as provided before or after sale, without notice, without regard to solvency or insolvency of Mortgagor and without regard to the then value of the Premises or whether the same shall be then occupied as a homestead or not. Mortgagee or any holder of the Note may be appointed as such receiver. Such receiver shall have the power to collect the rents, issues and profits of the Premises during the pendency of such foreclosure suit and, in case of a sale and a deficiency, during the full statutory period of redemption, if any, whether there be a redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collection of such rents, issues and profits and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the Premises during the whole of said period. The court may, from time to time, authorize the receiver to apply the net income from the Premises in his hands in payment in whole or in part of:

(a) the Indebtedness Hereby Secured or the indebtedness secured by any decree foreclosing this Mortgage, or any tax, special assessment or other lien which may be or become superior to the lien hereof or of such decree provided such application is made prior to the foreclosure sale; or

(b) the deficiency in case of a sale and deficiency.

19. Insurance Upon Foreclosure. In case of an insured loss after foreclosure proceedings have been instituted, the proceeds of any insurance policies, if not applied in Mortgagee's sole discretion to rebuilding or restoring the buildings or improvements, shall be used to pay the amount due in accordance with any decree of foreclosure and any balance shall be paid as the court may direct. In the case of foreclosure of this Mortgage, the court may provide in its decree that the decree creditor may cause a new loss payable clause to be attached to each casualty insurance policy making the proceeds payable to decree creditors. Any such foreclosure decree may further provide that in case of one or more redemptions under said decree, each successive redepton may cause the preceding loss clause attached to each casualty insurance policy to be canceled and a new loss clause to be attached thereto, making the proceeds thereunder payable to such redepton. In the event of foreclosure sale, Mortgagee is authorized, without the consent of Mortgagor, to assign any and all insurance policies to the purchaser at the sale or to take such other steps as Mortgagee may deem advisable to cause the interest of such purchaser to be protected by any of the said insurance policies.

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20. Waiver of Redemption Rights. Mortgagor covenants and agrees that it will not at any time insist upon or plead, or in any manner whatsoever claim or take any advantage of, any stay, exemption or extension law or any so-called "Moratorium Law" now or at any time hereafter in force, or claim, take or insist upon any benefit or advantage of or from any law now or hereafter in force providing for the valuation or appraisal of the Premises, or any part thereof, prior to any sale or sales thereof to be made pursuant to any provisions herein contained, or to decree, judgment or order of any court of competent jurisdiction, or after such sale or sales claim exercise any rights under any statute now or hereafter in force to redeem the property so sold, or any part thereof, or relating to the marshalling thereof, upon foreclosure sale or other enforcement hereof. Mortgagor expressly waives any and all rights of redemption from sale under any order or decree of foreclosure of this Mortgage on its own behalf and on behalf of each and every person, excepting only decree or judgment creditors of Mortgagor acquiring any interest or title to the Premises subsequent to the date hereof, it being the intent hereof that any and all such rights of redemption of Mortgagor and of all other persons are and shall be deemed to be hereby waived to the full extent permitted by law. Mortgagor will not invoke or utilize any such law or laws or otherwise hinder, delay or impede the execution of any right, power and remedy as though no such law or laws have been made or enacted.

21. Mortgagee in Possession. Nothing shall be construed as constituting Mortgagee a mortgagee in possession in the absence of actual taking of possession of the Premises by Mortgagee.

22. Mortgagee's Right of Possession. Upon or at any time after filing a complaint to foreclose this Mortgage, the court may appoint Mortgagee as mortgagee-in-possession of the Premises. Mortgagor hereby waives any rights it may have to object to such appointment. Such appointment may be made before or after sale, without notice, without regard to the solvency or insolvency of Mortgagor and without regard to the then value of the Premises. Upon such appointment, Mortgagee shall be entitled to take actual possession of the Premises, or any part thereof, personally or by its agents or attorneys, and Mortgagor shall surrender such possession to Mortgagee, together with all documents, books, records, papers and accounts of Mortgagor as may be necessary or desirable in connection with the management and operation of the Premises. Mortgagee may exclude Mortgagor, its agents and servants wholly therefrom and may act as attorney-in-fact or agent of Mortgagor, or in its own name as Mortgagee, and under the powers herein granted, hold, operate, manage and control the Premises and conduct the business thereof in such manner as it deems proper or necessary to enforce the payment or security of the avails, rents, issues and profits of the Premises, including actions for the recovery of rent, actions in forcible detainer and actions in distress for rent, and with full power:

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(i) to cancel or terminate any lease or sublease for any cause or on any grounds that would entitle Mortgagor to cancel the same;

(ii) to elect or disaffirm any lease or sublease which is then subordinate to the lien hereof except to the extent proscribed by any non-disturbance agreement to which Mortgagee is a party;

(iii) to extend or modify any then existing leases and to make new leases, which extensions, modifications and new leases may provide for terms to expire or for options to lessees to extend or renew terms to expire beyond the maturity date of the Indebtedness Secured Hereby and beyond the date of the issuance of a deed or deeds to a purchaser or purchasers at a foreclosure sale, it being understood and agreed that any such leases, and the options or other such provisions to be contained therein shall be binding upon Mortgagor and all persons whose interests in the Premises are subject to the lien hereof and upon the purchaser or purchasers at any foreclosure sale, notwithstanding any redemption from sale, discharge of the mortgage indebtedness, satisfaction of any foreclosure decree, or issuance of any certificate of sale or deed to any purchaser;

(iv) to make all necessary or proper repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements to the Premises as to it may seem judicious;

(v) to insure and reinsure the same and all risks incidental of Mortgagee's possession, operation and management thereof;

(vi) to receive all of such avails, rents, issues and profits hereby granting full power and authority to exercise each and every of the rights, privileges and powers herein granted at any and all times hereafter, without notice to Mortgagor. Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under any leases. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under said leases or under or by reason of the assignment thereof and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertakings on its part to perform or discharge any of the terms, covenants or agreements contained in said leases. Should Mortgagee incur any such liability, loss or damage, under said leases or under or by reason of the assignment thereof, or in the defense of any claims or demands, the amount thereof, including costs, expenses and reasonable attorneys' fees, shall be secured hereby



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and Mortgagor shall reimburse Mortgagee therefor immediately upon demand; and

(vii) to use and apply the avails, rents, issues, profits and proceeds of the Premises in payment of or on account of the following, in such order as Mortgagee may determine:

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

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises; and, if this is a leasehold mortgage, of all rents due or which may become hereafter due under the underlying lease;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments and improvements of the Premises, including but not limited to the cost from time to time of installing or replacing refrigeration and gas or electric stoves therein, and of placing the Premises in such condition as will, in the judgment of Mortgagee, make it readily rentable; and

(d) to the payment of any Indebtedness Hereby Secured or any deficiency which may result from any foreclosure sale.

23. Title in Mortgagor's Successors. If ownership of the Premises becomes vested in a person or persons other than Mortgagor, Mortgagee may, without notice to Mortgagor, deal with such successor or successors in interest of Mortgagor with reference to this Mortgage and the Indebtedness Hereby Secured in the same manner as with Mortgagor. Mortgagor shall give immediate written notice to Mortgagee of any conveyance, transfer or change of ownership of the Premises. Nothing in this Section shall vary or negate the provisions of Section 15 hereof.

24. Assignment of Rents, Issues and Profits.

(a) Grant of Security Interest. Mortgagor hereby assigns and transfers to Mortgagee all the rents, issues and profits of the Premises and all present and future leases upon all or any part of the Premises and any and all extensions and renewals thereof ("Leases") and all security deposits or interest therein now or hereafter held by Mortgagor, and hereby gives to and confers upon Mortgagee the right, power and authority to collect such

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rents, issues and profits. Mortgagor irrevocably appoints Mortgagee its true and lawful attorney-in-fact, at the option of Mortgagee at any time and from time to time, to demand, receive and enforce payment, to give receipts, releases and satisfactions, and to sue in the name of Mortgagor or Mortgagee for all such rents, issues and profits and apply the same to the indebtedness secured hereby. The assignment of the rents, issues and profits of the Premises in this Section is intended to be an absolute assignment from Mortgagor to Mortgagee and not merely the passing of a security interest.

(b) Mortgagor's Representations. Mortgagor represents that: (i) it has made no prior assignment or pledge of the rents assigned hereby or of Mortgagor's interest in any of the Leases; (ii) to the best of Mortgagor's knowledge no default exists in any of the Leases; (iii) to the best of Mortgagor's knowledge none of the Leases have been modified; and (iv) no prepayment of any installment of rent for more than two (2) months due under any of the Leases has been received by Mortgagor.

(c) Negative Covenants of Mortgagor. Mortgagor will not, without Mortgagee's prior written consent: (i) execute an assignment or pledge of the rents from the Premises or any part thereof or of the Mortgagor's interest in any of the Leases; (ii) terminate or consent to the cancellation or surrender of any of the Leases except in the ordinary course of business; (iii) modify, extend or otherwise alter the terms of any of the Leases except in the ordinary course of business; (iv) accept prepayments more than one month in advance of any installments of rents to become due under any of the Leases; or (v) execute any lease of all or any portion of the Premises except for actual occupancy by the lessee thereunder.

(d) Affirmative Covenants of Mortgagor. Mortgagor at its sole cost and expense will (i) at all times promptly and faithfully abide by, discharge or perform all of the covenants, conditions and agreements contained in the Leases; (ii) enforce or secure the performance of all of the covenants, conditions and agreements of the Leases on the part of the lessees to be kept and performed; (iii) appear in and defend any action or proceeding arising under, growing out of or in any manner connected with the Leases or the obligations, duties or liabilities of Mortgagor, as lessor, and of the lessees thereunder, and pay all reasonable costs and expenses of Mortgagee, including reasonable attorneys' fees, in any such action or proceeding in which Mortgagee may appear; (iv) transfer and assign to Mortgagee any and all Leases subsequently entered into, which shall be made upon the same or substantially the same terms and conditions (at current market rates) as contained in the Leases presently in effect, and make, execute and deliver to Mortgagee upon demand any and all instruments required to effectuate said assignment; (v) furnish to Mortgagee, within ten (10) days after a request by Mortgagee to do so, a written

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statement containing the names of all lessees of the Premises or any part thereof, the terms of their respective Leases, the spaces occupied and the rentals payable thereunder as to Leases in which Mortgagor has an interest; (vi) use, within five (5) days of the demand therefor by Mortgagee, commercially reasonable efforts to request from any lessee under any of the Leases a certificate with respect to the status thereof as to Leases in which Mortgagor has an interest; and (vii) furnish Mortgagee promptly with copies of any notices of default which Mortgagor may at any time forward to any lessee of the Premises or any part thereof.

(e) Defeasance. Until an Event of Default, as such term is defined herein, Mortgagee shall not exercise any rights hereunder and Mortgagor shall have the right to collect upon, but not prior to accrual, all rents, issues, profits and advances from the Premises and to retain, use and enjoy the same. The rents, issues and profits are hereby assigned absolutely by Mortgagor to Mortgagee contingent only upon the occurrence of an Event of Default under this Mortgage or the Note.

## 25. Collection Upon Default.

(a) Upon any Event of Default, Mortgagee, but without obligation so to do and without releasing Mortgagor from any obligation hereof, may make or do the same in such manner and to such extent as Mortgagee may deem necessary to protect the security hereof, including specifically, without limiting its general powers, the right to appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of Mortgagee, and also the right to perform and discharge each and every obligation, covenant and agreement of Mortgagor in the Leases contained, and in exercising any such powers to incur and pay necessary and reasonable costs and expenses, including reasonable attorneys' fees, all at the expense of Mortgagor.

(b) Mortgagee shall not be obligated to perform or discharge, nor does it hereby undertake to perform or discharge, any obligation, duty or liability under the Leases or under or by reason of this assignment. Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which it may or might incur under the Leases or under or by reason of this Mortgage and of and from any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligations or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in the Leases. Should Mortgagee incur any such liability, loss or damage under the Leases or under or by reason of this assignment or in the defense of any such claims or demands, the amount thereof, including reasonable costs, expenses and reasonable attorneys' fees shall be secured hereby, and Mortgagor shall reimburse Mortgagee therefor with interest at the default rate provided in the Note immediately upon demand.

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(c) A demand on any lessee by Mortgagee for the payment of the rent on any Event of Default claimed by Mortgagee shall be sufficient warrant to the lessee to make future payment of rents to Mortgagee without the necessity for further consent by Mortgagor, and any person may and is hereby authorized to rely thereon.

(d) To the extent that Mortgagor has the right to so do, Mortgagor does further specifically authorize and instruct each and every present and future lessee of the whole or any part of the Premises to pay all unpaid rental agreed upon in any tenancy to Mortgagee upon receipt of demand from Mortgagee to pay the same, and Mortgagor hereby waives the right, claim or demand it may now or hereafter have against any such lessee by reason of such payment of rental to Mortgagee or compliance with other requirements of Mortgagee pursuant to this assignment. Mortgagee shall make a demand on such lessees only after an Event of Default.

(e) Upon or at any time after an Event of Default, Mortgagee may, without further notice, either in person or by agent with or without bringing any action or proceeding, or by a receiver to be appointed by a court, and, either with or without taking possession of the Premises, in the name of Mortgagor or in its own name sue for or otherwise collect and receive such rents, issues, profits and advances, including those past due and unpaid, and apply the same, less reasonable costs and expenses of operation and collection, including, but not being limited to, reasonable attorneys' fees, management fees and broker's commissions, upon any Indebtedness Secured Hereby, and in such order as Mortgagee may determine. Mortgagee reserves, within its own discretion, the right to determine the method of collection and the extent to which enforcement of collection of delinquent rents shall be prosecuted and shall not be accountable for more monies than it actually receives from the Premises. The entering upon and taking possession of the Premises or the collection of such rents, issues, profits and advances, and the application thereof, as aforesaid, shall not cure or waive any default hereunder and Mortgagee may continue to so possess and collect even after any such default has been cured. Mortgagor agrees that it will facilitate in all reasonable ways Mortgagee's collection of said rents, and will, upon request by Mortgagee, promptly execute a written notice to each lessee directing the lessee to pay rent to Mortgagee.

26. Security Agreement. This instrument shall also serve as a grant of security interest of the Personal Property provided herein. Concurrently with the execution hereof, Mortgagor will execute such UCC Financing Statements as are requested by Mortgagee, and will from time to time thereafter forthwith upon request by Mortgagee execute such additional Financing Statements and Continuation Statements as Mortgagee may request.

Mortgagor hereby makes the following representations and warranties regarding the Personal Property:

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(a) the Personal Property is bought or used primarily for business use;

(b) the Personal Property (except for receivables and bank accounts) will be kept at the Premises. Mortgagor will not remove the Personal Property from the Premises without the prior written consent of Mortgagee, which consent may be withheld in Mortgagee's sole and absolute discretion, unless the Personal Property is obsolete, damaged, sold or disposed of and replaced by Personal Property of comparable quality and value;

(c) except for the security interest granted hereby Mortgagor is the owner of the Personal Property free from any adverse lien, security interest or encumbrance; and Mortgagor will defend the Personal Property against all claims and demands of all persons at any time claiming the same or any interest therein;

(d) no Financing Statement covering any of the Personal Property or any proceeds thereof is on file in any public office, other than financing statements to be released by reason of payments to be made from disbursements of monies borrowed and secured hereby. Mortgagor shall immediately notify Mortgagee in writing of any change in name, address, identity or ownership structure from that shown in this Mortgage and shall also upon demand furnish to Mortgagee such further information and shall execute and deliver to Mortgagee such financing statements and other documents in form satisfactory to Mortgagee and shall do all such acts and things as Mortgagee may at any time or from time to time reasonably request or as may be necessary or appropriate to establish and maintain a perfected security interest in the Personal Property as security for the Indebtedness Hereby Secured, subject to no adverse liens or encumbrances; and Mortgagor will pay the cost of filing the same or filing or recording this Mortgage in all public offices wherever filing or recording is deemed by Mortgagee to be necessary or desirable. The original or a carbon, photographic or other reproduction of this Mortgage is sufficient as a financing statement;

(e) Mortgagor will not sell or offer to sell, assign, pledge, lease or otherwise transfer or encumber the Personal Property or any interest therein, unless such Personal Property is obsolete or sold or disposed of and is replaced by other Personal Property of comparable quality and value, without the prior written consent of Mortgagee; and

(f) Mortgagor will keep the Personal Property free from any adverse lien, security interest or encumbrance and in good order and repair, ordinary wear and tear excepted, shall not waste or destroy the Personal Property or any part thereof, and shall not use the Personal Property in violation of any statute, ordinance or policy of insurance thereon. Mortgagee may examine and inspect the

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Personal Property at any reasonable time or times, on reasonable notice, wherever located.

Until the occurrence of an Event of Default, Mortgagor may have possession of the Personal Property and use it in any lawful manner not inconsistent with this Mortgage and not inconsistent with any policy of insurance thereon.

Upon the occurrence of an Event of Default (regardless of whether the Code has been enacted in the jurisdiction where rights or remedies are asserted) and at any time thereafter Mortgagee shall have the remedies of a secured party under the Uniform Commercial Code of Illinois, including without limitation the right to take immediate and exclusive possession of the Personal Property, or any part thereof, and for that purpose may, so far as Mortgagor can give authority therefor, with or without judicial process, enter (if this can be done without breach of the peace), upon any premises on which the Personal Property or any part thereof may be situated and remove the same therefrom (provided that if the Personal Property is affixed to the Real Estate, such removal shall be subject to the conditions stated in the Uniform Commercial Code of Illinois); and Mortgagee shall be entitled to hold, maintain, preserve and prepare the Personal Property for sale, until disposed of, or may propose to retain the Personal Property subject to Mortgagor's right of redemption in satisfaction of Mortgagor's obligations as provided in the Uniform Commercial Code of Illinois. Mortgagee, without removal, may render the Personal Property unusable and dispose of the Personal Property on the Premises. Mortgagee may require Mortgagor to assemble the Personal Property and make it available to Mortgagee for possession at a place to be designated by Mortgagee which is reasonably convenient to both parties. Unless the Personal Property is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Mortgagee will give Mortgagor at least fifteen (15) days' notice of the time and place of any public sale thereof or of the time after which any private sale or any other intended disposition thereof is to be made. The requirements of reasonable notice shall be met if such notice is mailed, postage prepaid, to the address of Mortgagor shown in this Mortgage at least fifteen (15) days before the time of the sale or disposition. Mortgagee may buy at any public sale and if the Personal Property is of a type customarily sold in a recognized market or is of a type which is the subject of widely distributed standard price quotations, Mortgagee may buy at private sale. The net proceeds realized upon any such disposition, after deduction for the expenses of retaking, holding, preparing for sale or lease, selling, leasing and the like and reasonable attorneys' fees and legal expenses incurred by Mortgagee both before and after judgment, if any, shall be applied in satisfaction of the Indebtedness Hereby Secured. Mortgagee will account to Mortgagor for any surplus realized on such disposition and Mortgagor shall remain



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liable for any deficiency. All rights and remedies under this Mortgage are subject to applicable bankruptcy law.

The remedies of Mortgagee hereunder are cumulative and the exercise of any one or more of the remedies provided for herein or under the Uniform Commercial Code of Illinois shall not be construed as a waiver of any of the other remedies of Mortgagee so long as any part of Mortgagor's obligations remains unsatisfied.

All rights of Mortgagee in, to and under this Mortgage and in and to the Personal Property shall pass to and may be exercised by any assignee thereof. Mortgagor agrees that if Mortgagee gives notice to Mortgagor of an assignment of said rights, upon such notice the liability of Mortgagor to the assignee shall be immediate and absolute.

Mortgagor will not set up any claim against Mortgagee as a defense, counterclaim or setoff to any action brought by any such assignee for the unpaid balance owed hereunder or for possession of the Personal Property, provided that Mortgagor shall not waive hereby any right of action to the extent that waiver thereof is expressly made unenforceable under applicable law.

27. Rights Cumulative. Each right, power and remedy conferred upon Mortgagee is cumulative and in addition to every other right, power or remedy, express or implied, given now or hereafter existing, at law or in equity, and each and every right, power and remedy so existing may be exercised from time to time as often and in such order as may be deemed expedient by Mortgagee, and the exercise or the beginning of the exercise of one right, power or remedy shall not be a waiver of the right to exercise at the same time or thereafter any other right, power or remedy. No delay or omission of Mortgagee in the exercise of any right, power or remedy shall impair any such right, power or remedy, or be construed to be a waiver of any default or acquiescence therein.

28. Successors and Assigns. This Mortgage and each and every covenant, agreement and other provision hereof shall be binding upon Mortgagor and its successors and assigns, including each and every from time to time record owner of the Premises or any other person having an interest therein, and shall inure to the benefit of Mortgagee and its successors and assigns. Wherever herein Mortgagee is referred to, such reference shall be deemed to include the holder of the Note, whether so expressed or not; and each such holder of the Note shall have and enjoy all of the rights, privileges, powers, options and benefits afforded hereby and hereunder, and may enforce all and every of the terms and provisions hereof, as fully and to the same extent and with the same effect as if such from time to time holder were herein by name designated the Mortgagee.

29. Provisions Severable. The unenforceability or invalidity of any provisions hereof shall not render any other provisions herein contained unenforceable or invalid.

30. Waiver of Defense. Actions for the enforcement of the lien or any provision hereof shall not be subject to any defense which would not be good and available to the party interposing the same in an action at law upon the Note, and all such defenses are hereby waived by Mortgagor.

31. Captions and Pronouns. The captions and headings of the various sections of this Mortgage are for convenience only, and are not to be construed as confining or limiting in any way the scope or intent of the provisions hereof. Whenever the context requires or permits, the singular shall include the plural, the plural shall include the singular and the masculine, feminine and neuter shall be freely interchangeable.

32. Addressee and Notices. Any notice which any party hereto may desire or may be required to give to any other party shall be in writing, and the mailing thereof by certified mail to the addresses hereafter set forth or to such other place as any party hereto may by notice in writing designate, shall constitute service of notice hereunder:

IF TO MORTGAGEE:                   The PrivateBank and Trust Company  
10 North Dearborn Street  
Chicago, Illinois 60602  
Attn: Loan Operations

IF TO MORTGAGOR:                   Ann C. Adams  
Tamara M. Müller  
814 William  
River Forest, Illinois 60305

33. No Liability on Mortgagee. Notwithstanding anything contained herein, Mortgagee shall not be obligated to perform or discharge, and does not hereby undertake to perform or discharge, any obligation, duty or liability of Mortgagor, whether hereunder, under any of the leases affecting the Premises, under any contract relating to the Premises or otherwise, and Mortgagor shall and does hereby agree to indemnify and hold Mortgagee harmless of and from any and all liability, loss or damage which Mortgagee may incur under or with respect to any portion of the Premises or under or by reason of its exercise of rights hereunder; and any and all claims and demands whatsoever which may be asserted against it by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained in any of the contracts, documents or instruments affecting any portion of the Premises or affecting any rights of the Mortgagor

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thereto. Mortgagee shall not have responsibility for the control, care, management or repair of the Premises or be responsible or liable for any negligence in the management, operation, upkeep, repair or control of the Premises resulting in loss or injury or death to any tenant, licensee, employee, stranger or other person. No liability shall be enforced or asserted against Mortgagee in its exercise of the powers herein granted to it, and Mortgagor expressly waives and releases any such liability. Should Mortgagee incur any such liability, loss or damage under any of the leases affecting the Premises or under or by reason hereof, or in the defense of any claims or demands, Mortgagor agrees to reimburse Mortgagee immediately upon demand for the full amount thereof, including costs, expenses and attorneys' fees.

34. Mortgagee not a Joint Venturer or Partner. Mortgagor and Mortgagee acknowledge and agree that Mortgagee is not and in no event shall be deemed to be a partner or joint venturer with Mortgagor or any beneficiary of Mortgagor. Mortgagee shall not be deemed to be a partner or joint venturer on account of its becoming a mortgagee in possession or exercising any rights pursuant to this Mortgage or pursuant to any other instrument or document evidencing or securing any of the indebtedness Secured Hereby, or otherwise.

35. E.P.A. Compliance Mortgagor covenants that the buildings and other improvements constructed on, under or above the subject real estate will be used and maintained in accordance with the applicable state or federal environmental protection agency regulations and the use of said buildings by Mortgagor or Mortgagor's lessees will not unduly or unreasonably pollute the atmosphere with smoke, fumes, noxious gases or particulate pollutants in violation of any such regulations. In the event Mortgagor or said lessees are served with notice of violation by any such E.P.A. Agency or other governmental authority, Mortgagor will immediately cure such violation and abate whatever nuisance or violation is claimed or alleged to exist.

36. Subsequent Loan Disbursements. This Mortgage is given to secure and shall be a valid lien as to all the Indebtedness Hereby Secured and secures presently existing Indebtedness Hereby Secured and future Indebtedness Hereby Secured as it arises within twenty years from the date hereof to the same extent as if such future Indebtedness Hereby Secured arose on the date of the execution of this Mortgage although the amount and character of the Indebtedness Hereby Secured may vary during the term of this Mortgage. This Mortgage is intended to and shall be valid and have priority over all subsequent liens and encumbrances, including statutory liens, except solely taxes levied on the Premises, to the extent of the amount of the Note, plus interest and any disbursements made pursuant to the Note, Mortgage and Third Modification.

37. Furnishing of Financial Statements and Reports to Mortgagee. Mortgagor covenants and agrees that it will keep and

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maintain books and records of account, or cause books and records of account to be kept and maintained in which full, true and correct entries shall be made of all dealings and transactions relative to the Premises, which books and records of account shall, at reasonable times and on reasonable notice, be open to the inspection of Mortgagee and its accountants and other duly authorized representatives. Such books of record and account shall be kept and maintained either:

(a) in accordance with generally accepted accounting principles consistently applied; or

(b) in accordance with a cash basis or other recognized comprehensive basis of accounting consistently applied.

Mortgagor covenants and agrees to furnish or cause to be furnished to Mortgagee annually, within sixty (60) days of the end of each fiscal year of Mortgagor a report satisfactory to Mortgagee, including a balance sheet and supporting schedules and containing a detailed statement of income and expenses. Mortgagor shall certify that each such report presents fairly Mortgagor's financial position. Mortgagor also covenants and agrees to furnish or cause to be furnished to Mortgagee annually on or before April 30th of each year (or within fifteen days after filing its return in any year in which Mortgagor elects an extension, but in no event later than October 31) copies of Mortgagor's federal income tax filings.

If Mortgagor omits to prepare and deliver promptly any report required by this paragraph, Mortgagee may elect, in addition to exercising any remedy for an Event of Default as provided for in this Mortgage, to make an audit of all books and records of Mortgagor including his bank accounts which in any way pertain to the Premises and to prepare the statement or statements which Mortgagor failed to procure and deliver. Such audit shall be made and such statement or statements shall be prepared by an independent Certified Public Accountant to be selected by Mortgagee. Mortgagor shall pay all expenses of the audit and other services, which expenses shall be secured hereby as additional indebtedness and shall be immediately due and payable with interest thereon at the Default Rate of interest as set forth in the Note and shall be secured by this Mortgage.

38. Financing Statement. This Mortgage is intended to be a financing statement within the purview of section 9-402 (6) of the Uniform Commercial Code with respect to the collateral and the goods described herein, which goods are and may become fixtures relating to the Premises. The addresses of the Mortgagor as Debtor and the Mortgagee as Secured Party are set forth herein. This Mortgage is to be filed for record with the Recorder of Deeds of the county or counties where the Premises are located.



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39. Jury Waiver. Mortgagor knowingly, voluntarily and intentionally waives irrevocably the right it may have to trial by jury with respect to any legal proceeding based hereon, or arising out of, under or in connection with the Note, the Indebtedness Hereby Secured, or the Premises, or any agreement executed or contemplated to be executed in conjunction herewith or any course of conduct or course of dealing in which Mortgagee and Mortgagor are adverse parties. This provision is a material inducement for Mortgagee in granting any financial accommodation to Mortgagor.

40. Submission to Jurisdiction. Mortgagor hereby irrevocably submits to the jurisdiction of any state or federal court sitting in Chicago, Illinois over any action or proceeding based hereon and Mortgagor hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such state or federal court. Mortgagor hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Mortgagor irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to such Mortgagor at its address as specified herein or otherwise in the records of the Mortgagee. Mortgagor agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.


Mortgagor agrees not to institute any legal action or proceeding against Mortgagee or the directors, officers, employees, agents or property thereof, in any court other than the one hereinabove specified. Nothing in this Section shall affect the right of Mortgagee to serve legal process in any other manner permitted by law or affect the right of Mortgagee to bring any action or proceeding against Mortgagor or its property in the courts of any other jurisdictions.

41. Year 2000 Capability. Mortgagor has reviewed the areas within their business and operations which could be adversely affected by, and have developed or are developing a program to address on a timely basis, the "Year 2000 Problem" (that is, the risk that computer applications used by Mortgagor may be unable to recognize and perform properly date-sensitive functions involving certain dates prior to and any date on or after December 31, 1999), and have made related appropriate inquiry of material suppliers and vendors. Based on such review and program, Mortgagor believes that the "Year 2000 Problem" will not have a material adverse effect on Mortgagor. From time to time, at the request of the Mortgagee, Mortgagor shall provide to the Mortgagee such updated information or documentation as is requested regarding the status of their efforts to address the "Year 2000 Problem."

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IN WITNESS WHEREOF, the undersigned have caused these presents to be executed and delivered on Nov 16, 1998.

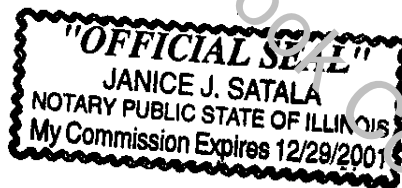
  
Ann C. Adams

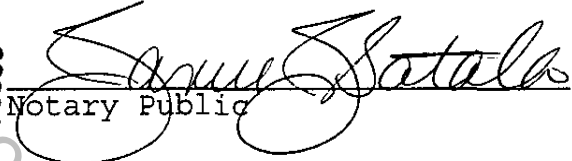
  
Tamara M. Müller

STATE OF ILLINOIS    )  
                                  )    SS  
COUNTY OF C O O K    )

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Ann C. Adams, never married, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal Nov 16, 1998.



  
Notary Public

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08080636

STATE OF ILLINOIS     )  
                                  )     SS  
COUNTY OF C O O K    )

The undersigned, a Notary Public in and for the State and County aforesaid, does hereby certify that Tamara M. Müller, never married, personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she signed and delivered the said instrument as her own free and voluntary act, for the uses and purposes therein set forth.

GIVEN under my hand and Notarial Seal Nov 16, 1998.



*Janice J. Satala*  
Notary Public

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**PROMISSORY NOTE**  
("Revised Note No. 2")

08080636

\$555,704.00 \_\_\_\_\_, 1998

**FOR VALUE RECEIVED** the undersigned, Independence Plus, Inc., an Illinois corporation ("Borrower") promises to pay to the order of The PrivateBank and Trust Company (said Bank and each successive owner and holder of this Note being hereinafter called "Holder"), the principal sum of Five Hundred Fifty-Five Thousand Seven Hundred Four Dollars (\$555,704), or so much thereof as may from time to time be outstanding hereunder, together with interest on the balance of principal from time to time remaining unpaid, in the amounts, at the rates and on the dates hereafter set forth.

(1) On December 15, 1998, and on the first day of each succeeding calendar month thereafter until all amounts due hereunder are paid, there shall be paid interest in arrears on the outstanding principal balance at a rate equal to the prime rate of interest in effect from time to time at The PrivateBank and Trust Company plus one-half (.5%) percent per annum.

(2) On December 15, 1998, and on the fifteenth day of each succeeding month thereafter to and including March 15, 1999, there shall also be paid on account of this Note the amount of \$4,000;

(3) On April 15, 1999, and on the fifteenth day of each succeeding month thereafter, there shall also be paid such amount as shall be appropriate to amortize the outstanding principal balance of the Note as of April 15, 1999 over a term of three (3) years. For purposes of example, if all payments are made as agreed and no prepayments are made, there shall be paid the amount of \$15,992.00 plus interest as provided in subparagraph (a) hereof.

(4) On January 15, 2000, the principal balance together with all accrued interest and all other amounts due hereunder shall be paid.

Interest shall be calculated on the basis of a year having 360 days and shall be paid for the actual days outstanding.

The balance due on account of this Note may be prepaid, without premium or penalty, in whole or in part and all accrued interest hereon shall be payable and shall be paid on the date of prepayment.

The prime rate of interest charged by The PrivateBank and Trust Company is the highest prime rate of interest published in the Wall Street Journal. In the event a prime rate of interest is

no longer published in the Wall Street Journal, Holder shall base its prime rate on such prime rates as shall be, in the reasonable judgment of Holder, comparable to the highest prime rate of interest published in the Wall Street Journal.

Payment upon this Note shall be made in lawful money of the United States at such place as the Holder of this Note may from time to time in writing appoint and in the absence of such appointment, shall be made at the offices of The PrivateBank and Trust Company, 10 North Dearborn Street, Chicago, Illinois 60602.

Without limiting the provisions of the succeeding paragraphs, in the event any payment of interest or principal is not paid within ten (10) days after the date the same is due, the undersigned promises to pay a "Late Charge" of five (5%) percent of the amount so overdue to defray the expense incident to handling any such delinquent payment or payments.

This Note is executed pursuant to a Third Loan and Security Modification Agreement ("Third Modification"), which Third Modification modifies a Loan Agreement ("Loan Agreement") and other documents executed and delivered to Bank on July 17, 1996. Pursuant to the Third Modification, this Note restates and amends in its entirety that certain Promissory Note in the amount of \$646,704.76 dated September 29, 1997 ("Revised Note No. 1"), which Promissory Note restated and amended in its entirety that certain Promissory Note in the amount of \$650,000 dated July 17, 1996 ("Original Note"). All amounts outstanding pursuant to the Original Note and Revised Note No. 1 are deemed outstanding hereunder. Interest previously charged on, and amounts previously paid on, the Original Note and Revised Note No. 1 are unchanged.

This Note is secured by two instruments entitled "Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC-2 Financing Statement" and other documents (collectively "Security Documents").

At the election of the Holder hereof, without notice, the principal sum remaining unpaid hereon, together with accrued interest, shall be and become at once due and payable in the case of default in the payment of principal or interest when due in accordance with the terms hereof or upon the occurrence of any "Event of Default" under the Loan Agreement, the Third Modification or the Security Documents not cured within the applicable cure period.

Under the provisions of the Loan Agreement and the Third Modification and the documents described therein (collectively "Loan Documents"), the unpaid balance hereunder may, at the option of the Holder, be accelerated and become due and payable forthwith upon the happening of certain events as set forth therein. The

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Loan Agreement, the Third Modification and the Loan Documents are, by this reference, incorporated herein in their entirety and notice is given of such possibility of acceleration.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceeding, the undersigned promises to pay all reasonable costs incurred by Bank in connection therewith including, but not limited to, court costs, litigation expense and reasonable attorneys' fees.

Payments received on account of this Note shall be applied first to the payment of any amounts due pursuant to the next preceding paragraph, secondly to interest and Late Charges and the balance to principal.

The principal hereof, including each installment of principal, shall bear interest after the occurrence of an event of default, not cured within the applicable cure period, at the annual rate (herein called the "Default Rate") determined by adding three (3%) percentage points to the interest rate then required to be paid, as above provided, on the principal balance.

Borrower waives notice of default, presentment, notice of dishonor, protest and notice of protest.

Funds representing the proceeds of the indebtedness evidenced herein which are disbursed by Holder by mail, wire transfer or other delivery to Borrower, Escrowees or otherwise for the benefit of Borrower shall, for all purposes, be deemed outstanding hereunder and received by Borrower as of the date of such mailing, transfer or other delivery, and interest shall accrue and be payable upon such funds from and after the date of such mailing, wire transfer or other delivery until repaid to Holder, notwithstanding the fact that such funds may not at any time have been remitted by such Escrowees to the Borrower.

Borrower knowingly, voluntarily and intentionally waives irrevocably the right it may have to trial by jury with respect to any legal proceeding based hereon; or arising out of, under or in connection with this Note, the Loan Agreement or any of the other obligations, or the collateral secured by the security documents, or any agreement, executed or contemplated to be executed in conjunction herewith or any course of conduct or course of dealing, in which Holder and Borrower are adverse parties. This provision is a material inducement for Holder in granting any financial accommodation to Borrower.

Borrower hereby irrevocably submits to the jurisdiction of any state or federal court sitting in Chicago, Illinois over any action or proceeding based hereon and Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding shall be

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heard and determined in such state or federal court. Borrower hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Borrower irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to such Borrower at its address as specified herein or otherwise in the records of the Holder. Borrower agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

Borrower agrees not to institute any legal action or proceeding against Holder or the directors, officers, employees, agents or property thereof, in any court other than the one hereinabove specified. Nothing in this Section shall affect the right of Holder to serve legal process in any other manner permitted by law or affect the right of Holder to bring any action or proceeding against Borrower or its property in the courts of any other jurisdictions.

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Time is of the essence of this Note and each provision hereof.

Independence Plus, Inc., an  
Illinois corporation

BY: \_\_\_\_\_  
Its \_\_\_\_\_  
Attest: \_\_\_\_\_  
Its \_\_\_\_\_

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## PROMISSORY NOTE EVIDENCING A REVOLVING LINE OF CREDIT

("Note No. 3")

\$150,000.00 \_\_\_\_\_, 1998.

FOR VALUE RECEIVED the undersigned, Independence Plus, Inc., an Illinois corporation ("Borrower"), promises to pay to the order of The PrivateBank and Trust Company, an Illinois corporation (said Bank and each successive owner and holder of this Note being hereinafter called "Holder"), the principal sum of One Hundred Fifty Thousand Dollars (\$150,000), or so much thereof as may from time to time be outstanding hereunder, together with interest on the balance of principal from time to time remaining unpaid, in the amounts, at the rates and on the dates hereafter set forth.

(a) On December 1, 1998, and on the first day of each calendar month thereafter until all amounts outstanding hereunder are paid, interest for the preceding month shall be paid at the rate equal to the prime rate of interest as announced from time to time at The PrivateBank and Trust Company plus one-half percent (.5%) per annum.

(b) On January 1, 2000, the entire unpaid principal balance, together with all accrued and unpaid interest and all other amounts which become due hereunder shall be paid.

Payments shall be made at such place as the legal holder of this Note may from time to time in writing appoint, and in the absence of such appointment, to The PrivateBank and Trust Company, 10 North Dearborn Street, Chicago, Illinois 60602.

Interest shall be calculated on the basis of a year having 360 days and shall be paid for the actual days outstanding.

The prime rate of interest charged by The PrivateBank and Trust Company is the highest prime rate of interest published in the Wall Street Journal. In the event a prime rate of interest is no longer published in the Wall Street Journal, Holder shall base its prime rate on such prime rates as shall be, in the reasonable judgment of Holder, comparable to the highest prime rate of interest published in the Wall Street Journal. Borrower acknowledges and agrees that the prime rate of interest charged by The PrivateBank and Trust Company is set based on market factors, and is not necessarily the lowest or most favorable rate charged by Bank.

Payment upon this Note shall be made in lawful money of the United States at such place as the Holder of this Note may from time to time in writing appoint and in the absence of such appoint-

Page 1 of 4 Pages

**EXHIBIT A-2**

ment, shall be made at the offices of The PrivateBank and Trust Company, 10 North Dearborn Street, Chicago, Illinois 60602.

Without limiting the provisions of the succeeding paragraphs, in the event any payment of interest or principal is not paid within ten (10) days after the date the same is due, the undersigned promises to pay a "Late Charge" of five (5%) percent of the amount so overdue to defray the expense incident to handling any such delinquent payment or payments.

This Note is executed pursuant to a Third Loan and Security Modification Agreement ("Third Modification") which modifies a Loan Agreement dated July 17, 1996 and is secured by two instruments entitled "Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC-2 Financing Statement," an instrument entitled "Security Agreement" and other documents (collectively "Security Documents").

This Note evidences a revolving line of credit loan. Borrower may obtain funds by requesting loans ("Loans") pursuant to the Loan Agreement. Borrower agrees that the Bank will not be required to make Loans: (i) which would cause the outstanding loan balance to exceed eighty (80%) percent of Eligible Accounts in excess of \$235,000 (excluding Medicare and Medicaid Accounts) as defined in the Loan Agreement, which amount is herein defined as the "Credit Limit"; (ii) if Borrower are in default under this Note, the Loan Agreement, the Third Modification or the Security Documents securing this Note, the Loan Agreement and the Third Modification; or (iii) at any time after December 31, 1999. Borrower agrees not to exceed the Credit Limit. This is a revolving line of credit in that repayments of principal will reduce the outstanding balance of the Loans, and amounts up to the Credit Limit will be available for Loan requests subject to the provisions of this Note and the Loan Agreement.

At the election of the Holder hereof, without notice, the principal sum remaining unpaid hereon, together with accrued interest, shall be and become at once due and payable in the case of default in the payment of principal or interest when due in accordance with the terms hereof or upon the occurrence of any "Event of Default" under the Loan Agreement, the Third Modification or the Security Documents not cured within the application cure period.

Under the provisions of the Loan Agreement and the Third Modification and the documents described therein (collectively "Loan Documents"), the unpaid balance hereunder may, at the option of the Holder, be accelerated and become due and payable forthwith upon the happening of certain events as set forth therein. The

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Loan Agreement, the Third Modification and the Loan Documents are, by this reference, incorporated herein in their entirety and notice is given of such possibility of acceleration.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceeding, the undersigned promises to pay all costs incurred by Bank in connection therewith including, but not limited to, court costs, litigation expense and attorneys' fees.

Payments received on account of this Note shall be applied first to the payment of any amounts due pursuant to the next preceding paragraph, secondly to interest and Late Charges and the balance to principal.

The principal hereof, including each installment of principal, shall bear interest after the occurrence of an event of default, not cured within the applicable cure period, at the annual rate (herein called the "Default Rate") determined by adding three (3%) percentage points to the interest rate then required to be paid, as above provided, on the principal balance.

Borrower waives notice of default, presentment, notice of dishonor, protest and notice of protest.

Funds representing the proceeds of the indebtedness evidenced herein which are disbursed by Holder by mail, wire transfer or other delivery to Borrower, Escrowees or otherwise for the benefit of Borrower shall, for all purposes, be deemed outstanding hereunder and received by Borrower as of the date of such mailing, transfer or other delivery, and interest shall accrue and be payable upon such funds from and after the date of such mailing, wire transfer or other delivery until repaid to Holder, notwithstanding the fact that such funds may not at any time have been remitted by such Escrowees to the Borrower.

Borrower knowingly, voluntarily and intentionally waives irrevocably the right it may have to trial by jury with respect to any legal proceeding based hereon, or arising out of, under or in connection with this Note, the Mortgage, the Loan Agreement, the Third Modification or any of the other obligations, or the collateral secured by the security documents, or any agreement, executed or contemplated to be executed in conjunction herewith or any course of conduct or course of dealing, in which Holder and Borrower are adverse parties. This provision is a material inducement for Holder in granting any financial accommodation to Borrower.

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Borrower hereby irrevocably submits to the jurisdiction of any state or federal court sitting in Chicago, Illinois over any action or proceeding based hereon and Borrower hereby irrevocably agrees that all claims in respect of such action or proceeding shall be heard and determined in such state or federal court. Borrower hereby irrevocably waives, to the fullest extent it may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Borrower irrevocably consents to the service of any and all process in any such action or proceeding by the mailing of copies of such process to such Borrower at its address as specified herein or otherwise in the records of the Mortgagee. Borrower agrees that a final judgment in any such action or proceeding, after all appeal rights are exhausted, shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

Borrower agrees not to institute any legal action or proceeding against Holder or the directors, officers, employees, agents or property thereof, in any court other than the one hereinabove specified. Nothing in this paragraph shall affect the right of Holder to serve legal process in any other manner permitted by law or affect the right of Holder to bring any action or proceeding against Borrower or its property in the courts of any other jurisdictions; provided, however, unless Holder is required by law to institute proceedings in any other jurisdiction, Holder shall first institute proceedings in a state or federal court sitting in Chicago, Illinois.

Time is of the essence of this Note and each provision hereof.

Independence Plus, Inc., an  
Illinois corporation

By: \_\_\_\_\_  
Its \_\_\_\_\_

Attest: \_\_\_\_\_  
Its \_\_\_\_\_

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## PROMISSORY NOTE

("Note No. 4")

\$131,000.00

\_\_\_\_\_, 1998

FOR VALUE RECEIVED the undersigned, ~~Independence Plus, Inc.,~~ an ~~Illinois~~ corporation, Ann C. Adams and Tamara M. Müller (collectively "Borrowers"), jointly and severally, promise to pay to the order of The PrivateBank and Trust Company, an Illinois banking corporation (said Bank and each successive owner and holder of this Note being hereinafter called "Holder"), the principal sum of One Hundred Thirty-One Thousand and no/100 (\$131,000) Dollars, or so much thereof as may from time to time be outstanding hereunder, together with interest on the balance of principal from time to time remaining unpaid, in the amounts, at the rates and on the dates hereafter set forth.

The rate of interest payable on this Note will change from time to time as hereafter provided. Monthly payments on account of this Note shall be adjusted from time to time as the rate of interest changes. Payments on account of this Note shall be made as follows:

(a) On January 1, 1999, and continuing on the first day of each succeeding month to and including December 1, 2003, there shall be paid on account of this Note the amount of \$1,222.54, which amount shall be applied first to interest at a rate of 7.5% per annum and the balance to principal.

(b) On December 1, 2003 and December 1, 2008 (each date shall hereafter be referred to as an "Adjustment Date"), the rate of interest to be paid by Borrowers to Holder shall be adjusted ("Adjusted Rate"). The Adjusted Rate shall be determined by adding 3.0 percentage points to the weekly average yield on United States Treasury securities adjusted to a constant maturity of five years in effect as of the date 45 days preceding the Adjustment Date, as published in the Federal Reserve Statistical Release (H.15, Selected Interest Rates Report), rounded to the nearest .125%.

(c) On January 1, 2004 and January 1, 2009 (each date shall hereafter be referred to as an "Adjusted Payment Date"), the monthly payment shall be adjusted to a payment in the appropriate amount required to amortize, by the level rate amortization method, the outstanding principal balance of the Note as of each Adjustment Date at such Adjusted Rate for a term of months determined by deducting from 180 months the number of months elapsed from January 1, 1999 to each Adjustment Date ("Adjusted Payment"). The Adjusted Payment shall be made on the Adjusted Payment Date and on the first day of each succeeding month thereafter to and including the next

Page 1 of 4 Pages

**EXHIBIT A-3**

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Adjustment Date or the Maturity Date, whichever first occurs, and shall be applied first to interest at the Adjusted Rate and the remainder to principal.

(d) On December 1, 2013 ("Maturity Date"), the principal balance together with all accrued interest and all other amounts due hereunder shall be paid.

In the event prior to any Adjustment Date, the United States shall discontinue the publication of the Federal Reserve Statistical Release, the adjustment provided for in subparagraph (b) above shall be made based upon such index as shall be, in the reasonable judgment of Holder, comparable to the index provided for in said subparagraph (b). In the event the index selected by the Holder is not acceptable to Borrowers, the interest rate previously in effect shall continue to be in effect for an additional period of two months and monthly payments shall continue in the same amount. During such period of two months Borrowers and Holder shall negotiate an acceptable rate of interest and a mutually acceptable method of determining a rate of interest for future adjustments. Should the parties reach an agreement the monthly payments for the preceding two months shall be adjusted and monthly payments shall be calculated based upon such agreement. Should the parties not reach an agreement within such two months, then the principal balance, together with all accrued interest and all other amounts due hereunder, shall be due and payable, and shall be paid on the tenth day following the expiration of such two-month period.

Interest shall be calculated on the basis of a calendar year having 360 days and shall be paid for the actual days outstanding.

This Note may be prepaid, without premium or penalty, in whole or in part, and all accrued interest hereon shall be payable and shall be paid on the date of prepayment.

Payment upon this Note shall be made in lawful money of the United States at such place as the Holder of this Note may from time to time in writing appoint and in the absence of such appointment, shall be made at the offices of The PrivateBank and Trust Company, 10 North Dearborn, Chicago, Illinois 60602.

Without limiting the provisions of the succeeding paragraphs, in the event any payment of interest is not paid within ten (10) days after the date the same is due, the undersigned promises to pay a "Late Charge" of five (5%) percent of the amount so overdue to defray the expense incident to handling any such delinquent payment or payments.

This Note is executed pursuant to a Third Loan and Security Modification Agreement ("Third Modification") which modifies a Loan Agreement ("Loan Agreement") and is secured by two instruments

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entitled "Real Estate Mortgage, Assignment of Rents, Security Agreement and UCC-2 Financing Statement" (collectively "Mortgage") and an instrument entitled "Security Agreement" and other documents (collectively "Security Documents").

At the election of the Holder hereof, without notice, the principal sum remaining unpaid hereon, together with accrued interest, shall be and become at once due and payable in the case of default the payment of principal or interest when due in accordance with the terms hereof or upon the occurrence of any "Event of Default" under the Mortgage, Loan Agreement, Third Modification or the Security Documents not cured within the applicable cure period.

Under the provisions of the Loan Agreement and the Third Modification and the documents described therein (collectively "Loan Documents") the unpaid balance hereunder may, at the option of the Holder, be accelerated and become due and payable forthwith upon the happening of certain events as set forth therein. The Loan Documents are, by this reference, incorporated herein in their entirety and notice is given of such possibility of acceleration.

The principal hereof, including each installment of principal, shall bear interest after the occurrence of an event of default, not cured within the applicable cure period, at the annual rate (herein called the "Default Rate") determined by adding three (3%) percentage points to the interest rate then required to be paid, as above provided, on the principal balance.

Borrowers waive notice of default, presentment, notice of dishonor, protest and notice of protest.

If this Note is placed in the hands of an attorney for collection or is collected through any legal proceeding, the undersigned promise to pay all costs incurred by Bank in connection therewith including, but not limited to, court costs, litigation expense and attorneys' fees.

Payments received on account of this Note shall be applied first to the payment of any amounts due pursuant to the next preceding paragraph, secondly to interest and Late Charges and the balance to principal.

Funds representing the proceeds of the indebtedness evidenced herein which are disbursed by Holder by mail, wire transfer or other delivery to Borrowers, Escrowees or otherwise for the benefit of Borrowers shall, for all purposes, be deemed outstanding hereunder and received by Borrowers as of the date of such mailing, wire transfer or other delivery, and interest shall accrue and be payable upon such funds from and after the date of such mailing, wire transfer or other delivery until repaid to Holder, not-

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withstanding the fact that such funds may not at any time have been remitted by such Escrowees to the Borrowers.

Borrowers knowingly, voluntarily and intentionally waive irrevocably the right they may have to trial by jury with respect to any legal proceeding based hereon, or arising out of, under or in connection with this Note, Mortgage or any of the other obligations, or the collateral secured by the Security Documents, or any agreement, executed or contemplated to be executed in conjunction herewith or any course of conduct or course of dealing, in which Holder and Borrowers are adverse parties. This provision is a material inducement for Holder in granting any financial accommodation to Borrowers.

Borrowers hereby irrevocably submit to the jurisdiction of any state or federal court sitting in Chicago, Illinois over any action or proceeding based hereon and Borrowers hereby irrevocably agree that all claims in respect of such action or proceeding shall be heard and determined in such state or federal court. Borrowers hereby irrevocably waive, to the fullest extent they may effectively do so, the defense of an inconvenient forum to the maintenance of such action or proceeding. Borrowers irrevocably consent to the service of any and all process in any such action or proceeding by the mailing of copies of such process to such Borrowers at their addresses as specified herein or otherwise in the records of the Holder. Borrowers agree that a final judgment in any such action or proceeding shall be conclusive and may be enforced in any other jurisdiction by suit on the judgment or in any other manner provided by law.

Borrowers agree not to institute any legal action or proceeding against Holder or the directors, officers, employees, agents or property thereof, in any court other than the one hereinabove specified. Nothing in this Section shall affect the right of Holder to serve legal process in any other manner permitted by law or affect the right of Holder to bring any action or proceeding against Borrowers or their property in the courts of any other jurisdictions.

Time is of the essence of this Note and each provision hereof.

Independence Plus, Inc., an  
Illinois corporation

By: \_\_\_\_\_  
Its \_\_\_\_\_

Attest \_\_\_\_\_  
Its \_\_\_\_\_

Ann G. Adams

Tamara M. Müller

**COPY**

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*Handwritten initials: JSA*

Page 4 of 4 Pages

**EXHIBIT A-3**

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## EXHIBIT B

### LEGAL DESCRIPTION:

Lots 6 and 7 in Block 2 in Rosalie Highlands, being a Subdivision in the Northeast  $\frac{1}{4}$  of Section 6, Township 39 North, Range 13, East of the Third Principal Meridian, in Cook County, Illinois

COMMONLY KNOWN AS: 6707 W. North Avenue, Oak Park, Illinois  
P.I.N.: 16-06-201-006-0000; 16-06-201-007-0000

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